

Invitation Homes: Tenants Say Rental Homes Poorly Maintained, Violate Habitability Standards and Local Housing Codes, Company Deaf to Concerns

Company Update

Tenants who lease houses from Invitation Homes, a leader in the single-family rental industry, are deceptively put into dwellings with maintenance issues, code violations and life-threatening safety risks, according to interviews with twenty current and former tenants and complaints filed with attorneys general in two states. The company additionally has failed to make requested repairs and signaled to residents that they may be held liable for fix-up costs when they move out, the tenants said.

Calls from tenants to local code enforcement agencies have led to notices of code violations and fines issued to the company, and in one case, a servicemember tenant turned to the military legal office to help negotiate an early lease termination after a California city ejected Invitation Homes from its “[self-certification program](#).”

Twenty Invitation Homes tenants with complaints against the company including two military families were interviewed for this article. Other tenant complaints submitted to the attorneys general of Florida and North Carolina, to the Better Business Bureau, and on social media platforms detail similar conduct by the company.

Invitation Homes owns 82,000 dwellings nationwide and plants a deep footprint averaging 4,800 homes in each metro area where it concentrates its operations, some near military base cities including Tampa, Denver, Las Vegas, Seattle and around the Bay Area in California.

The company runs a variety of risks by providing tenants with problem homes. Complaints from residents may trigger scrutiny by local code inspectors, neighborhood home owner associations and state attorneys general and real estate commissions. Monetary and legal settlements with tenants are also a possibility, along with early lease terminations and an inability to shift maintenance, repair and turnover costs to tenants—a business practice we [previously covered](#).

Risks that could result in financial or reputational harm identified in the company’s 2016 [10-K](#) include becoming a legal or publicity target of tenant and consumer rights organizations—which would include, presumably, servicemembers’ rights groups. Of note, several economic justice organizations recently released a [report](#) on abusive practices in the institutional single-family rental home industry.

Similarly, Maureen K. Ohlhausen, the acting chair of the FTC, launched a [Military Task Force](#) last year to identify and help address the needs of military consumers. The experience of tenants with Invitation Homes also raises questions about whether the company routinely delays maintenance, uses deceptive advertising, edits customer survey data and about the condition of the properties in the company’s overall portfolio.

When Invitation Homes acquires properties in bulk, the company often does not inspect the interior or conduct more than a brief exterior inspection, and major defects in the properties may be overlooked, according to its 2016 10-K. After acquiring a home, the company may prioritize curb appeal and interior aesthetics over function and safety, intentionally delaying maintenance and repairs in order to execute business practices such as chargebacks that shift expenses to tenants.

“All homes, both Invitation Homes and Waypoint, receive a multi-point inspection prior to a new resident moving in,” said Invitation Homes in emailed comments to *The Capitol Forum* in response to questions regarding inspection practices. “The inspections are performed after all make-ready improvements and services have been completed and are designed to ensure our homes are ready to be occupied with any known safety and habitability issues resolved prior to move in.”

Move-In Problems

Havyn Hughes and her husband Jonathan, who has 13 years in the military, relocated with their two toddlers from Louisiana to an Atlanta suburb in August 2017 when the Army sent the sergeant first class to Georgia Tech to teach ROTC courses. Using an online search, the family rented a 1971 house from Waypoint Homes, which merged with Invitation Homes in November.

The home was advertised as a four bedroom with a two car [garage](#). When they arrived, there was no garage.

Hughes said the leasing agent warned the family to carefully document, photograph and submit work orders for all damaged areas and malfunctioning systems within the first 48 hours. Hughes noted multiple broken and problematic items: blinds, smart lock, window hardware, interior door locks, clogged bathtub drains, a damaged front door, poorly functioning dishwasher and ice maker and mold on the master bathroom walls and ceiling.

The company took four months to repair those items, Hughes said. The master bathroom issues were ignored, she said. “I started submitting work orders for a lot of additional items I noticed after the first 48 hours.”

The windows in the children’s rooms were screwed shut, the cooling system couldn’t keep up with the weather, mold worsened, and she detected a growing number of wall cracks. “The usual process when you put in a work order is that they send out their own handymen who slap on a Band-Aid fix,” Hughes said.

The in-house maintenance men would regularly ask a question that left her wondering if the company might unjustifiably hold her family financially responsible for structural repairs: “Do you want me to put this issue in my notes so you don’t get charged at move-out or do you actually want it fixed?” Hughes would then ask whether they were serious, and wonder aloud “if that’s really a choice we should have to make.”

