

Rental Housing Review

Presentation by Landlord Stakeholders:

- Landlord Association
- National Association of Residential Property Managers
- Spokane Housing Ventures
- Smaller Scale Landlords

Representing Landlord Stakeholders:

Landlord Association: Alexander Scott and Steve Corker
National Association of Residential Property Managers: Eric Bisset
Spokane Housing Ventures: Patty Webster
Spokane Housing Authority: Cicely Bradley
Small Scale Landlord: Heleen Dewey, Chris Bornhoft

Facts: Importance of rental housing

Importance of Private Housing:

47% of housing are rental properties

Avg of 2.5 persons per household – 99,944 people in rentals

19.9% (42,201) people in poverty concentrated in rental housing

Investment in rentals exceeds \$3 BILLION

Property taxes \$39 million, utilities \$33 million (10% of City budget)

Rental Income generated is over \$297 million (12% of Spokane GDP)

YET:

Dwindling pool of rentals (govt and private)	Low profitability
Ageing infrastructure	High cost to provide rental housing
Confrontational problem resolution – litigation focused	More governance – mandatory registration and inspections
Little support for landlords	No investment incentives

Economics of Renter Properties						
	Owner	Renter	Total			
Single Unit	44,443	15,948	60,391			
Two-to-four Unit		8,188	8,188			
Five-plus Unit		15,480	15,480			
Total Renter Properties	44,443	39,616	84,059			
	53%	47%				
Property Values						
	Renter Properties	Avg \$	Total \$			
Single Unit	15,948	115,000	1,834,020,000			
Two-to-four Unit	8,188	55,000	450,340,000			
Five-plus Unit	15,480	50,000	774,000,000			
Total Renter Properties	39,616		3,058,360,000			
Property Taxes						
	Renter Properties	Avg / yr	Total / yr	Utilities	Avg / mth	City Income
Single Unit	15,948	2,000	31,896,000	100	19,137,600	51,033,600
Two-to-four Unit	8,188	750	6,141,000	50	4,912,800	11,053,800
Five-plus Unit	15,480	750	11,610,000	50	9,288,000	20,898,000
Total Renter Properties	39,616		49,647,000		33,338,400	82,985,400
% of City 2016 Budget			6%		4%	10%
Rental Income						
	Renter	Avg / mth	Total / yr			
Single Unit	15,948	800	153,100,800			
Two-to-four Unit	8,188	500	49,128,000			
Five-plus Unit	15,480	500	92,880,000			
Total Renter Properties	39,616		295,108,800			
% of City 2016 Budget			36%			
\$ M						
GDP 2008 City of Spokane		17,640				
Real Estate and Rental and Leasing		2,041	12%			

http://econpost.com/gdp/spokane-washington-gdp-table-2008

Facts: Profit myth Single Family Residence				
Single Family Home			Profit /yr	Cash on Cash return
Property Value		120,000		
Loan	70% of property value	70%	84,000	
Building Value	Say 80%	80%	96,000	
Rent	Monthly rent say	850	10,200	10,200
Vacancy Rate		3%	(255)	(255)
Property Management		8%	(816)	(816)
Taxes	City Taxes	2,000	(2,000)	(2,000)
Insurance		500	(500)	(500)
Repairs - annual	1% of property value	1%	960	(960)
Repairs - structural repairs	Replace house in 27 years	27	3,556	(3,556)
Interest Rate	Est 5%	5%	4,200	(4,200)
(Loss) / Profit \$			(2,087)	1,469
(Loss) / Profit on Property Value %			-1.74%	1.22%

Facts: Profit myth Apartment				
Apartment - 2 bedroom			Profit /yr	Cash on Cash return
Property Value		70,000		
Loan	70% of property value	70%	49,000	
Building Value	Say 80%	80%	56,000	
Rent	Monthly rent say	600	7,200	7,200
Vacancy Rate		3%	(180)	(180)
Property Management		8%	(576)	(576)
Taxes	City Taxes	2,000	(2,000)	(2,000)
Repairs - annual	1% of property value	1%	560	(560)
Repairs - structural repairs	Replace house in 27 years	27	2,074	(2,074)
Interest Rate	Est 5%	5%	2,450	(2,450)
(Loss) / Profit \$			(640)	1,434
(Loss) / Profit on Property Value %			-0.91%	2.05%

Why do landlords invest in residential property?

