CALIFORNIA WEST
real estate management

Monthly Newsletter

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Housing Fair at Cal Poly was a success.

California West recently attended the 2014 Housing Fair at Cal Poly and it was a huge a success. As always, our booth was extremely popular with students interested in obtaining information about rentals for the upcoming academic year. We had two people working the booth and, in fact, this year a long line formed to inquire about availability and procedures.

One reason for the long line was that we allowed students to sign up for an e-mail reminder of our April 1 list. In combination with other marketing efforts, we were able to collect a list 2,000 names of people who to contact via e-mail to remind about that list.

Every year, our April 1st list in San Luis Obispo is very popular and is the biggest list in San Luis Obispo of available units for the upcoming academic year. This year was no different.

Over the first two weeks of April this year, we received over 30% more applications than last year during the same period.

Everything considered, we are very happy with the success our presence at the Housing Fair and with our other marketing efforts so far this year.

Students at Housing Fair waiting in line to talk with us about housing options.

Common security deposit refund issue

We see many different issues arise with respect to refunding security deposit money. Here are some common issues:

- **Roommate divorce:** Sometimes, roommates split up for whatever reason and cannot agree on how to split their deposit refund. Not our problem. If one roommate is staying and the other is leaving, we will not refund any portion of the deposit until the unit is entirely vacant and we inspect for damage. If all tenants are leaving and cannot agree on who gets what portion of the deposit, then we send a check to all the tenants, in all their names, and make them cash it together. The bottom line is that we do not solve roommate issues.

- **Paint:** If a tenant has been at property for many years, chances are good that the unit will need fresh paint. Courts in California generally assume that an interior paint job will last 3 years. So, if a tenant has lived at a property for 1 year, the most that an owner could deduct from a security deposit would be 2/3 of the cost to re-paint the unit. An exception, however, is if the tenant painted the wall an odd color that requires priming. In that circumstance, we can usually charge the entire cost of priming to the tenant.

- **Timely refund:** Under California law, a landlord must refund a deposit within 21 days of obtaining possession of a unit or provide a reasonable estimate of the refund within that period. If invoices are not available to the landlord within those 21 days, then the landlord must make a *reasonable* estimate of how much is left outstanding and refund an appropriate balance. If a judge ever determines that a landlord's estimate is "unreasonable" then the landlord could be liable to the tenant for twice the amount of the security deposit as a "bad faith" penalty. California West very rarely lets security deposit disputes reach small claims court, and we find that we can work out most disagreements informally. If there is a chance of having to go that far, though, we will of course consult with our clients to find out how they wish for us to proceed.

If a judge ever determines that a landlord's security deposit refund is "unreasonable" then the landlord could be liable to the tenant for twice the amount of the security deposit as a "bad faith" penalty.

San Luis Obispo Office
1380 Broad Street #1
San Luis Obispo, CA 93401
Ph: (805) 543-9119
E-mail: slo@calwest.com

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

www.california-west.com

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Contractor Lic. No.: 985262