Across the country in California, Chief Petty Officer James Galbraith, who has served in the Coast Guard for 22 years, moved into a four-bedroom Invitation Homes rental in the Bay Area in July 2016 after an online search. Soon afterwards, he began submitting [work orders](#) for issues such as floor damage in the master bath, malfunctioning furnace thermostat and a broken exhaust fan in the kitchen ceiling that he said he reported at move-in.

In response to his work orders, the company did some shoddy repairs, he said. Other requests were denied, and Galbraith said he took care of some of the items himself.

“The day after we signed the lease and moved into the home, we reported a problem with the AC because it was not blowing cold air,” Ashley Seal, a pregnant mother of two young children, wrote to the Florida attorney general in May 2017. Her complaint indicated her active duty military family was living in a Pasco County, Florida Waypoint Homes rental home.

Seal's complaint states that multiple technicians and contractors recommended replacing the failed, 25-year old cooling system but Waypoint refused to move on the request. Over the next three-and-a-half months, the family dealt with ineffective repairs, unreturned calls and frustrating delays. "They are putting a Band-Aid on the problem but not fixing it. At this point I want out of the lease with this company. They are a horrible company," she said.

Additional complaints to the Florida Attorney General further echo Invitation Homes tenant experiences, "Shortly after our tenancy began on May 31, 2016, the air conditioning unit needed repairs. Numerous contacts were made to the maintenance department, at least five times workers came out to fix the AC until it was finally repaired in mid-July," wrote Deleno Austin in June of last year.

Terry Daugherty of Palm Harbor, Florida wrote in March 2017, "We have had a water leak since September of 2016 that was finally repaired in February after multiple calls to get it repaired. I am left with very large water bills and Waypoint said they would take care of the bill, but they never did."

"I have had to schedule off work without pay on five different days for six appointments for Waypoint Homes and their contractors to come complete different work order items. Three of those appointments were no-shows. I still have two unresolved maintenance requests. I am requesting a Waypoint Homes property manager come out and wait while contractors complete this work," wrote Tamara Evans of Winter Springs, Florida in September 2016.

Tenant reviews on the BBB website also suggest common issues with the company's response to maintenance requests and the underlying condition of its rental homes. Asked about the dispute process available to tenants whose maintenance requests are handled improperly, the company said:

"A resident can contact their local property management office or our corporate customer service department to escalate the issue. Our local property manager will evaluate the situation and determine the appropriate course of action and next steps — with a commitment to delivering outstanding service."

Habitability Issues, Code Violations, Delays and Half Measures

The Waypoint handyman who arrived to assess the [non-functional windows](#) in the Hughes' kids' bedroom simply reinserted the screws that Hughes had removed. The International Property Maintenance Code, mandatory in the state of Georgia, requires bedroom windows to remain functional, Mark Rice, President of Building Official of Georgia, said by email. "It's a life safety issue" in the event of a fire, Rice said.

"In December, they finally told me that the house is rented in 'as-is' condition," Hughes said after several work orders had been ignored.

In early January, the family returned from vacation to worsening mold throughout the top two floors and waterlogged ceilings on the upper floor. Hughes' calls to the regional maintenance manager brought another visit by a handyman, who applied a mildew-resistant, stain-blocking spray on the kitchen ceiling, walked around on the roof and left after saying, "You're good to go," she said.

Over the next six weeks, worry that moldy, soggy ceilings might start to collapse spurred the family to turn to Sargeant Hughes' chain of command and to a military legal officer who, according to Hughes, has not yet intervened on behalf of the family. Invitation Homes finally sent a roofing contractor who replaced the roof shingles in mid-February although the damaged interior ceilings have not been repaired or replaced.

“I was told if the ceilings remained a problem, I should submit work orders but the ceilings in several rooms are literally falling apart,” Hughes said.

Galbraith, the Coast Guard officer, said that his heating and cooling system couldn’t maintain proper temperatures in the back half of the home. He experienced similar maintenance delays and denials as Hughes for the same complaint—improper temperature control. The first time he reported the issue, the work order was cancelled. Four times he missed work for no-show repairmen visits. Frustrated after multiple unsuccessful attempts to comply with the company’s home maintenance process, he called city code enforcement.