Capital appreciation – long term, repurpose property
 Got the property cheap – e.g. inheritance, foreclosure
 Alternative investment at stage of life
 Alternative investment compared to economic conditions

Increase profit by better Management :

Increase rent over time
 Increase rent – better property condition
 Reduce Vacancies
 Good tenants – pay rent on time, take care of property, no damage
 Reduce costs by not repairing short term
 Reduce costs by not doing long term replacements
 Operate and sell before major improvements are required

Major concerns

Much of Spokane's rental woes are about high poverty, ageing infrastructure and high reliance on privately provided accommodation (landlords)

Poverty - 19.9% of people living below the poverty line, assuming that these people rent, and 44% of rental properties are to those under the poverty line.

Large number of aging properties - rental properties will become re-purposed if unprofitable or too cumbersome leading to further housing pressures

Poor data collection - by existing public agencies don't capture accurate complaints data so unknown full extent of the renter/landlord or property condition problems

Ineffective agencies - existing systems in place and in effective. It is more cost effective to strengthen existing systems rather than bring in new systems

Rent increases - Additional costs pushed to the tenant or less rental housing

No incentive programs - encourage housing investment

No mediation systems - Problem resolution is limited, combative, costly and takes a long time

Specific concerns

1. Low income, low
2. More ageing properties
3. Less rental properties
4. Lack of affordable housing
5. B.A.D. Neighborhoods
6. B.A.D. Landlords
7. B.A.D. Tenants
8. Existing compliance systems don't work
9. Mandatory inspections are ineffective, costly and won't resolve issues

1. Low income

Population - 212,067

Low household income levels (Spokane \$43,694 US \$51,939)

Unemployment 6.4%

High poverty (19.9% Persons below poverty line 42,201)

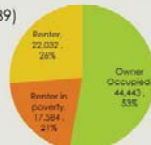
High proportion of rentals (47% Rented properties 39,616)

Low home ownership (Spokane 53%, US 63.8%)

30% of owners pay 30%+ for housing costs (2014)

52% of renters pay more than 30% of Household income for rent (2014)

44% of renter units live under poverty line



Conclusions:

- Need for economic growth, more jobs, job security, higher paying jobs

Population Demographics		
	Spokane County	City of Spokane
Population		
Persons below poverty line	76,910	42,201
Est: Households below poverty line	30,764	17,584
Est: % of rental units occupied by households under poverty line		44%

Population	484,318	212,067
Per capita income	26,235	24,848
Median household income	50,249	43,694
Household income under \$50k	50.0%	55.0%
Persons below poverty line %	16.4%	19.9%
Poverty Children (under 18)	20.0%	25.0%
Poverty Seniors (65 and over)	9.0%	12.0%
Number of households	187,603	85,300
Persons per household	2.5	2.4
Number of housing Units	206,106	95,947

Source: <https://censusreporter.org/profiles/16000US5367000-spokane>

2. More Ageing Properties

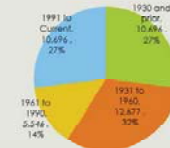
39,616 rentals

60% of rentals are over 55 years old

73% of rentals are over 25 years old

17% of properties are "below average"

No data on "not suitable for rental"

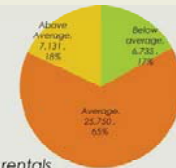


Property complaints data non existent:

2014 - 5 of 39,616 properties (Code enforcement)

