

**Track A**

# BUSINESS STRATEGIES

**Investment Strategies, Risk Management  
& Success Stories**



**Track A**

**BUSINESS STRATEGIES**

# Fortify Your Rental Business:

A Proactive Approach to Risk

Julie Martiniello | Rooms 407- 408 | 3:30pm – 4:15pm





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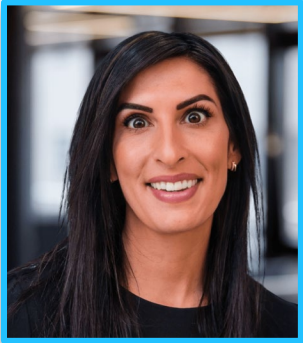
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## Julie Martiniello

Partner, Dimension  
Law Group

Julie Martiniello is a Co-owner and Managing Partner at Dimension Law Group, specializing in Estate Planning, Probate, Real Estate, and Business Law. Julie is devoted to assisting business owners, real estate investors, and families in planning and safeguarding their most cherished assets and loved ones. She expertly guides individuals in creating and maintaining businesses, navigating complex real estate and landlord-tenant laws, and developing comprehensive estate plans tailored to provide peace of mind.



# OBJECTIVES

## **FORTIFY YOUR RENTAL BUSINESS**

A Proactive Approach to Risk

1. Understand the many growing risks associated with owning and operating rental housing in Washington.
2. Review best practices including rental operations, insurance, and business structure to minimize risks.



# New Laws Designed To Punish Housing Providers

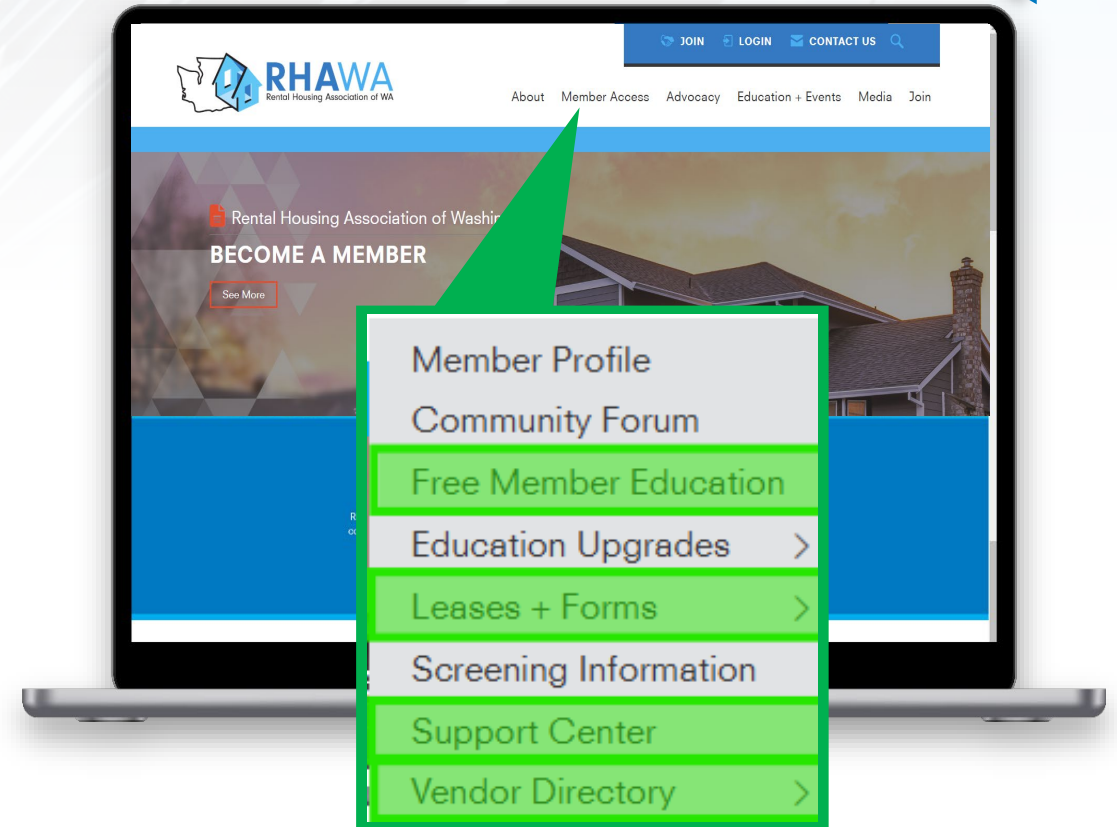
- Local governments have created a complex web of rules, impossible for private owners and small businesses to keep sorted.
- Free lawyers for tenants in eviction cases, regardless of housing provider wealth.
- Penalties in the tens of thousands are now possible based on a simple clerical error, years in the past.



