

A Breath of Fresh Air

BY LAUREN BOSTON

Time is up for lighting up. Trends toward healthier living have made non-smoking apartment communities a hot commodity, as recent surveys show the majority of renters would prefer to live in a smoke-free building.

While some companies are hesitant to (potentially) alienate smokers, many owners say the move to a smoke-free status has not only appeased most residents, but reduced resident health risks, minimized turnover costs and reduced fire risks at their respective communities—subsequently lowering insurance rates and maximizing low-income housing funding.

Others say they've implemented a smoke-free policy to stay ahead of the curve, as many industry experts predict government-mandated non-smoking

standards for the multifamily housing industry in the next five to 10 years.

Here are reasons to consider going smoke-free now—and publicizing it, too.

Resident Satisfaction

Smoke-free apartment communities may be the latest trend in healthy living, but there are still very few housing options dedicated to non-smokers—80 percent of the U.S. adult population, according to a recent Gallup poll. A building full of fresh air will appeal to the masses and could give a community a leg up on the competition.

Kettler Management, a McLean, Va.-based apartment management company with 70 communities on the East Coast, currently operates three partially smoke-free communities (at least one building is

smoke-free) and two 100 percent smoke-free communities. Karen Kossow, former Vice President of Sales & Marketing, says the decision to go smoke-free reflected feedback from current as well as prospective residents.

According to an online, pre-opening survey for the Alexan Riverdale, one of Kettler's partially smoke-free communities in New Jersey, 94 percent of prospective residents said they would prefer to live in a smoke-free building. At the Alexan Twenty-Four, a 100 percent smoke-free community in Arlington, Va., 89 percent of prospective residents said they would prefer to live in such an environment.

Many prospective residents not only prefer non-smoking communities, but specifically seek them when looking for a place to call home, Kossow says. In a



5 reasons to consider implementing a smoke-free housing policy.



One resident at The Millennium at Metropolitan Park said she would be willing to pay more for a smoke-free building.

Going Smoke-Free

While the majority of renters say they'd prefer to live in a smoke-free environment, the transition still has its challenges. Following are tips to ensure a smooth conversion for all parties.

1. **Hold your employees accountable.** Staff must understand that they can't smoke in eyesight of residents, nor can they smell like smoke, Kossow says. Lead by example.
2. **During construction, make sure contractors and workers aren't smoking.** The same applies to vendors. You don't want residents to see anyone associated with your company breaking the rules. Additionally, the smoke could permeate the walls, carpet and insulation during construction projects.
3. **If you're implementing a partial non-smoking policy,** designate smoking areas to help ease the transition to a smoke-free environment.
4. **Be understanding and supportive.** Pennrose Management provides smokers with coupons for aids to quit smoking, as well as information on smoking cessation. —L.B.

recent survey of residents at The Millennium at Metropolitan Park, an Arlington community managed by Kettler, 69 percent of respondents said the community's 100 percent smoke-free policy factored "very much so" in their decision to lease. One resident said a smoke-free building was just as important as location and said she would even be willing to pay more for the clean air.

Resident feedback was similar at other non-smoking communities. Pennrose Management Company operates 148 communities in the Mid-Atlantic, all of which became smoke-free in March 2009. The Philadelphia-based management company was one of the first to implement the policy in each of its markets—a huge selling point for prospective residents, says Denise Widmeier, Director of Training.

"Naysayers predicted backlash and a mass exodus of angry residents when we announced our smoke-free status, and that

just didn't happen," Widmeier says. "To the contrary, a year after our smoke-free policy was fully implemented, we determined that we lost only nine leases out of over 8,000 units. Smokers and non-smokers alike appreciate it."

If resident satisfaction weren't enough, there's also the potential for free advertising, says Chip Tatum, Government Affairs Director for the Florida Apartment Association. Tatum says the media, state government and tobacco-prevention advocates, such as the American Lung Association, are all eager to cover the growing trend, and are likely to publicize companies that have embraced the idea of smoke-free housing.

Additionally, ILS Apartmentguide.com now offers a searchable "smoke-free" option for prospective residents who want to narrow their search results—yet another form of exposure for smoke-free communities.

"There's a fear of alienating resident smokers, but most communities that have taken the leap consider smoke-free housing an edge over the competition and have determined that there is a market for this product," Tatum says.

Healthy, Happy Renters

Smoke is more than a nuisance—it's a danger to residents and a liability to owners.

According to the American Lung Association, 50,000 people die each year from second-hand smoke. Perhaps even more problematic in apartment communities is third-hand smoke, a new term recently coined by doctors to describe the carcinogenic particles that waft through an air vent into a unit from a neighboring apartment or settle into common-space furniture and



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Tom Hipps
Site Manager, Oaks Glen Lake
Oaks Properties LLC
Minnetonka, Minn.

carpeting long after second-hand smoke has dissipated.

Such publicized health risks are causing many residents to complain about second- and third-hand smoke and, in some cases, move out.

Kossow says a resident at one high-rise apartment building in Reston, Va., smoked so heavily that the smoke bothered everyone on the floor. Many residents complained to management, but the community did not have a smoke-free policy in place and was unable to convince the smoker to move out. The management company spent \$1,200 in court costs to try and evict the resident under the “nuisance” clause of the lease, but the court claimed that there were no smoking nuisance laws in place in that jurisdiction. The smoker was not evicted and several residents moved out as a result.

It’s this very scenario that Oaks Properties LLC has tried to avoid. The family-owned company manages 12 communities in Minnesota and Texas, one of which is 100 percent smoke-free.