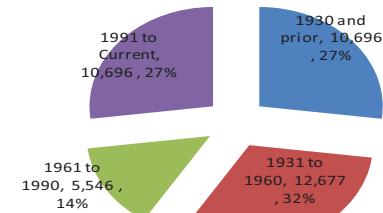
Conclusions:

- Ageing properties cost more to repair
- Rents must include some costs toward repairs
- Unprofitable properties will be repurposed
- Eventually older houses will be decommissioned as rentals
- What support is available to keep the properties as rentals (tax breaks)



Age of Rental Properties		
	Renter	Pct.
1930 and prior	10,696	27%
1931 to 1960	12,677	32%
1961 to 1990	5,546	14%
1991 to Current	10,696	27%
	39,616	100%

Age of Renter Properties



3. Less Rental Properties available

LESS: Private Housing available as owners sell out

- Increase in housing prices means properties can be sold after recession
- Rental Property Investment is high risk and low return
- Housing stocks is ageing - increased repair costs
- Increased business risks due to more compliance
- Rents are not keeping up with operating and replacement costs
- Improved economy means landlords are more selective
- Landlords move to more friendly investment environments (S. Valley)

Conclusions:

- Increasing cost of repairs of older properties
- Relatively low rents, few property condition complaints
- Very little new housing in City of Spokane
- Fewer rentals as older properties are not profitable and are retired
- Incentives to keep property stocks available
- Landlords will be more selective in tenant quality

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Investment in Residential rentals is ECONOMIC driven:

4. Less Affordable Housing

LESS: Govt. owned housing – reliance on Private Housing

MORE: Demand for Affordable Housing from Impoverished 19.9%

- Increase in levels of poverty – All Ages 2015 – 76,910 or 16.32%, City of Spokane 19.9%
- Rent 1 bed West Central \$463, Hillyard \$442 (12% of GHI)
- Rent 2 bed West Central \$599, Hillyard \$648 (18% of GHI)
- Rent 3 bed West Central \$805, Hillyard \$799 (22% of GHI)
- Rent 4 bed West Central \$907, Hillyard \$898 (24% of GHI)

MORE: Demand for Agencies such as Spokane Housing Ventures, Charities

Conclusions:

- Fight poverty / Increase jobs / Assist home buyers / Increase govt. assistance / Encourage private housing by supporting Landlords and reducing obstacles

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5. B.A.D. Neighborhoods

Breaching Rules:

Criminal activities / Illegal habitation (squatters) / Illegal activities (drugs, prostitution)

Antisocial Behavior:

Unsafe neighborhoods / Gangs / Unsafe / Threats

Damage to Property

Rubbish (streets, verges, houses) / Vacant properties (foreclosures, inability to repair) / Damaged buildings (boarded up properties). High home ownership and secure tenants strengthens community

Conclusions:

- Lack of pride and social cohesion, Unsocial behavior, more property damage, more lawlessness, health and safety, property prices decrease, owners won't invest in housing
- Empower Code Enforcement and Police to deal with these issues

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6. B.A.D. Landlords

Breaching Rules:

Acting against legislation (Landlord Tenant Act), Condoning criminal or illegal activities

Antisocial Behavior:

Condoning unsafe behavior in property, not reporting unsafe matters

Damage to Property

Unclean or unhygienic property (waste, debris); Condemned properties; Sub-standard housing

No Empirical Data about the number type and nature of complaints. Take action on the few bad landlords already known to the City

Legislation and Code Enforcement systems available but ineffective

- Many services and avenues (unknown?)
- Issues are not reported but the systems are in place

Conclusions:

- Focus on a few bad landlords will require broad expensive solutions that don't fix the underlying issues
- City to provide support and work with Landlord Association
- Landlords training
- Make mediation available.

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7. B.A.D. Tenants

Breaching Rules:

Acting against legislation (Landlord Tenant Act), Condoning criminal or illegal activities.

