



Monthly Newsletter

October 2014

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At California West we work with insurance representatives to reduce potential liability at the properties we manage.

Insurance issues with rental properties.

Insurance is a necessary expense for rental properties. But obtaining and maintaining an insurance policy is about more than just paying the annual premium. As a property owner, you also have to make sure that your property is insurable.

Some common issues that affect whether a property is insurable include deferred maintenance, extended vacancies, fire hazards, and ensuring that aggressive breed animals are not kept as pets.

At California West, part of our service to property owners includes coordinating with insurance agents to make sure that the properties we manage are insurable.

Deferred maintenance. This most common insurance issue is deferred maintenance. This often comes to us as a punch list after an insurance representative does an annual property inspection. To address any problems, we coordinate with our maintenance staff and third party vendors to make sure everything gets done. Sometimes, if an owner has deferred maintenance for too long then the insurance demands can include costly repairs such as replacing a roof. Most often, it's a relatively inexpensive fix such as repairing a trip and fall hazard.

Extended vacancies. If an insurance company believes a property is not being occupied, that is a potential red flag. This sometimes happens in San Luis Obispo when tenants leave for the entire summer. Insurance companies are wary of extended vacancies because if something happens while people are away, like if a pipe bursts, then it can be very costly to repair.

Fire hazards and aggressive breed animals. Many insurance policies require that hallways be kept clear of debris, that barbecues not be used on patios, and that aggressive breed animals not be allowed as pets at the property. California West makes sure that tenants comply with all such requirements.

In sum, at California West we work with insurance representatives to reduce potential liability at the properties we manage.

Dealing with problem tenants: it's what we do.

One important reason why many clients hire California West is to deal with problem tenants.

Along these lines, we recently had to evict a tenant because she was causing problems for other tenants. "Good tenants" were leaving because this "bad tenant" was just an awful neighbor.

To get rid of this tenant, we give her a 60 day notice to leave but she did not comply. Once the 60 days expired, we hired an evictions attorney, at the property owner's expense, to file an appropriate lawsuit.

A few weeks later, at the eviction trial, we made the appearance on behalf of the property owner and stood there for 45 minutes, with our attorney, while this tenant gave an incomprehensible story about her circumstances. Ultimately, when it became clear that she was going to lose, this tenant threw her papers in the air, stormed out of the court room, and declared that she has more friends and is prettier than California West's representative.

The tenant is now suing California West in small claims court for having made her upset by serving her with notices. We will of course show up at court and defend against those claims.

Although most of our tenants are reasonable people, there will always be difficult tenants. As professional property managers, we deal with difficult tenants so that our clients can avoid that aggravation.

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Property tax payments are late after December 10.

Each of our clients should double check and make sure that their property taxes have been paid. Sometimes lenders make the payments, other times our clients make the payments, and often California West makes the payments.

That said, California West only makes property tax payments if we have received the bill. If we do not receive the bill then we assume that the lender or property owner is taking care of payment.

Therefore, we encourage our clients to closely check their monthly statements in October and November if they are expecting us to make payment. If no payment appears on those statements, then please contact us as soon as possible regarding payment.