

**Testimony of**  
**April Batau, Vice President of Property Management, The Kamson Corporation**  
**Before the Pennsylvania House of Representatives Urban Affairs Committee**  
**On House Bill 1714**  
**March 10, 2014**

**April Batau, Vice President**  
**The Kamson Corporation**  
**270 Sylvan Ave**  
**Englewood Cliffs, NJ 07632**

Good afternoon Chairman Gillespie and members of the Committee. My name is April Betau. I am the Vice President of Property Management for The Kamson Corporation. I also serve on the Board of Directors of the Pennsylvania Apartment Association-Central, headquartered in Lancaster, PA. The Kamson Corporation owns and operates thirteen properties in Philadelphia, Bucks, Berks, and Lehigh counties, a total of 2,000 apartment units, or 2,000 Pennsylvania homes.

Our properties in PA are mostly B and some C class communities. Rental properties are typically classified into one of four classes, and each class is assigned a letter grade. The system is a kind of a shorthand industry professionals and investors use to convey general characteristics of properties to one another. Class A properties are generally less than 10 years old and often upscale, or what might be considered higher rent, luxury communities. Our Class B and C properties are generally over 20 years old and well maintained, but, because of their age, have greater routine maintenance challenges than newer constructed buildings. B properties' residents are typically middle income. Class C properties are typically home to residents of more modest, or low –to- moderate incomes. Our residents are working and middle class individuals and many of our properties have a number of older residents.

Thank you for this opportunity to testify in support of HB1714, which would clarify Act 129 of 2012, Pennsylvania's Landlord and Tenant law regarding situations in which rental residents leave personal property on the premises after moving out. I want to offer the perspective of a larger apartment community about the effects of Act 129 of 2012 and the unintended consequences we've seen for our residents and properties.

Three quarters of our residents who leave abruptly leave items of little or no value behind. Recently, as an example, the property manager at Atrium Apartments in the Northeast area of Philadelphia had to deal with a resident who broke his lease and left without turning in keys or a forwarding address. The resident removed all personal belongings with the exception of an old worn out mattress. On other occasions we've had to deal with abandoned clothes, broken toys, furniture, dishes, and even food.

Act 129 does not deal with one of the most common situations owners of apartment communities face - those in which residents have clearly left for good, obviously with no intention of returning, but have given no notice nor a forwarding address, and have left personal items in the unit. On average, a larger rental property can expect to deal with such situations 48 times in one year alone. Responsible rental owners must comply with the law. Before they can discard the unwanted items in those situations, owners must execute an order of possession. Rental owners face great costs in those cases. Given their frequency, the expenses associated with pursuing orders of possession, the loss of new residents because of the delay in turning over units, and expenses associated with cataloguing, storing and safeguarding abandoned items, add up to a very significant burden to the property's operating expenses.

For example, on a larger community of 617 apartment homes we had 185 move outs in 2012. Forty-eight of those were skips and or evictions. Three quarters of those had to be held over for significant periods of time because of the unwanted items or trash left in a unit. The cost to the community averaged \$900 per unit in vacancy loss and several incurred approximately \$300 each in attorney's fees. Therefore that

property saw an increase of over \$30,000 in expenses for 2012, directly related to the problems caused by abandoned personal belongings.

These significant costs are borne by the particular property to which they apply. Although larger rental companies may own or manage several properties, each individual property is responsible for its own expenses and operating costs. They are not spread among a company's portfolio of additional properties. And the net operating expenses of each property has a significant bearing on its rents. Each property must keep its own costs in check and strive for as much efficiency as possible, while still delivering a good product to its residents. Rising expenses can't help but have an effect on rent increases.

The unintended consequences of the current abandoned personal property law can affect prospective tenants as well. For example, in situations where tenants skip and leave a significant amount of personal property behind, we are forced to hold that unit while we sort out the evictions dilemma, notice requirements and problems with storage of the personal property. In those cases we may be forced to hold a unit while we arrange for removal and storage. And our properties, like most rental communities, do not have separate storage facilities. We must arrange for transport and storage off site. While all this is going on, new tenants waiting for a unit must wait all the longer, causing undue hardship for them.

In our experience we have seen the greatest number of "skips" in properties whose rents are in the middle range – residents who are not in a position to face a constant upward spiral of operating expenses on the properties they call home. We want to keep

our costs down and avoid rent increases as much as we possibly can so our residents can continue to live in quality rental housing.

House Bill 1714 would address the problems we encounter when residents leave their belongings but have obviously left for good.

Again, thank you for this chance to present our views. I would be happy to discuss them in greater detail or answer any questions you may have.