Antisocial Behavior:

Condoning unsafe behavior in property, not reporting unsafe matters

Damage to Property

Unclean or unhygienic property (waste, debris); Condemned properties; Sub-standard housing; Damaging property with inability to repair

No Empirical Data about the number type and nature of complaints. / Difficulty to force tenants to comply (privacy, legislation) / Expensive to enforce compliance or evictions / Long time to resolve and terminate tenants / Limited ability to recover damages from tenants / Few support avenues available to Landlords / Cant manage tenants behavior – health, hygiene / Tenants cant pay for damage / Tenants cant afford to move – themselves or possessions

Conclusions:

- Landlords cannot absorb costs. Reduced quality of buildings or reduced amount of buildings for rent. Costs will be passed back to tenants
- tenant training. Make mediation available.

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8. Existing Systems Ineffective

Landlord Tenant Act - provides remedies and support (litigation based)

Code Enforcement – limited data, jurisdiction, resources

Building department – limited data, jurisdiction, resources

Police – unable to resolve behavior issues

Fire Department – process allows for inspections but many recurring issues

Health Department – reporting and information systems exist

Courts – expensive, takes a long time, credit history, angry people, damage to property and people, public humiliation

Mediation limited and expensive

Very few options but to go to court

Conclusions:

- Refocus and empower code existing enforcement systems to deal with major issues
- "Pareto principle" – 80% of problems are resolved with 20% effort
- Implement training and mediation for Landlords and Tenants.
- Reduce costs and time to resolve unlawful detainer actions

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9. Mandatory Inspections are ineffective, costly and won't resolve issues

No Empirical Data about the number type and nature of complaints.

No register of issues, bad landlords and bad tenants

Mandatory inspections cannot resolve behavioural problems, poverty

Who will undertake inspections? What will be inspected? When will the inspections be done?

What about tenant privacy?

What are the Costs? For the City of Spokane / For the Tenant / For the Landlord

Costs will eventually be passed on to tenants

More stringent screening of tenants, industry register of problem tenants / eviction registers

Landlords will reduce number of rental properties or affordable rentals

Conclusions:

- Refocus and empower existing systems. Implement training and mediation.
- Costs will be passed onto Tenants
- Tenants will have less privacy in the home

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Conclusions for Spokane

1. Lack of accurate data on tenant / landlord / building issues
2. Low income, high poverty and high unemployment
3. High reliance on private rentals, low home ownership
4. Rental investment over \$3billion, 10% of City taxes and utilities revenue
5. Rental income is 12% of Spokane's GDP
6. Increasing costs will be passed to tenants
7. Look for ways to encourage and landlords to continue investing
8. Look for ways to avoid costly evictions
9. Implement low cost and accessible mediation
10. Rental properties are ageing and will reduce as repairs compliance increases
11. Build good neighborhoods which provide social cohesion
12. Lack of accurate data on tenant / landlord / building issues
13. Existing agencies are ineffective to resolve problems

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Examples of a Rental Properties with value of around \$120,000 in the North Central Area:

