



# Monthly Newsletter

March 2022

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## **Population trends show people moving from big cities and to smaller communities, such as San Luis Obispo County, which should continue supporting higher rents.**

One of the news headlines making the rounds lately has to do with population trends that show people migrating away from big cities, such as Los Angeles and San Francisco, and to smaller areas such as San Luis Obispo County.

The U.S. Census Bureau estimates that between July 1, 2020 and July 1, 2021, there was net migration of 58,576 people away from San Francisco County, which was a change of 6.7 percent. During that same time, the Census Bureau estimates that 735 people moved to San Luis Obispo County, a net change of 0.3 percent.

Nationwide, average multifamily asking rents in February 2022 rose to \$1,628, which represents year-over-year growth of 15.4 percent, according to the Yardi Matrix Multifamily National Report.

As these numbers indicate, demand for housing remains strong, especially locally. This is further supported by anecdotal experience.

Recently, we were contacted by three different people. Two clients and one prospective client. The inquiries were all regarding a rental home in the Laguna Lake area of San Luis Obispo. All three inquiries were asking for an estimate of fair rental value for a 3 bed, 2 bath house. This is highly unusual that a single listing of a very basic 3 bed, 2 bath house would generate multiple inquiries for fair rental value. The house was priced in the mid-700k range, which is not a particularly odd price, but obviously was low enough in the present market to generate considerable interest. Reports are that bids of at least 90k over asking were unsuccessful.

As for non-student rents in the area (Five Cities and SLO), we are seeing prices peak at around \$3,500 per month for single family homes. We've tested a few homes at the \$4,000 price point, but mostly without success. We see some interest in the \$3,700 - \$3,800 range for nicer homes, but the market does not really seem to be on firm footing until we get below the \$3,500 price point. Pre-Covid, we were seeing prices for this type of product range from \$2,500 - \$3,000 whereas we are now seeing support in the \$3,200 - \$3,700 range.

## **March 31 is the deadline for applying to receive Covid rental relief payments.**

As we mentioned last month, the State of California continues to process requests for rental assistance from tenants.

We continue seeing some tenants make renewed requests and other tenants make original requests. As these come through, we do our best to move things along, by filling out and submitting whatever information and document requests come our way.

*Courts are taking the position that it is better to slow-walk an eviction in the hope that funds from the state of California will make everything moot.*

Unless extended, the deadline to apply for this program is currently set to expire on March 31, 2022.

From our perspective as a property management company representing landlords, although the rental assistance is of course a good way to avoid being at loss with a tenant who refuses to pay rent, the downside of this program is that it makes the eviction process very slow, complicated, and uncertain.

Courts are taking the position that it is better to slow-walk an eviction in the hope that funds from the state of California will make everything moot. The problem, at least as we see it, is that irresponsible tenants are milking the system, so to speak, and there is very little recourse for landlords who must simply wait and hope for the best.

As with everything Covid, we truly hope to get back to “normal” as soon as possible.

## **Do not forget to pay property tax by no later than April 11.**

At California West, if we receive a property related bill then we will pay that bill for our clients if there are funds available for that purpose.

Generally speaking, second installment of property taxes are due by February 1 and late after April 10. This year, payments are due on April 11 since the 10th is a Sunday. We have already paid all the property tax bills that we've received. Some clients have them sent directly to us, other clients forward us their tax bills, some pay the bills directly themselves, and others have impound accounts with their lenders who pay the bills. The only way we know to pay a bill is if it comes to us or if our clients ask us to make payment.

Please check your financial statements this month to make sure we have paid your property tax bill if that is a task that you are expecting us to perform. You may also, of course, reach out and ask us if we have made payment or help you check the county website to see if payment has been made.

**San Luis Obispo Office**  
1380 Broad Street  
San Luis Obispo, CA 93401  
Ph: (805) 543-9119  
E-mail: [slo@calwest.com](mailto:slo@calwest.com)

**Arroyo Grande Office**  
145 S. Halcyon #H  
Arroyo Grande, CA 93420  
Ph: (805) 489-9400  
E-mail: [ag@calwest.com](mailto:ag@calwest.com)

[www.california-west.com](http://www.california-west.com)

Broker: Derek Banducci  
DRE Lic. No. 01276163