

## Landlords Should Consider the Benefits of Allowing Pets

By Ed Boks

Most counties, cities and towns have a noble goal: To end euthanasia as a tool to control pet overpopulation. Achieving this difficult goal requires robust community participation.

During this time of economic uncertainty, our communities especially need the help of an important constituency, our landlords.

Using the City of Los Angeles as an example of how important our landlords are, consider these facts. According to the 2000 Census LA has 1,275,412 households. Of these, 63% or 803,510 households are rentals. According to a report issued by The Foundation for Interdisciplinary Research and Education Promoting Animal Welfare in 2005, 50% of all rentals nationally prohibit pets.



Think about what these other report findings mean: 35% of tenants without pets would own a pet if their landlord permitted; tenants in pet-friendly housing stay an average of 46 months compared to 18 months for tenants in rentals prohibiting pets; the vacancy rate for pet-friendly housing was lower (10%) than "no pets allowed" rentals (14%); and 25% of applicants inquiring about rentals in non-pet-friendly housing were seeking pet-friendly rentals.

The report observes: "With such a sizable potential tenant pool it would seem there would be enough pet-friendly housing to meet the current demand. In fact, according to economic theory, in perfectly functioning markets [where people make rational, profit-maximizing decisions, with full information and no significant transaction costs] pet-friendly housing should be available to renters willing to pay a premium to cover any extra costs to landlords." Begging the question, "Do landlords overlook opportunities to increase profits by not adding to the pool of pet-friendly housing?"

With nearly half of American households having companion animals and over half of renters who do not have pets reporting they would have one or more pets if allowed, why are there so few pet-friendly rental units available?

Well, among landlords who do not allow pets, damage was the greatest concern (64.7%), followed by noise (52.9%), complaints/tenant conflicts (41.2%) and

insurance issues (41.2%). Concerns about people leaving their pet or not cleaning common areas were rarely cited (5.9%).

Although 85% of landlords permitting pets reported pet-related damage at some time, the worst damage averaged only \$430. This is less than the typical rent or pet deposit. In most cases, landlords could simply subtract the damage from a pet deposit and experience no real loss. In fact, the report finds landlords appear to experience no substantive loss, and further, there is little, if any, difference in damage between tenants with and without pets.

Other pet-related issues (e.g., noise, tenant conflicts concerning animals or common area upkeep) required slightly less than one hour per year of landlord time. This was less time than landlords spent for child-related problems and other issues. Whatever time landlords spent addressing pet-related problems was offset by spending less marketing time on pet-friendly units by a margin of 8 hours per unit.

While the study finds problems arising from allowing pets are minimal, the benefits frequently outweigh the problems. Landlords stand to profit from allowing pets because, on average, tenants with pets are willing and able to pay more for the ability to live with their pets, (especially in unregulated rent situations such as all market-rate apartment units built in Los Angeles since 1978, which are exempt from rent control).

In the City of Los Angeles nearly 17,000 pets were euthanized over the past twelve months. This is an increase over previous years, reversing many years of steady decline. The increase is attributed to the large number of pets surrendered to City shelters this year because of the housing foreclosure crisis. Imagine if just twenty percent of the 400,000 pet restricted households in LA permitted pets. That could create a demand far greater than the number of homeless pets dying in our shelters, allowing LA to finally achieve its goal. What would it mean in your community?

Landlords have been hearing from their own colleagues and professional journals recently that permitting pets makes good business sense. Nonetheless, the lack of available pet-friendly rentals reveals there is a long way to go to meet current demand. The report reveals many landlords may be overlooking an opportunity to increase revenue and tenant pools/market size by allowing pets. While there are some costs to allowing pets, these costs are relatively low and the benefits appear to be even greater for landlords.

The benefits to the thousands of homeless pets who are dying for lack of a home each year cannot be overstated. Landlords can make a profitable, life saving choice by permitting pets. After all, a house is not a home without a pet.