Property	County Records																																				
703 W Spofford Ave, Spokane 99205 – 3 bedroom 1 bathroom single family home	Spokane County Records: http://www.spokanecounty.org/pubpadal/ParcelSummary.aspx																																				
	<table><tr><th colspan="6">Assessed Value</th></tr><tr><th>Tax Year</th><th>Land</th><th>Dwelling Structure</th><th>Current Use Land</th><th>Taxable</th><th>Personal Prop Value</th></tr><tr><td>2016</td><td>14,450</td><td>105,900</td><td>0</td><td>120,350</td><td>0 120,350</td></tr></table> Property taxes: \$1,237py. Built in 1902. If Selling Value is \$110,000, and land value is \$14,450 then house value is \$105,500 Monthly Rents: https://www.rentometer.com/results/exXzH25Qodw 703 W Spofford Ave, Spokane 99205 – 3 bedroom shows an average rent of \$785 based on 13 3-bedroom rentals in a 0.23 mile radius (4/25/2016) For Sale Listing Zillow: http://www.zillow.com/homedetails/918-N-Cedar-St-Spokane-WA-99201/23520873_zpid/ Great one-level living near the convenient north river bank neighborhood. Many upgrades including windows, vinyl siding and cement front porch. Newer kitchen is light and bright. Spokane County Records: http://www.spokanecounty.org/pubpadal/ParcelSummary.aspx <table><tr><th colspan="6">Assessed Value</th></tr><tr><th>Tax Year</th><th>Land</th><th>Dwelling Structure</th><th>Current Use Land</th><th>Taxable</th><th>Personal Prop Value</th></tr><tr><td>2016</td><td>18,000</td><td>70,800</td><td>0</td><td>88,800</td><td>0 88,800</td></tr></table> Property taxes: \$1,237py. Built in 1902. If Selling Price is \$110,000, and land value is \$18,000 then house value is \$92,000 Monthly Rents: https://www.rentometer.com/results/exXzH25Qodw 918 N Cedar St, Spokane 99201 – 2 bedroom shows an average rent of \$559 based on 25 2-bedroom rentals in a 0.25 mile radius (4/25/2016) For Sale Listing Zillow: http://www.zillow.com/homedetails/1422-W-Indiana-Ave-Spokane-WA-99205/23481173_zpid/ Huge shop with its own power! An auto enthusiasts dream shop. Set up for a car hoist. This home has been completely redone inside. Ready for your landscaping and exterior. 1904 built. Spokane County Records: http://www.spokanecounty.org/pubpadal/ParcelSummary.aspx Monthly Rents: https://www.rentometer.com/results/exXzH25Qodw 918 N Cedar St, Spokane 99201 – 2 bedroom shows an average rent of \$559 based on 25 2-bedroom rentals in a 0.25 mile radius (4/25/2016)	Assessed Value						Tax Year	Land	Dwelling Structure	Current Use Land	Taxable	Personal Prop Value	2016	14,450	105,900	0	120,350	0 120,350	Assessed Value						Tax Year	Land	Dwelling Structure	Current Use Land	Taxable	Personal Prop Value	2016	18,000	70,800	0	88,800	0 88,800
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918 N Cedar St, Spokane, WA 99201 - 2 beds 1 bath 1,507 sqft - For Sale \$110,000																																					
1422 W Indiana Ave, Spokane, WA 99205 - 3 beds 1 bath 2,164 sqft - For Sale \$150,000																																					

Background Rental Data - City of Spokane

Number of housing units	Owner	Pct.	Renter	Pct.	Total	Pct
Single Unit	44,443	100%	15,948	40%	60,391	72%
Two-to-four Unit		0%	8,188	21%	8,188	10%
Five-plus Unit		0%	15,480	39%	15,480	18%
	44,443	100%	39,616	100%	84,059	100%
					47%	

Number of housing units	Owner	Pct.	Renter	Pct.	Total	Pct
Total Housing	44,443	53%	39,616	47%	84,059	100%

Age of Housing	Owner	Pct.	Rentals	Pct.	Total
Over 85 years	6,666	15%	10,696	27%	17,363
Over 55 years	13,333	30%	12,677	32%	26,010
Over 25 years	9,777	22%	5,546	14%	15,324
Under 25 years	14,666	33%	10,696	27%	25,363
1991 to Current	44,443	100%	39,616	100%	84,059

Condition of housing	Owner	Pct.	Renter	Pct.	Total	Pct
Below average	3,111	7%	6,735	17%	9,846	12%
Average	28,888	65%	25,750	65%	54,638	65%
Above Average	12,444	28%	7,131	18%	19,575	23%
	44,443	100%	39,616	100%	84,059	100%