A City of Pittsburg, California, building official found work had been done on the home without permits or inspections—a violation of the municipality’s rental ordinance. The changes included remodeling a patio enclosure into a bedroom and replacing the furnace and roof, according to an email that the city’s chief building official sent to Invitation Homes and Galbraith and which *The Capitol Forum* reviewed.

The furnace also violated the code: it couldn’t heat the house to the required 68-degree minimum. In the same email to Invitation Homes listing the code violations, the official notified the company that it was removed from the city’s [“self-certification program.”](#)

Payment Portal Lockouts, Changed Survey Ratings, Ongoing Maintenance Issues

Invitation Homes and its predecessor, Waypoint, sent tenant surveys to Hughes after maintenance visits. Before the merger of Invitation Homes and Waypoint, Hughes said she noticed that someone upgraded her ratings of Waypoint maintenance visits to five stars and that some of her comments were edited. In every work order she submitted citing “mold,” the word was changed to “discoloration,” and her negative comments on the window repair visit had been revised.

Asked about editing survey results, Invitation Homes stated by email that “our success in delivering for residents can be seen in our high resident satisfaction surveys, which are conducted by a third-party.”

“It would be inaccurate to describe all discoloration as mold,” said Invitation Homes by email when asked about the company’s policy regarding changing tenant work orders that use the word mold instead of discoloration. “We treat all reported discoloration seriously and dispatch the appropriate personnel and vendors to evaluate the issue, determine the root cause, perform corrective actions when necessary and determine if testing is needed to identify the type of discoloration present.”

After the merger, when Invitation Homes and Waypoint integrated the tenant portal, Hughes lost access to the survey results. The company says it has thousands of completed surveys after maintenance visits. In 99.8 percent of cases, respondents are said to have given ratings of three or higher on a scale of one to five, which the company considers favorable.

“Things are going extraordinarily well,” said CEO Fred Tuomi, on the February 23 fourth-quarter 2017 [earnings call](#). “We’re doing a great job now and it will only get better.”

In the last few weeks alone, Hughes was locked out of the payment portal, dealt with a plumbing flood and had a contractor visit to repair the kitchen flooring. Her family’s situation, which has included over 27 work orders, has

been brought to the attention of a military legal advocate (JAG) and the one-star general in her husband's chain of command, who are monitoring the situation. Ultimately, the family may need to consult with a civilian attorney due to limitations on the assistance JAG can provide.

Inadequate Response to Complaints

Galbraith said he was told verbally that he could move into another Invitation Homes rental in October or terminate his lease, but the company resisted putting anything in writing. Invitation Homes also informed him that he would not be compensated for moving or storage expenses.

On January 8, the company told him by email that the illegal extra bedroom would be demolished, telling him, "We need all items out of the room in order to start the work." When Galbraith refused to let the company begin the project while he lived in the home, Invitation informed him by email that he would be subject to tenant chargebacks.

"You will be charged back for any fines we receive from the city since you are preventing us from removing the room and correcting the violation," a company agent said in an [email](#) reviewed by *The Capitol Forum*. Galbraith responded he wanted his options in writing, including the opportunity to terminate his lease early without penalty and the company's promise of a new lease that would reflect the reduced size of the house.

Galbraith sought legal help from the military, whose help may have prompted Invitation Homes to soften its stance. On February 26, an Invitation Homes paralegal proposed the following terms: early lease termination without penalty, refund of deposits, assistance with move-out expenses and over eight months' rent credit commensurate with the square footage of the room set for demolition.

Galbraith received no written assurance that he wouldn't be subject to chargebacks from code violation fines or turnover costs, or that there would be other penalties such as reporting to debt collectors or credit bureaus. Turnover costs and chargebacks posed a concern, he said: Galbraith had submitted a work order in December 2017 stating that the roof might need replacement, an expensive repair that could cause the company to impose move-out chargebacks to reduce its turnover costs.

Hughes, the Army wife, wrote a pointed email on February 27 to the Atlanta property manager describing the condition of the home. The property manager responded by calling Hughes and setting up an inspection visit.

"She was the first person to talk to me without given me an attitude," she said. "I'm very worried about what is going to happen when we leave here, what's going to happen to my husband's credit rating which can affect his security clearance. It feels like we put our family in a really crappy position. We would have been better putting our family in an apartment."

After inspecting the home, the property manager wrote a letter to the family agreeing to an early termination of the lease without penalty. But, like Galbraith's offer, no assurances were offered to shield the Hughes from tenant chargebacks for all the necessary repairs to the home.