# Your Legal Protections

## Use the RHAWA benefits included with your membership:

- Free **ONDEMAND** education for owners and membership-covered employees.
- Support Center articles and Q&A.
- Legal Forms.
- Government Advocacy.
- Vendor Directory:
  - Establish a relationship with an attorney before it's an emergency.
  - Verify that your insurance includes "Ordinance and Law Coverage."
  - Use a well-vetted property management company if you do not have time to properly manage your property.

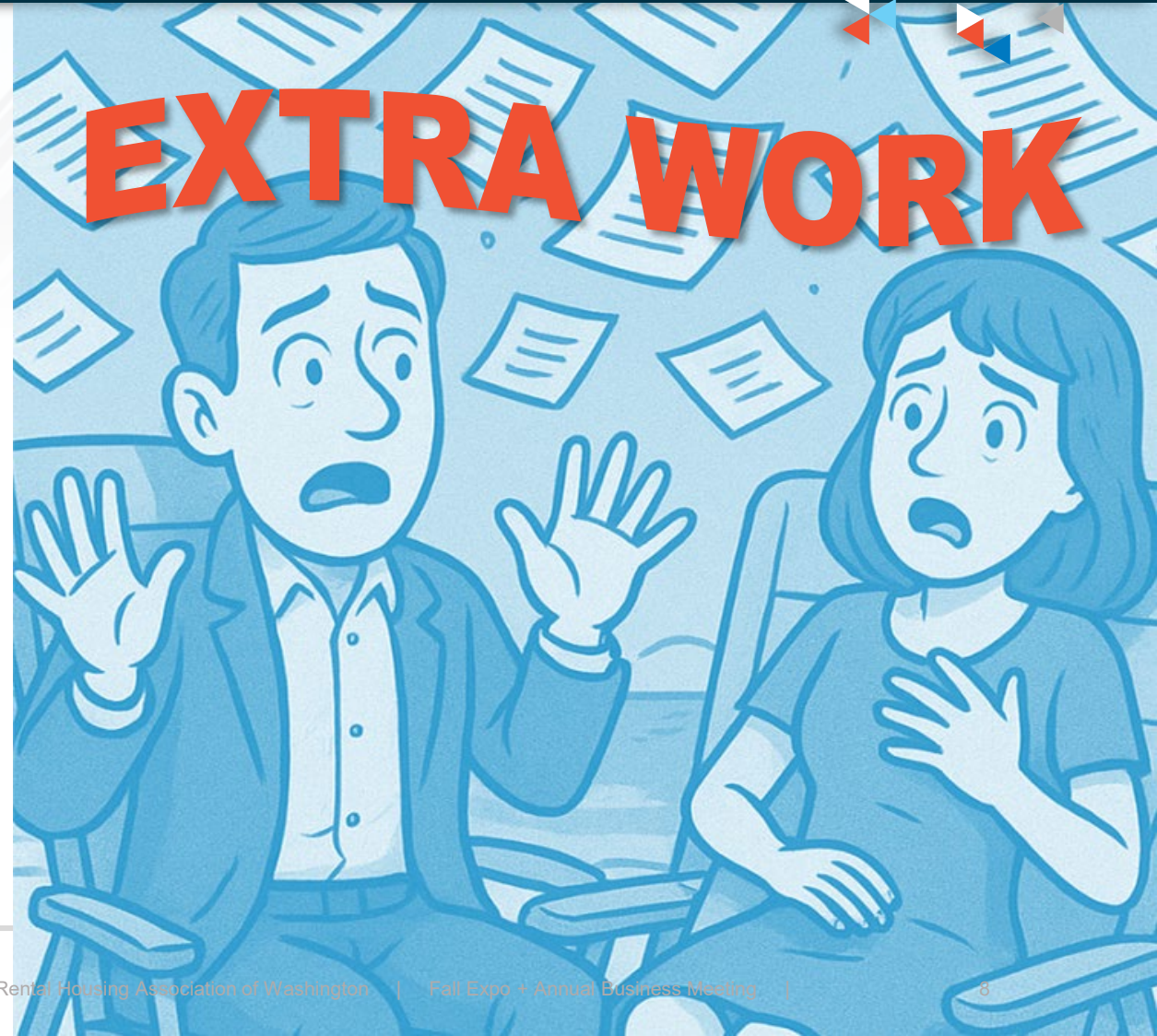





# No Longer a Passive Investment

- Washington rental housing providers are now considered to be “conducting business” and are must maintain a business license in any city or county that requires general business licenses.
- More onerous laws increased legal power of tenants make it even more important to “run it like a business.”
- New laws have exponentially increased the administrative burden of owning and operating rental property.

