



Monthly Newsletter

June 2023

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Improvement projects require coordination and often multiple bids and follow up.

As a property management company, one of California West's jobs is to recommend improvement projects to our clients whenever we think that such work is necessary to properly maintain a property or is likely to add value. We also take into consideration our clients' objectives and their past willingness and interest in making repairs. Of course, our clients ultimately decide whether to approve any such work.

Each of our offices has better relationships with some vendors than others, meaning that those better relationships result in vendors who are more responsive and who usually offer better pricing than competitors, with the expectation that they will usually be our first choice. This sort of relationship works well as long as we continue getting responsive service and pricing remains competitive for our clients.

As makes sense, Lompoc vendors are interested in Lompoc jobs and few vendors from outside Lompoc are interested in making the drive. Our San Luis Obispo and Arroyo Grande offices tend to share more common vendors than with our Lompoc office, but there is some overlap with each of our offices.

At present, roofers are among the most difficult vendors to schedule, or even to obtain bids from, probably as a continuing result of the intense wind and rain storms earlier this year.

As for other trades, we are seeing wide price differences among various painters. We do have one painting vendor who also does carpentry repair, so he is good when there is fascia or siding work that needs to be coordinated, but his painting prices tend to be on the higher end.

As for how we identify work that needs to be done, our practice is to conduct regular property inspections and also respond to requests from property owners and tenants. Legitimate tenant driven requests tend to be for smaller items, like a broken garbage disposal. We will of course inform our property owner clients if a tenant is requesting a big ticket repair, but that sort of situation usually arises because the tenant has unreasonable expectations or if something really needs repair and we have already identified the issue.

Summer turn over season begins in San Luis Obispo.

The annual turn over season is upon us in San Luis Obispo. At California West, we turn over approximately 25% of the units that we manage from our San Luis Obispo office within a 60 day period of time, and closer to 50% of the units that are within a small radius of the Cal Poly campus.

College students move around at this time of year and that creates a lot of work for everyone at our San Luis Obispo office. We try to space it out as much as possible so that our clients do not have to pay overtime to get units ready for rent and to minimize the stress on our staff.

With Cal Poly being forced by the CSU system to switch from a quarter system to a semester system starting in 2025, that is also creating an impact on the timing of our turn over season. On a quarter system, classes begin in mid-September whereas on a semester system those classes begin in mid-August.

As a result of this, we have begun adjusting lease expiration dates to end no later than July 31, rather than the August 31 date that we previously had in place.

The logistics every year of preparing as many units as we do for the next group of renters is very challenging and our staff is always quite happy when everything is done.

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Legislators are considering additional limits on the amount of security deposit that landlords may accept.

A new bill, AB 12, is advancing in the state legislature and if it becomes law the bill would require that security deposits for both furnished and unfurnished units be limited to one month's rent.

At present, landlords may charge no more than two months rent for unfurnished units and three months rent for furnished units.

In practice, at California West we usually recommend that our clients set security deposits at around \$100 more than the monthly rent, mostly to make it easier to distinguish between the deposit and rent. Pet deposits will raise that further, usually by an extra \$500.

If this bill becomes law, it will be one more rule that we must follow and will limit our ability to rent to marginal tenants. As it stands, with other recent tenant protection laws, we are usually very reluctant to recommend that clients approve marginal case tenants. Doing so with a higher deposit may become a thing of the past if this law passes.