

California West Newsletter

January 2012

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New and familiar faces at California West

There are some new faces at California West. On January 1, 2012, Tim Banducci sold the company to his son, Derek Banducci.

Tim owned California West since 1989 and has owned residential income property since 1969. Although he is retiring as President, Tim is still the company's Chairman of the Board of Directors and will use his 40+ years of experience to advise Derek.

Derek Banducci has owned residential income property since 1997 and worked for California West from 1999 until 2004, before relocating to Orange County where he obtained a law degree from Whittier Law School. He has been practicing business litigation for the past four years. His new title is CEO of California West.

The other new face at California West is Derek's wife, Gabriella ("Gabbi") Chaves Banducci, who has a bachelor's degree in marketing as well as a business degree and who is the new Marketing Director.

Despite these new faces, there are still many familiar ones. In the AG office, Johnnie Reinhardt is the Property Supervisor. She was first hired by Tim Banducci in 1981. Betty Romero and Teresa Valencia continue assisting her.

In SLO, Ellie Malykont is the Property Supervisor. She joined California West in 1993. Rosa Vega and Dorothy Buck assist her.

There are also some other faces at California West whose work often goes unrecognized.

In the accounting department, the person behind the monthly financial statements is Janet Wilson, who Tim Banducci hired in 1987, and Mallori McRoberts assists her.

Alan Schmidt is the maintenance supervisor for California West and he has been with the company since 1992. Alan supervises a staff of full-time and seasonal maintenance workers. The full-time staff includes Jose Ortiz, Vince Schmidt, Juan Benitez, Kevin Giovanni, and Brian McKeen.

In sum, California West values its longtime employees and is excited to be adding some new ones.

Rental update

The rental market is slowly improving for property owners.

In SLO, Ellie Malykont is reviewing rents for each of her clients and expects to recommend modest rent increases on many properties.

This is because the Cal Poly dorms that came online a few years ago have been absorbed into the market and Cal Poly's enrollment is stable. As a result of these factors and an improving economy, the rental market was slightly tighter in 2011 than in 2010. Another factor that probably helped California West rent units last year was being open for extended hours on Saturdays during lease-up season while its competitors were closed. California West will be having the same extended hours this summer.

In the Five Cities and Santa Maria, Johnnie Reinhardt sees a market that is stronger than at any time since 2008 and is recommending modest rent increases on select properties. A few rent increases were successfully completed last year and Johnnie expects the same to be true this year.

Although the rental market is improving for property owners, there is still a need to be cautious.

It is always better to err on the side of lower rents rather than to push the market and attempt to get top dollar at the risk of higher vacancy or inferior tenants.

Vacancy expenses and expenses arising from inferior tenant quality almost always result in less money at the end of the year.

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Tax Preparation

Putting together tax paperwork is never an exciting task. That said, California West attempts to make it as easy as possible. Here is a checklist of what you should provide your tax professional:

- ✓ 2011 End of Year statement (sent to clients last month)
 - ✓ 1099 statement from California-West (sent this month)
 - ✓ 1099-INT statement for interest income on savings accounts (will be forwarded by California West when received) (the bank's quarterly account statements cumulatively contain the same information)
 - ✓ 1098 interest expenses statement (sent by loan servicers)
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