Population Demographics

Population	Spokane County	City of Spokane
Persons below poverty line	76,910	42,201
Est: Households below poverty line	30,764	17,584
Est: % of rental units occupied by households under poverty line		44%

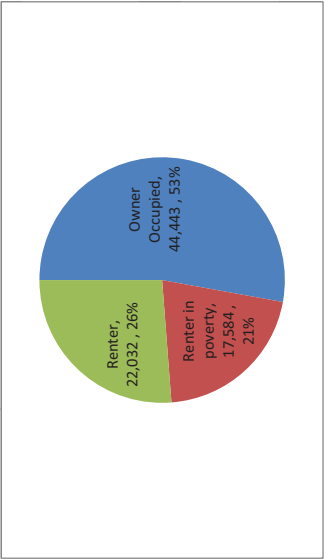
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Household income under \$50k	50.0%	55.0%
Persons below poverty line %	16.4%	19.9%
Poverty Children (under 18)	20.0%	25.0%
Poverty Seniors (65 and over)	9.0%	12.0%
Number of households	187,603	85,300
Persons per household	2.5	2.4
Number of housing Units	206,106	95,947

Source: <https://censusreporter.org/profiles/16000US367000-spokane-wa/>

42,201

Households and Renters below Poverty Line	
Owner Occupied	44,443
Renter in poverty	17,584
Renter	22,032
	84,059

Renters below Poverty



Economics of Renter Properties

	Owner	Renter	Total
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Five-plus Unit	15,480	750 11,610,000
Total Renter Properties	39,616	49,647,000
% of City 2016 Budget		6%

Rental Income		
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% of City 2016 Budget		36%

1.7%

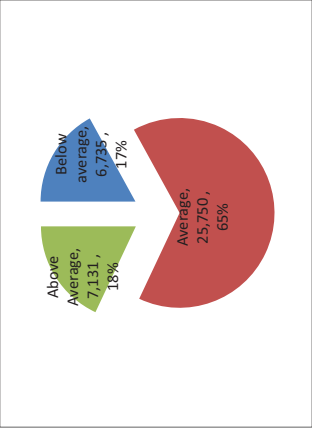
	\$ M
GDP 2008 City of Spokane	17,640
Real Estate and Rental and Leasing	2,041
	12%

<http://econpost.com/gdp/spokane-washington-gdp-table-2008>

Utilities		
	Avg / mth	Total / yr
Single Unit	100	19,137,600
Two-to-four Unit	50	4,912,800
Five-plus Unit	50	9,288,000
Total Renter Properties		33,338,400
		4%
		10%

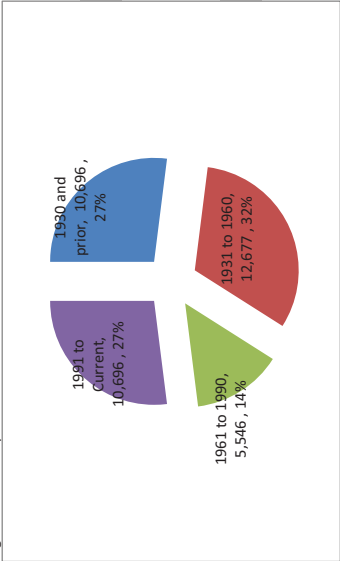
Condition of Properties (as defined by City of Spokane)						
	Owner	Pct.	Renter	Pct.	Total	Pct.
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Condition of Renter Properties



Age of Rental Properties		
Construction year	Rental properties	%
1930 and prior	10,696	27%
1931 to 1960	12,677	32%
1961 to 1990	5,546	14%
1991 to Current	10,696	27%
	39,616	100%

