



HAPCO NEWSLETTER

Serving Philadelphia's Investment & Rental Property Community

President's Message

As housing providers, staying informed about the issues that impact our properties, our businesses, and the residents we serve is essential. One area that can often be complex to navigate is Philadelphia's property assessment process and understanding how assessments can affect property owners.

I am excited to share that HAPCO Philadelphia will be partnering with Jumpstart Germantown on Wednesday, September 16, for a free educational...



Seth Floyd

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Philadelphia Police Have a Tool to Fight Squatting. Let's Work Together to Use It.

If you've ever called 9-1-1 about people unlawfully occupying your vacant property and been told, "this is a civil matter, call a lawyer," you may not know that the Philadelphia Police Department has had a written directive since 2018 designed to help in exactly these situations.

Directive 5.31, "Theft of Residential Real Property," issued on September 28, 2018, by then-Commissioner Richard Ross, was created in response to a growing problem familiar to many HAPCO members and patrol officers alike: individuals entering vacant or temporarily unoccupied properties without permission and then trying to control or profit from them.

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Where Does a Rent Check Actually Go?

When people hear that rents have gone up, the assumption is often simple: the housing provider is pocketing the difference. But for many of Philadelphia's independent housing providers, the reality is much more complicated.

Unlike large corporate owners with extensive resources and teams dedicated to property operations, many independent housing providers own and operate properties themselves. They may own one property, several properties, or a portfolio built over years of investment in Philadelphia's neighborhoods.

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When Housing Providers Speak Up: The Other Side of the Retaliation Conversation

Housing conversations often focus on an important question: How can residents be protected? Residents should have the ability to report concerns, request repairs, and exercise their legal rights without fear of unfair consequences.

Those protections are an important part of ensuring safe and stable housing. However, there is another side of the conversation that is often overlooked: responsible housing providers also need the ability to manage their properties, address legitimate concerns, and advocate for solutions without being automatically viewed as the problem.

Too often, when housing providers speak up about the challenges of operating rental properties, they are portrayed as uncaring or unwilling to support residents. The reality is much more complex.

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PHILADELPHIA POLICE HAVE A TOOL TO FIGHT SQUATTING. LET'S WORK TOGETHER TO USE IT.

By Lauren Andreoli, Communications Coordinator

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These cases can involve:

- ◆ Demanding money from the owner in exchange for leaving,
- ◆ Posing as the owner or landlord and renting to unsuspecting tenants with fake leases, or
- ◆ Falsely claiming a legal right to be there in order to delay removal.

The directive is clear that these are criminal matters to be investigated, not routine landlord-tenant disputes. It states that people who never had a lease or permission from the owner are not tenants under the Pennsylvania Landlord and Tenant Act of 1951 or the City's unlawful eviction ordinance (Chapter 9-1600). In short, the Department's own guidance recognizes that true squatting and lease fraud are forms of theft, and that victims — both owners and defrauded renters — deserve a prompt law-enforcement response.

What Directive 5.31 Calls For

Directive 5.31 outlines a straightforward process to help officers, supervisors, and detectives handle these situations consistently and fairly:

- ◆ Responding officers are asked to gather key facts: proof of ownership, evidence of forced entry or changed locks, utility information, how and from whom the occupants say they obtained access, and other details needed to establish reasonable suspicion.
- ◆ If reasonable suspicion exists and the occupants refuse to leave, a supervisor should be called to the scene and the case brought to the Detective Division with the supporting documentation.
- ◆ If probable cause develops, arrests and prosecutions are expected to follow, and a second patrol car may be assigned to monitor the property while warrants are obtained, when appropriate.
- ◆ A specific form was created for these cases: the Real Estate Ownership and Non-Permission Affidavit (Form 75-660). The owner completes this form before a detective, swearing to ownership and that



no lease or permission was ever granted to the current occupants.

- ◆ Detectives are given five business days to investigate and determine whether probable cause exists to seek an arrest or search warrant.

This is a practical, step-by-step protocol with a built-in chain of responsibility from patrol officer to supervisor to detective.

Why Some Owners Still Hear "It's Civil"

HAPCO has heard from members who describe a disconnect between the directive and what happens on the street. In some of these situations, officers appear not to be aware of Directive 5.31 or understandably err on the side of treating the matter as civil and referring owners to Landlord-Tenant Court.