**EXTRA WORK**








# What happens if you just don't do all this extra work?

## Penalties & Fines

- State fine for rent increase violations: \$7500 per violation PLUS refund rent unlawfully charged.
- City of Seattle fines range from \$500 - \$7500 per incident.
- Several cities now prohibit giving notices to increase rent, or for default/termination, if you are not registered and in compliance with condition standards.



# What happens if you just don't do all this extra work?

## Liabilities

- Wrongful eviction.
- Injury on property.
- Code or law violation.
- Habitability claims.
- Fair housing claims.



# Run Your Property Like a Business...



Have your **ATTORNEY** help you properly form all necessary components of your LLC:

- Certificate of Formation
- Operating Agreement
- Employer Identification Number
- Dedicated Bank Account (Operations & Tenant Deposits)
- Transfer of Property

Consult your **CPA** for tax filing & bookkeeping advice. Keep data current & organized:

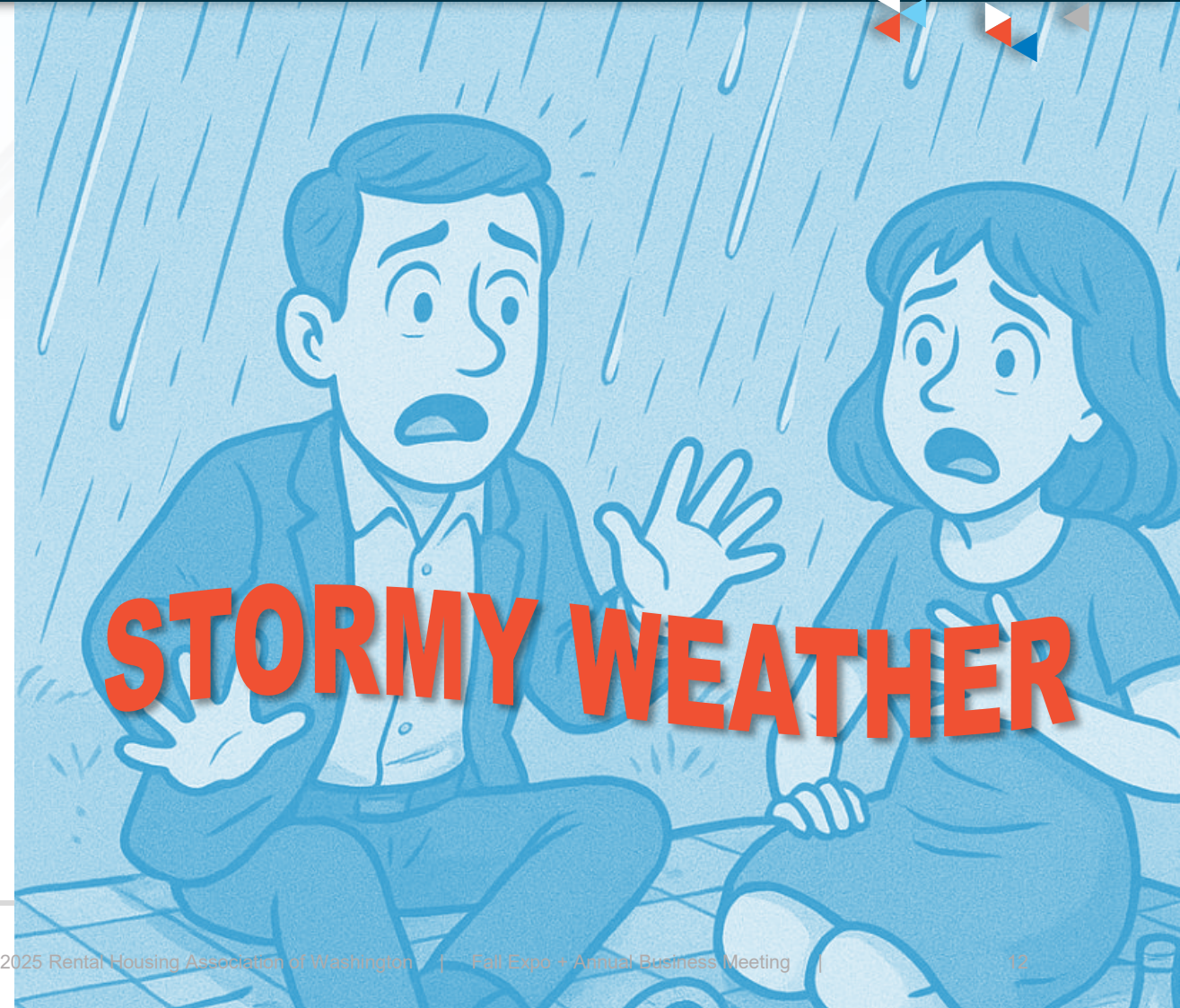
- Profit and Loss Statement
- Balance Sheet
- Cash Flow Statement
- Rent Roll