Age of Rental Properties



Source: <http://www.bestplaces.net/housing/city/washington/spokane>

HOUSING		Spokane, Washington	United States
Median Home Age	"The average age of homes in years. Updated: June, 2014"	54	37
Median Home Cost	"This is the value of the years most recent home sales data. Its important to note that this is not the average (or arithmetic mean). The median home price is the middle value when you arrange all the sales prices of homes from lowest to highest. This is a better indicator than the average, because the median is not changed as much by a few unusually high or low values. Updated: June, 2014"		
Home Appr. Last 12 months	"House appreciation - last 12 months Updated: June, 2014"	\$131,000	\$170,100
Home Appr. Last 5 yrs.	"House appreciation - last 5 years Updated: June, 2014"	0.70%	4.90%
Home Appr. Last 10 yrs.	"House appreciation - last 10 years Updated: June, 2014"	-15.50%	-4.60%
Property Tax Rate	"The property tax rate shown here is the rate per \$1,000 of home value. If the tax rate is \$14.00 and the home value is \$250,000, the property tax would be \$14.00 x (\$250,000/1000), or \$3500. This is the 'effective' tax rate. Updated: June, 2014"	31.30%	12.70%
Homes Owned	"The percentage of housing units which are owned by the occupant. A housing unit is a house, apartment, mobile home, or room occupied as separate living quarters. Updated: June, 2014"	\$12.32	\$12.07
Housing Vacant	"The percentage of housing units which are vacant (unoccupied). A housing unit is a house, apartment, mobile home, or room occupied as separate living quarters. Updated: June, 2014"	52.78%	57.34%
Homes Rented	"The percentage of housing units which are rented by the occupant. A housing unit is a house, apartment, mobile home, or room occupied as separate living quarters. Updated: June, 2014"	7.41%	12.47%
AVERAGE RENT FOR HOME OR APARTMENT		39.81%	30.19%
1 Bedroom Apartment	"Average rent for 1-bedroom home or apartment Updated: June, 2014"	\$470	\$561
2 Bedroom Home or Apartment	"Average rent for 2-bedroom home or apartment Updated: June, 2014"	\$520	\$765
3 Bedroom Home or Apartment	"Average rent for 3-bedroom home or apartment Updated: June, 2014"	\$768	\$957
4 Bedroom Home or Apartment	"Average rent for 4-bedroom home or apartment Updated: June, 2014"	\$1,110	\$1,289
VACANT HOUSING		\$12,661	\$14,980
Vacant for Rent	"Vacant housing - for rent Updated: June, 2014"	2.83%	2.50%
Vacant Rented	"Vacant housing - rented Updated: June, 2014"	0.40%	0.46%
Vacant for Sale	"Vacant housing - for sale Updated: June, 2014"	1.10%	1.38%
Vacant Sold	"Vacant housing - sold Updated: June, 2014"	0.09%	0.46%
Vacant Vacation	"Vacant housing - seasonal, recreational or occasional use Updated: June, 2014"	0.41%	3.81%
Vacant Other	"Vacant housing - other Updated: June, 2014"	2.56%	3.87%
VALUE OF OWNER-OCCUPIED HOUSING			
Less Than \$20,000	"Percentage of Home Values less than \$20,000. Updated: June, 2014"	2.11%	3.30%
\$20,000 to \$39,999	"Percentage of Home Values between \$20,000 and \$39,999. Updated: June, 2014"	1.00%	3.44%
\$40,000 to \$59,999	"Percentage of Home Values between \$40,000 and \$59,999. Updated: June, 2014"	1.08%	4.18%
\$60,000 to \$79,999	"Percentage of Home Values between \$60,000 and \$79,999. Updated: June, 2014"	2.98%	5.80%
\$80,000 to \$99,999	"Percentage of Home Values between \$80,000 to \$99,999. Updated: June, 2014"	6.46%	7.08%
\$100,000 to \$149,999	"Percentage of Home Values between \$100,000 to \$149,999. Updated: June, 2014"	28.22%	15.77%
\$150,000 to \$199,999	"Percentage of Home Values between \$150,000 to \$199,999. Updated: June, 2014"	23.09%	15.03%