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HAPCO recognizes that officers are balancing heavy workloads, safety concerns, and complicated facts — and that sorting out who is a legitimate tenant versus a squatter is not always simple at the scene. At the same time, the directive was written to give officers a clear framework to follow so that legitimate owners and defrauded tenants are not left without protection, and properties are not left vulnerable to damage or repeated fraud.

When the directive isn't used, owners can spend weeks or months shuttling between the courts and the police, losing rent and facing mounting repair bills, while bad actors may continue to victimize both property owners and innocent renters. Using Directive 5.31 as intended can help prevent this and support officers in taking decisive, defensible action.

How HAPCO Members Can Support the Process

HAPCO's goal is to work in partnership with the Philadelphia Police Department by making it easier for officers and detectives to apply Directive 5.31 when appropriate. Owners can help by coming prepared and referencing the tools the Department already has in place:

1 | Know the directive by name and number.

If you are told the matter is strictly civil, you can respectfully reference Directive 5.31 ("Theft of Residential Real Property") and ask whether a supervisor can be consulted, as the directive itself envisions.

2 | Bring documentation to the scene.

Deeds, tax records, mortgage statements, utility bills in your name, photos of forced entry or changed locks, and prior lease or vacancy records all help officers quickly evaluate reasonable suspicion under the directive.

3 | Ask about the 75-660 Affidavit.

The Real Estate Ownership and Non-Permission Affidavit was created specifically for these cases and should be available through the Detective Division. Completing it helps detectives move the investigation forward.

4 | Follow up in writing when needed.

If patrol officers are unable to proceed, you can forward your documentation and a summary of events to the district's Detective Division supervisor so they have everything needed to review the situation under Directive 5.31.

5 | Keep a record of what happens.

Note the date, time, district, and the officers involved, along with what you were told about the applicability of Directive 5.31. This information helps HAPCO identify patterns and advocate more effectively with the Department.

HAPCO's Position

HAPCO Philadelphia appreciates the difficult job that officers do and the challenges of dealing with complex property disputes in real time. We believe Directive 5.31 is a valuable tool for protecting both property owners and good-faith tenants from criminals who exploit the housing system.

Based on member reports, HAPCO supports:

- ♦ Refresher roll-call training on Directive 5.31,
- ♦ Clearer guidance and accountability when the directive applies, and
- ♦ Continued coordination between patrol districts and Detective Divisions on these cases.

Our aim is not to criticize officers, but to ensure that the tools the Department has already created are widely known and consistently used, so that everyone — police, property owners, and tenants — can be better protected.

If you've experienced a squatting or fraudulent lease situation where you believe Directive 5.31 may not have been applied, please contact HAPCO Philadelphia to share your experience and help inform our cooperative advocacy with the Department.



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PRESIDENT'S MESSAGE: UNDERSTANDING PHILADELPHIA'S PROPERTY ASSESSMENT PROCESS

By Seth Floyd, President, Hapco Philadelphia

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session featuring representatives from the Philadelphia Office of Property Assessment (OPA). The event will take place from 6:00 PM to 7:30 PM at Jumpstart Germantown, located at 4701 Germantown Ave, Philadelphia, PA 19144.

This event is an opportunity for housing providers and community members to hear directly from OPA representatives, learn more about the agency's role, and better understand the resources available to property owners. OPA is responsible for valuing all real estate in Philadelphia for tax purposes and plays an important role in the city's property assessment process.

During the session, OPA representatives will provide an overview of how property assessments work, what factors are considered when determining property values, and what property owners should know when reviewing their assessments. Attendees will also learn more about the appeals process, including how to properly appeal an assessment, what information may be helpful when filing an appeal, and additional outreach resources available through OPA.

This educational session builds on the important work of the Philadelphia Assessment Task Force, which brought together stakeholders to discuss property assessment issues and identify opportunities to improve communication and understanding around the assessment process. Continuing these conversations and creating opportunities for direct engagement with city agencies is an important part of ensuring housing

providers have access to accurate information and a meaningful voice in discussions that impact them.

Following the presentation, attendees will have the opportunity to participate in a Q&A session with OPA representatives. This will provide a valuable opportunity to ask questions directly and receive guidance on topics that affect property owners throughout Philadelphia.