Following **RHAWA** guidelines, create procedures for consistent & fair rental operations:

- Tenant processes from screening to compliance to turnovers.
- Maintenance and repair processes.
- Business processes, including accounting and document retention.

# Unpredictable Conditions & Events

- Increased risk of environmental disasters, like fires and severe weather.
- Growing prevalence of addictions and other catastrophic medical issues.
- Exploding costs of utilities, taxes, maintenance, financing, etc.
- Rapid shifts in public policies, like police protections, homeless encampments, rent subsidies, and owners' eviction rights.
- Declining services and coverage from insurance companies.





# How Bad is it?

## Insurance Trends

Source: Matt Layson



- 19.5% increase in Washington home insurance rates, according to LendingTree's 2025 State of Home Insurance Report.
- Owners who do not maintain properties are being dropped.
- Insurers like Nationwide, Allstate, American Family, Country Financial, and Progressive are dropping landlord clients altogether.
- Those that are still offering coverage want to see more building updates.
- Older MF buildings now only covered by “*Surplus Line*” insurance companies... slower, worse coverage, more information required.
- Most renters’ insurance policies no longer include water damage liability... Safeco, State Farm & Travelers still do (for now).

# Plan for the Rainy Days



## INSURANCE

- Work with a broker to help you get the best coverage possible and **understand your policy**.
- Identify & require tenant's insurance that includes tenant-caused flooding coverage.
- Umbrella coverage will help protect your other personal assets in case of a major liability incident.

## LEGAL

- A properly set up and maintained LLC will make it more difficult for your other assets to be taken in a liability incident.
- Maintain your property and follow the laws, or get legal help.
- Do careful and realistic planning: preparing for death, decline, divorces, drug addictions... anything that might impact your family in the future.

## FINANCIAL

- Do annual market assessments and carefully planned & executed rental increases when appropriate. Avoiding increases is a trap!
- Save adequate money for anticipated major maintenance expenses, capital improvements, and other unanticipated expenses.



# Key Takeaways



- ➔ Yes, things are more difficult now than in the past. However, it's still tough to beat the potential long-term earnings on direct real estate investments.
- ➔ Use your key RHAWA membership benefits... Education, Support Center, Legal Forums, Vendor Directory, Advocacy.
- ➔ Run your rental business like a business, because like it or not, tenants and the government will treat you like a deep-pocketed business even if your pockets are not so deep.
- ➔ Don't skimp on professionals. Start and maintain relationships with a CPA, Insurance Broker, Maintenance Contractors, plus Attorney(s) practicing estate planning, business law, and landlord-tenant law.

# CONTACT



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