\$200,000 to \$299,999	"Percentage of Home Values between \$200,000 to \$299,999. Updated: June, 2014"	21.76%	18.50%
\$300,000 to \$399,999	"Percentage of Home Values between \$300,000 to \$399,999. Updated: June, 2014"	6.93%	10.39%
\$400,000 to \$499,999	"Percentage of Home Values between \$400,000 to \$499,999. Updated: June, 2014"	3.11%	5.66%
\$500,000 to \$749,999	"Percentage of Home Values between \$500,000 to \$749,999. Updated: June, 2014"	2.24%	6.39%
\$750,000 to \$999,999	"Percentage of Home Values between \$750,000 to \$999,999. Updated: June, 2014"	0.67%	2.28%
\$1,000,000 or more	"Percentage of Home Values greater than \$1,000,000 or more. Updated: June, 2014"	0.36%	2.18%
HOUSING UNITS BY YEAR STRUCTURE BUILT			
2010 and newer	"2010 and newer Updated: June, 2014"	0.16%	0.29%
2000 to 2009	"2000 to 2009 Updated: June, 2014"	8.00%	14.18%
1990 to 1999	"1990 to 1999 Updated: June, 2014"	9.52%	13.96%
1980 to 1989	"Percentage of Housing Units by Structure Built 1980 to 1989. Updated: June, 2014"	8.16%	13.99%
1970 to 1979	"Percentage of Housing Units by Structure Built 1970 to 1979. Updated: June, 2014"	14.22%	15.09%
1960 to 1969	"Percentage of Housing Units by Structure Built 1960 to 1969. Updated: June, 2014"	9.52%	13.96%
1950 to 1959	"Percentage of Housing Units by Structure Built 1950 to 1959. Updated: June, 2014"	15.45%	11.05%
1940 to 1949	"Percentage of Housing Units by Structure Built 1940 to 1949. Updated: June, 2014"	9.83%	5.59%
1939 or Earlier	"Percentage of Housing Units by Structure Built 1939 or Earlier. Updated: June, 2014"	28.23%	13.68%

Based on a 3 bedroom single family home in zipode 99205 (North Central Spokane)

Property Value	Average price of a house	120,000			
Loan	70% of property value	84,000	70%		
Building Value	Say 80%	96,000	80%		
Rent	Monthly rent say	850	\$	10,200	\$
Vacancy Rate		2.5%	\$	(255)	\$
Property Management Fees		8%	\$	(816)	\$
Taxes Property		1,300	\$	(1,300)	\$
Taxes Property Taxes	County Property Taxes				
Taxes Utilities	City Taxes (Sewer Garbage) not reimbursed by tenants	700	\$	(700)	\$
Insurance	Insurance	500	\$	(500)	\$
Repairs - annual	1% of property value	960	\$	(960)	\$
Repairs - structural repairs	Replace house in 27 years per IRS tax guidelines	3,556	\$	(3,556)	
Interest Rate	Est 5% repayments on bank loan	4,200	\$	(4,200)	\$
(Loss) / Profit \$		\$		(2,087)	\$
(Loss) / Profit on Property Value				-1.74%	

Losses are shown in RED

Change data assumptions in these cells

Apartment - 2 bedroom					PROFIT (LOSS) /Yr (after providing for long term replacements)	Cash on Cash return
Property Value					70,000	
Loan		70% of property value			49,000	
Building Value		Say 80%			56,000	
Rent		Monthly rent say			600	7,200
Vacancy Rate					3%	(180)
Property Management					8%	(576)
Taxes		City Taxes			2,000	(2,000)
Repairs - annual		1% of property value			560	(560)
Repairs - structural repairs		Replace house in 27 years			27	(2,074)
Interest Rate		Est 5%			2,450	(2,450)
(Loss) / Profit \$						(640)
(Loss) / Profit on Property Value %						-0.91%
						2.05%