



Going Smoke-Free Cuts Stress, Costs for Rental Property Owner and Managers



It's every property management professional's nightmare: a tenant falls asleep smoking a cigarette, the bed sheets ignite, and fire quickly spreads to adjoining units. Even if all residents somehow escape unharmed, the fire, smoke, and water damage can be staggering.

Here in Washington, the second leading known cause of fires comes from "open flame or smoking materials." Almost 11,000 fires in the past five years have totaled close to \$120 million in damages. And smoking-related fires were the leading known cause of fire fatalities reported in 2010, accounting for approximately 22 percent of the total.

Rental apartment owners and managers can eliminate this potential fire risk by embracing a smoke-free multi-unit housing trend currently taking hold throughout the State of Washington — and they can realize several additional benefits in the process.

Going Smoke-Free Presents Multiple Benefits

Today, national and statewide statistics for smoking reveal a strong trend toward smoke-free living. According to figures from the Centers for Disease Control and Prevention (CDC), the national adult smoking rate fell to 18.4 percent in 2010 — and

it's down to 15.7 percent here in Washington. Seventy-eight percent of homes in the U.S. are non-smoking households, and 87 percent of homes in Washington report a no-smoking rule. Most indoor workplaces are smoke-free and many hotel chains are non-smoking. Overall, the trend is clear; people expect smoke-free indoor air where they work and where they live. Implementing a smoke-free initiative in your property certainly offers the benefits of cleaner air for all of your residents. But the fire risk reduction alone can alleviate stress for property managers and owners, as can the reduced maintenance and repair required for smoke-free units.

There is less stress and hassle involved in rehabbing a smoke-free unit for the next tenant, and it's also significantly faster and cheaper. Tobacco smoke can leave a sticky residue on all the surfaces in an apartment, including walls, curtains, cabinets, blinds, and more. It can also leave lingering odors and toxins. Smoke-free units require less cleaning, preparation, and repainting, getting them back onto the rental market in less time. Going smoke free also means less wear and tear on the ventilation systems that serve the entire property, which can translate into fewer service calls and significant savings.

Increasingly, smoke-free properties also present a marketing advantage for property owners seeking to attract new residents. According to a 2007 "Healthy Community Environment Survey" conducted among Washington renters, 86 percent of renters prefer to live in smoke-free housing.

Reducing Fire Risk Can Lower Insurance Premiums

Insurance companies recognize that smoke-free rental properties face a significantly reduced risk of fire, and some are taking action to support owners and developers who go smoke free. Case in point: Capital Insurance Group (CIG) (www.CIGinsurance.com) last year implemented a 10 percent premium credit to property owners and condominium associations who maintain a smoke-free environment in their buildings and units. Smoke-free premium credits present yet another consideration for property owners and managers weighing the benefits of converting their units. A smoke-free apartment credit* can translate to significant annual savings for an apartment owner.

It's Easier than You Think

According to SmokefreeWashington.com, an initiative of the Washington State Department of Health, most property owners find that smoke-free policies can be implemented in five straightforward steps: First, gather tenant input so you can involve them in the process and build support. Second, develop your policy, being as specific as possible about where smoking is and is not allowed, who the policy applies to, effective dates for current and new tenants, and consequences for violations. Adjust or amend your lease to reflect the new policy. Third, communicate the policy. Washington State law requires that you give current tenants at least 30 days' notice before changing any rules, and SmokefreeWashington.com advises that allowing a longer period can help people adapt and improve compliance. Fourth, implement the policy by including it in leases for all new residents. Many landlords choose to allow current residents to be under the existing rules and conditions until lease expiration, although you can add the no-smoking policy sooner if the tenant voluntarily agrees to a lease change before his or her term expires. Finally, enforce the policy just as you would any other rule or regulation that is part of the lease agreement. (For lease language and other tools for property owners and managers, visit the www.SmokefreeWashington.com).

Making the shift is entirely within a property owner's legal rights provided the policy is applied uniformly toward all residents, according to the Fair Housing Center of Washington. Landlords have the legal right to set limits on how a tenant may use rental property, and restricting smoking is akin to restricting guests, noise, or pets.

Jim Wiard, Senior Vice President of Property Management at Guardian Management, followed just such a process in developing and implementing a smoke-free policy for Guardian's 130 properties in Washington and five other states. He shared his experiences as part of a December 2010 webinar for owners and landlords considering going smoke free. His preliminary research revealed that a majority of tenants would actually pay higher rent to live in a property that had smokefree policies. A part of his process since implementation has been to feature "no smoking" as an amenity in property ads, underscoring it as an advantage over other communities. "I think it's been proven that this is a positive win-win for residents and owners," Wiard said.

As the smoke-free mandate gains momentum throughout Washington, informed property owners and managers will recognize that it represents an opportunity to reduce fire risk, attract tenants, and realize significant cost savings - all while alleviating some of the stress that can accompany rental property management.

*Representative rates and credits provided for demonstration purposes only; your rate will vary.

Apartment Size	Construction	Premium with Smoke-Free Credit	Premium without Credit Savings	Total Smoke-Free Savings
10 units	Frame	\$1,574	\$1,749	\$175
50 units	Frame	\$8,108	\$9,009	\$901
200 units	Frame	\$29,905	\$33,231	\$3,326

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