



Monthly Newsletter

January 2020

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We have already sent renewal letters to the student renters and are now putting the final touches on our advertising material for February 3 to pre-lease student rentals for 2020.

Pre-leasing season begins on February 3rd in San Luis Obispo for student rentals.

In San Luis Obispo, we begin our program to pre-lease student rentals beginning on Monday, February 3.

Since San Luis Obispo is a college town, most residents move only during the summer months. We pre-lease to those renters beginning in February so that we know we have places rented before anybody moves out. Turnover at an apartment building with mostly students is typically around 80% because students move around far more frequently than other types of tenants and if everyone were to move out before we found new tenants it would be unmanageable.

We have already sent renewal letters to the student renters and are now putting the final touches on our advertising material for February 3.

We advertise on Craigslist, our website, and across the Internet via our AppFolio software which aggregates to many different websites such as Facebook, Zillow, Hotpads, and more.

We will begin showing larger houses first, as those are the most popular. We often get multiple groups who express interest in those types of properties. As those properties fill up we then work our way to smaller configurations and many of the applicants who were not chosen for the larger homes end up moving their applications over to smaller configurations and getting approved for those properties instead.

Beyond the ordinary requirement of having a co-signer with good credit and solid income and assets, what we look for from groups of students who are applying for larger homes is that they also have some sort of previous experience living outside their parents' homes or the dormitories. This allows us to contact previous landlords and verify whether the applicants pay their rent and respect their neighbors.

Also, part of our pitch to students applying for smaller homes that we manage is that if they are good tenants then we can give them a good reference in following years when they are applying to live in a larger house.

Utility bills will be placed in owners names on a more consistent basis and this sometimes may require an initial deposit.

One of the greatest frustrations of being a property manager in California is having to deal with PG&E and its bureaucracy. PG&E is a model of efficiency on par with the Housing Authority and the Department of Motor Vehicles.

One problem with PG&E is that they make it very difficult to setup new service in a property owner's name. It often depends on the whims of whomever you are speaking with to determine whether they will allow us to do so. To get around this we have sometimes in the past resorted to setting up service in California West's name and then paying from the property owner's account. That works well enough except when it doesn't. The problem is that when we have multiple accounts setup under our name then if there is a credit PG&E may choose to apply that credit without explanation to any account under our name or if there is an unpaid balance they deduct from any random account. It then takes literally hours to sort out what happened as nobody at PG&E wants to go to the trouble of figuring things out.

In light of all this, we've made the decision to never setup utility or other accounts in California West's name. It is quicker and easier at the front end to do that but not worth the hassle and confusion in the long run. What this means for property owners is that we may be contacting you to help us setup service when needed and we may have to pay a deposit from your account to establish an account. We will continue doing everything we can to avoid burdening our clients but the bottom line is that PG&E is not an easy company to deal with.

1098's and 1099's are included in your financial statement packets this month.

Tax season is upon us and that means putting together all important and relevant tax information. For our clients, the important documents include the end of year Cash Flow Statement that we sent out at the beginning of January plus any 1099's and 1098's that may relate to a property.

We will include 1099's with financial statements this month. Those 1099's will match up with the Total Rent + Prepayments From Tenants. The Total Rent amount appears near the top of your Cash Flow Statement and the Prepayments From Tenants appears near the bottom of your Cash Flow Statement.

In addition to 1099's from California West, we will also be including with your financial statements any 1098's or other tax documents that we may have received from lenders or others relating to your properties.

We will be including 1099's with all financial statements this month. Those 1099 reports will match up with the Total Rent + Prepayments From Tenants that appears on the Cash Flow Statement.

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