I encourage housing providers to take advantage of this free educational opportunity. Whether you own one property or manage multiple properties, understanding the assessment process and knowing what resources are available can help you make informed decisions and better navigate issues that impact your properties.

I look forward to seeing you on September 16 at Jumpstart Germantown.

Sincerely,



President, Hapco Philadelphia



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WHERE DOES A RENT CHECK ACTUALLY GO?

By [Lauren Andreoli](#), Communications Coordinator

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Many manage the day-to-day responsibilities of maintaining those properties while balancing the same rising costs facing businesses and homeowners across the city.

For these housing providers, a rent check is not simply income. It helps cover the many expenses required to operate, maintain, and improve rental housing. Before a housing provider sees any return, that payment is often already committed to a long list of obligations.

Here's where it actually goes.

The Mortgage

For housing providers who financed their properties, the mortgage is often one of the largest monthly expenses. Unlike other investments where expenses may fluctuate based on performance, a mortgage payment is due every month regardless of whether a unit is vacant or whether rent has been collected.

When a tenant falls behind on rent, the financial impact can quickly become significant. The mortgage payment does not pause, and neither do other expenses tied to operating the property.

Property Taxes

Property taxes are one of the largest ongoing expenses associated with owning rental property in Philadelphia. These bills must be paid every year, whether a unit is occupied, vacant between tenants, or undergoing repairs.

Unlike owner-occupied properties that may qualify for certain tax relief programs, rental properties do not receive the same exemptions available to homeowners. Every dollar of assessed value represents an ongoing cost that housing providers must factor into their operating budgets.

Insurance

Insurance is another major expense that continues to increase for many property owners. Protecting a rental property requires coverage for unexpected events, but rising premiums have added additional financial pressure for housing providers.



Maintenance and Repairs

Every rental property requires ongoing investment. A water heater can fail without warning. A roof can develop a leak. Plumbing, electrical systems, appliances, and other building components all require regular attention.

For independent housing providers, these expenses often come directly out of operating income. Unlike larger companies that may have in-house maintenance teams or significant purchasing power, many local housing providers must coordinate repairs as they arise and absorb those costs directly.

Philadelphia's older housing stock can also create additional challenges, as aging buildings often require more maintenance and specialized repairs over time. Routine maintenance is essential to preserving the quality of these properties, and delaying necessary repairs can create larger and more expensive problems in the future.

Utilities and Property Services

Depending on the property, housing providers may also cover expenses such as water and sewer bills, common-area electric, trash removal, landscaping, snow removal, and other services needed to keep a property safe and functional.

These recurring costs may not always be visible in conversations about rental housing, but they are a regular part of operating a property.

Licensing and Compliance

Most housing providers in Philadelphia work to maintain safe, quality housing and meet the requirements necessary to protect residents. Rental licenses, lead safety requirements, inspections, and other compliance measures play an important role in ensuring properties are properly maintained and residents have safe places to live.

At the same time, every new requirement comes with additional time, administrative responsibilities, and costs associated with implementation. As Philadelphia continues to develop housing policies, it is important to consider the practical impact on the responsible housing providers who are working to maintain their properties, comply with regulations, and provide quality housing for residents.

The Expense You Hope Never Comes

The most difficult part of operating rental housing is often not the predictable monthly expenses, but the unexpected ones.

A vacancy between tenants means mortgage payments, taxes, and insurance continue even when rental income stops. A major repair, such as an HVAC replacement, masonry work, or a new roof, can cost thousands of dollars with little notice.

Responsible housing providers try to maintain reserves for these situations, but rising operating expenses can make it increasingly challenging to set aside funds for future needs.

When the Rent Check Doesn't Arrive

One of the biggest misconceptions about rental housing is that expenses stop when rent is not collected. They do not.

Mortgage payments, property taxes, insurance premiums, maintenance costs, utilities, and compliance obligations continue whether a housing provider receives rental income that month or not.

