



Monthly Newsletter

January 2013

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The SLO rental market is driven by Cal Poly's academic year and so, as always, California West will begin pre-leasing units on April 1. We generally require new and existing tenants to sign a 12 month lease beginning sometime in late June to early September.

Existing tenants who are paying their rent on time and not causing problems will receive letters in late February or early March asking whether they wish to renew for another year. If those existing tenants decline to renew or fail to respond, then on April 1 we will begin marketing their units to new tenants.

Ellie Malykont is presently reviewing rents and will be recommending new rates as appropriate.

Rent reviews in Five Cities and Santa Maria.

Johnnie Reinhardt's process for reviewing rents in the Five Cities and Santa Maria is to evaluate leases as they approach expiration. Unlike in San Luis Obispo, the Five Cities and Santa Maria markets are more year-round with certain seasonal patterns. For example, Christmas is usually not a time when people are moving around.

In short, the rent review and renewal process is therefore much more steady in the Five Cities and Santa Maria than it is in San Luis Obispo.

For units that are on month-to-month agreements, Johnnie Reinhardt reviews those rents semi-annually, although she rarely recommends raising rents more than once per year.

New laws for 2013.

The following new laws will affect the rental housing market:

There are some new laws affecting rental property in California for 2013

Abandoned property – If a tenant abandons personal property that is worth less than \$700 (formerly \$300), the landlord may dispose of the property without complicated procedures. This law also adds disclosure requirements for landlords. The additional disclosure requirements will be added to California West's standard forms and the increase from \$300 to \$700 will benefit our clients by reducing turnover costs.

Smoke detectors - On or before January 1, 2016, landlords must ensure that smoke alarms are located in each bedroom. Between now and 2016, California West will inspect and install smoke detectors in bedrooms during routine maintenance calls to avoid unnecessary expense to our clients in 2015.

Pet policies – For properties that allow pets, landlords now cannot require renters to declaw the pets. This was never a California West requirement, so this law has no impact on our clients.

Security Deposits – Property owners and tenants may now agree to directly deposit a tenant's security deposit refund to a tenant's bank account and to provide an itemized security deposit statement by e-mail. California West will continue processing deposit returns by paper because setting up direct deposit for a single transaction is inefficient.

Electronic rent payments – Landlords may not require tenants to only make rent payments electronically. In theory this is good, but there are still issues relating to Department of Real Estate regulations that make it impractical for California West to accept electronic rent payments.

Foreclosure notices – If an owner of a 1-4 unit property receives a Notice of Default from his or her lender then the landlord must notify new prospective tenants of the Notice of Default. For any property owner who receives such notice, please notify California West immediately so we may comply with this new law.

Foreclosure properties – Tenants of foreclosed properties must be allowed to remain in the property for at least 90 days. This has no impact on California West's clients except in cases where we are assuming management of a recently foreclosed property.

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