

This is my supplemental letter response to the "income and operating expense" worksheet and "request increase" form from the landlord provided to me by Janie Vang on date 6-11-2025.

I have taken some time to analyze both the income and operating expense worksheet and the request increase form. I want to start by pointing out that the apartment property still has increase revenue in year 2024 under rental income (rental income has increase by \$242,940 using year 2019 comparing to 2024 on the worksheet) so this show that the property is still doing well (meaning like hey it's not like it was declining and/or if the rent don't increase pass 3 percent then the property will be headed for a bankruptcy).

Now under the request increase form I want to respond to the "justification" reasoning section. It appears the owner put down his first reason for the increase request is due to "an increase in real property taxes". My response to this is that it is normal for property tax to increase and it's not like the property tax increase was excessive because if you look at the "operating expense" worksheet under "real property taxes" it has only increase by \$41,553 in a five year span (so that is like about total 15% of year 2019 property tax at 279,340... which would be only like 3 percent increase per year during the five year span using the base year 2019 to 2024 comparison). My point is that if the property tax increase was reasonable (about 3% in this example) and that property tax do tend to increase over time then does it give the owner a right to use or claim it as a basis for rent increase request? (in my view I would say no because tenants get their yearly rent increase each year as well too).

The second reason was listed as "An unavoidable increase in operating expense". My response to this is yes of course every business has unavoidable expenses but has the apartment property done its best to reduce those unavoidable expenses? This mean like have the apartment shop around for new commercial insurance for the apartment (I see that it has increase almost double under the operating expenses worksheet for insurance), have the apartment shop for new garbage waste company (I see that this one has increase to 71,822 in the year 2024) and how do we know all the trash that is dump in the dumpster are from apartment tenants and not some outsider? (meaning has the apartment put in place some kind of measure to make sure the trash being thrown is from the apartment tenants only and not outsider? because we don't want to be paying through rent increases because the apartment failed to put in place measure to make sure the trash is from apartment tenants only). Also have the apartment improve on its reviews online so you are not spending so much money on advertising (I see the advertising spending has increased by almost 18x using year 2019 compare to 2024) because word of mouth is the best form of advertising (a lot of the time its free too) and its very hard for tenants to refer someone when the reviews are horrible and the apartment parking lot security barely improve (where car break in happen all the time) because

it's very hard to get someone to move in after telling them this. The apartment had many years to improve its reviews (since I move in) and it has not done it so this show that the apartment has somewhat not try to reduce certain parts of its unavoidable expense because let's just be real if a place was really that nice, safe and well maintain everybody would be wanting to stay there (they would hear from word of mouth and/or find you) and you would not even need to advertise at all or advertise much (barely).

Third reason was listed as "capital improvement project" which it did not list exactly what specific improvement was done so without that I cannot further examine it.

Last is the fourth reason which was listed as "a pattern of recent rent increases". My response to this is that there has always been a pattern of rent increase to tenants because usually the rent increase every year when the tenants renew so I am not really sure if this is even a valid reason. Also, another thing to consider is that once the rent has been increase then most likely it will not be decrease (a common practice in apartments) so that it why it is very important to have oversight on this because it will only be going higher most of the time.

Additionally, on the net operating income page (15 of 20) under number 8 "allowable rent increase percentage" it only showed 5.19% so shouldn't the request increase petition from the landlord be for 3-5% rather than 3-8%? (even though I am oppose to anything greater then 3% for my reasons).

Now to end this I am asking that everything I wrote, things I question, things I brought up, object to and/or responded to here be considered.

Respectfully,

Soua