“It is great as a manager to not have to be the referee between smoking and non-smoking neighbors,” says Tom Hipps, Site Manager at Oaks Glen Lake, the company’s smoke-free community in Minnetonka, Minn. “You have someone saying, ‘So-and-so smokes on her balcony and it comes right in my window,’ and there is no easy solution with these types of resident disputes. It can be a real headache for a manager who’s trying to please both sides, and going 100 percent smoke-free has eliminated those problems.”

The majority of non-smokers living in Hipps’ smoke-free community have been predictably pleased to avoid such health risks and disputes, but many apartment professionals say they were surprised to receive positive feedback from smokers, as well.

“I had a client in Las Vegas who made their building half smoking, half non-smoking, and even the smokers wanted to live in the non-smoking portion,” says multifamily housing consultant Lisa Trosien.

Some smokers may be less enthusiastic, but proponents of smoke-free housing say it’s important to provide the best quality of life for their residents, regardless of a



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Kettler Management
McLean, Va.



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A message from the Government Affairs Department of the National Apartment Association





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Chip Tatum
Government Affairs Director
Florida Apartment Association
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few disgruntled residents. “We’re promoting some sense of social responsibility to smokers,” Widmeier says. “Apartments may be ‘units’ to those in the industry, but these are people’s homes and we want non-smokers and smokers alike to be satisfied and safe.”

Trimming Turnover Costs

In today’s tough economy, most companies are struggling to reduce routine turnover costs without tacking on an additional \$1,000 to \$3,000 for apartments with smoke damage.

Pennrose Management estimates the additional turnover costs for apartments with residents who were moderate smokers add up to an average of \$1,500. New carpeting and paint are only the beginning, as window treatments, smoke detectors, outlet and light switch covers, and refrigerator door seals also must be

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replaced, says Director of Maintenance Dan Flamini.

“Most people overlook the damage cigarette smoke can have on the HVAC units,” Flamini says. “Tar from the cigarette smoke builds up on the coil of the unit and the inside walls of the duct work, and impacts the blower motor. It prohibits the unit’s capacity to work efficiently and increases pollutants, causing the smell of smoke to never really disappear. It can also cause higher utility bills for future residents because the unit has to work harder to heat or cool the home.”

Nicotine also can permanently discolor appliances, says Tatum, who worked onsite for eight years. “Nicotine stains are extremely difficult to clean, and often result in complete replacement,” he says. “If the walls are stained, you have to prime everything and often need several coats of paint to hide the discoloration. It adds up to thousands of dollars in additional costs, and it’s rare that you recoup that money.”

Hipps says he’s tried to turn apartments at other properties that were so smoke-saturated that he could never completely get rid of the smell. “Multiple coats of primer and paint and new carpet didn’t even work, and when the smell is never completely removed, the best you can hope for is another smoker to rent the apartment,” he says. “It’s nice not to have that potential additional turnover cost at Oaks Glen Lake.”

Peace of Mind

According to the National Fire Protection Association, fires caused by smoking materials are the second most deadly type of home-structure fire. Furthermore, federal data show that smoking-related incidents were the leading cause of fire deaths (26 percent) in apartment buildings in 2005.

Pennrose Management implemented its smoke-free policy in part to reduce such a risk. “Some of our elderly residents at senior communities are on oxygen machines, and that only increases the risk of smoking-related fires,” Widmeier says. “Fires can be devastating tragedies and being able to reduce our risk by maintaining smoke-free status is an extra step to protect the safety of our residents and our investments.”

The reduced risk of fire has helped Pennrose Management earn additional points toward low-income housing tax credits for proposed development projects, a necessity when vying for



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Director of Training
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the limited amount of low-income housing funding available each year, says Ivy Dench Carter, the company's Development Officer. "In some developments, tax credit equity represents 50 percent or more of the financing for an affordable housing development, so points are crucial," she says.

Insurance companies also are recognizing the benefits of a smoke-free status, with companies such as Capital Insurance Group offering a 10 percent discount on renters insurance for 100 percent smoke-free communities in California, Arizona, Nevada, Washington and Oregon.

Hipps says the owner of Oaks Glen Lake receives a 40 percent discount on insurance due to the fire safety measures the company has taken at that particular community.

Ahead of the Pack

Few municipalities currently have smoke-free housing requirements, but many apartment professionals say an industry-wide government ban is inevitable, similar to that of the restaurant industry.

California recently introduced an apartment smoking ban in Union City, located in the San Francisco Bay Area, to take effect February 2012—the first legislation of its kind in the country. The apartment smoking ban will affect all buildings of two or more units, including market-rate, affordable and senior housing, and also requires apartment owners to inform prospective residents of the law. It does not apply to units that are individually owned.

The proposal came on the heels of a report last year by the American Lung Association, which ranked cities and counties based on their success in combating the negative effects of tobacco. Union City earned a "D" before introducing the new smoking ban.

Although Union City is the first in the country to require city-wide smoke-free housing, the U.S. Department of Housing and Urban Development (HUD) is considering a similar ban in affordable housing. Many industry experts believe the rest of the country will soon follow suit.

"If you're going to eventually be forced into it, why not implement a smoke-free policy now and be the first?" suggests Nicole Jones, Senior Sales & Marketing Manager for Kettler.

Several other California jurisdictions have introduced smoke-related mandates. In January 2009, California's Second District Court of Appeal became the first in the country to rule that a resident can sue the landlord for failing to restrict smoking in outdoor common areas. Other jurisdictions have declared smoking a public nuisance, which could lead to liability issues if a landlord fails to abate the nuisance and a resident is injured as a result of the second-hand smoke. If the resident were to take action, a building's liability insurance may not cover the cost of damages.

That's a whole lot of money up in smoke. ■■

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