

Monthly Newsletter

August 2013

In this issue

- **Cal Poly converts 472 beds to accommodate its largest freshman class ever.**
- **Utility bills revert to property owners' names when tenants move out.**
- **60 day notice required to increase rent by more than 10% on a person who has lived at a property longer than 12 months.**

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Cal Poly converts 472 beds to accommodate its largest freshman class ever.

California West has been seeing an unusually strong student rental market this year.

One explanation for this unusually strong rental market was revealed on August 9 in The Tribune newspaper. The Tribune reports that this year Cal Poly is enrolling its biggest freshman class ever. This was no surprise to us, as we have been seeing strong rental demand since our pre-leasing program began in March of this year.

In fact, The Tribune reports that Cal Poly converted “472 beds that would normally be reserved for continuing students, and made them available to the freshmen.”

Typically, freshman students live either on campus in University housing or, if that is unavailable for whatever reason, then some will spill over to adjacent apartment buildings. Mostly, though, freshman students live on campus at Cal Poly.

When the students become sophomores, they either continue to live on campus at Cal Poly or begin looking for off-campus housing in nearby apartment buildings.

As a result of Cal Poly’s decision to convert 472 beds that would normally be reserved for continuing students, that means we have had 472 additional tenants looking for housing in San Luis Obispo this year.

This additional demand is no doubt contributing to at least some of the strength that we have been seeing in the rental market.

Long term, one of the continuing themes at Cal Poly is that they will admit more students, but they will also build more on-campus housing to accommodate those students. So, in the short run we are experiencing the benefits of higher enrollment but over the long run Cal Poly will no doubt build more housing to accommodate higher enrollment.

Utility bills revert to property owners' names when tenants move out.

When there is a vacancy at a house or apartment, no matter how short, our clients are likely to see utility charges on their financial statements.

What happens is that when tenants move out of a unit, California West performs what is called a "clean and show." This is where we call the utility companies and put the utilities into the name of the property owner.

When there is a vacancy at a house or apartment, no matter how short, our clients are likely to see utility charges on their financial statements.

The reason for a "clean and show" is so that there is utility service at the unit while we are getting it ready for a new tenant. For example, we need electricity for lights to do a move-out inspection; our cleaning people need hot water to do their job; and other vendors also need power, water, and gas to get the unit ready.

One problem we encounter is that new tenants are not always mindful of turning the utilities on in their names. We remind them when they pickup their keys that they need to do this, but that is not always enough to make it actually happen.

When new tenants fail to put the utilities into their name, we then call the utility companies to turn off the power, water, and gas. We usually give them a few days (and charge them accordingly), but ultimately it is their responsibility setup their utility accounts and they will be without power if they fail to do this.

60 day notice required to increase rent by more than 10% on a person who has lived at a property longer than 12 months.

As a reminder to our clients, California law requires 60 days notice if we increase the rent on a tenant by more than 10 percent.

This is true even if the tenant is on a month-to-month agreement.

Our San Luis Obispo office rarely encounters this issue because it usually sends out notices many months in advance due to the college schedule. Our Arroyo Grande, however, does routinely provide 60 day notice when we increase rent by more than 10 percent.

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