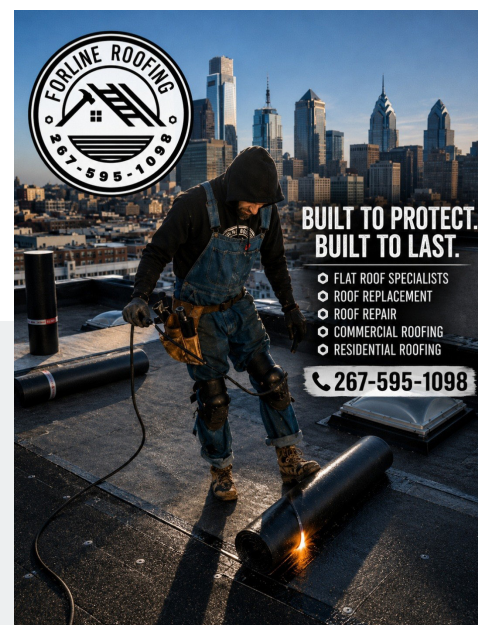
For independent housing providers, especially those who own and operate a limited number of properties, a prolonged period of nonpayment can create significant financial strain. It can affect the ability to complete planned improvements, address unexpected repairs, or maintain the reserves needed to keep a property in good condition.

The Bigger Picture

Independent housing providers play an important role in preserving Philadelphia's rental housing stock, including the rowhomes and small multi-unit buildings that make up neighborhoods across the city.

Maintaining quality rental housing requires ongoing investment. A rent check is much more than a monthly payment. It helps cover the mortgage, property taxes, insurance, repairs, compliance costs, and future improvements needed to keep a property safe and functional.

As Philadelphia continues conversations about housing affordability and availability, it is important to understand the full financial picture behind providing rental housing. Recognizing the costs involved in operating and maintaining properties is an important part of developing solutions that support both residents and the housing providers who help keep Philadelphia's housing stock standing.



WHEN HOUSING PROVIDERS SPEAK UP: THE OTHER SIDE OF THE RETALIATION CONVERSATION

By Lauren Andreoli, Communications Coordinator

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Most housing providers are working to balance many responsibilities at once, including maintaining safe properties, responding to resident concerns, complying with requirements, managing rising operating costs, and ensuring their properties remain viable for the future.

Speaking up about those challenges does not mean opposing residents. It means bringing another important perspective to a conversation that affects everyone.

A Conversation That Requires Balance

A successful housing system depends on both residents and housing providers being able to communicate openly and understand their responsibilities.

Residents should be able to:

- ◆ Report unsafe conditions
- ◆ Request necessary repairs
- ◆ Exercise their legal rights
- ◆ Expect safe and habitable housing

Housing providers should also be able to:

- ◆ Maintain property standards and address necessary repairs
- ◆ Respond to unpaid rent, property damage, or other lease violations
- ◆ Enforce lease terms through a fair and consistent process
- ◆ Advocate for practical policies that recognize the realities of operating rental housing
- ◆ Participate in conversations about housing challenges and potential solutions

These actions are not retaliation. They are part of responsible property management.



Accountability Must Work Both Ways

A lease agreement is a two-way responsibility. Residents have rights, but they also have responsibilities. Housing providers have obligations, but they also have the right to manage their properties in accordance with the law.

When a resident falls behind on rent, causes significant property damage, or repeatedly fails to meet the responsibilities outlined in a lease, housing providers need access to a fair, timely, and predictable process to address those issues.

This does not mean removing protections for residents. It means recognizing that a balanced housing system must provide a path forward when challenges cannot be resolved.

For many independent housing providers, a prolonged issue at one property can have a significant impact. Mortgage payments, property taxes, insurance, maintenance costs, and other expenses continue regardless of whether a property is generating income. Having a clear process to address serious lease violations helps protect the stability of the property and the housing it provides.

Speaking Up Does Not Mean Opposing Residents

One of the biggest challenges facing housing providers today is the assumption that advocating for their own concerns means they are working against residents.

A housing provider can support safe, affordable housing while also raising concerns about the practical impact of policies, increasing costs, or challenges that affect their ability to maintain properties.

In fact, these conversations are necessary. Creating long-term housing solutions requires hearing from everyone involved, including the people responsible for maintaining the homes where residents live.

Responsible Housing Providers Deserve a Seat at the Table

Philadelphia's housing challenges are complex, and there are no simple solutions. Addressing affordability, preserving existing housing, and ensuring safe living conditions requires collaboration between residents, housing providers, community organizations, and policymakers.

When housing providers speak up, it should not automatically be viewed as opposition. Often, it is an effort to share firsthand experiences and help create policies that work in practice.

A balanced housing conversation recognizes that protecting residents and supporting responsible housing providers are not competing goals. Both are necessary to preserve safe, stable housing throughout Philadelphia.

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