



Monthly Newsletter

April 2016

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San Luis Obispo Rental Housing Inspections Begin.

On April 25, California West received our first notice of inspection under San Luis Obispo's new Rental Housing Inspection ordinance. That inspection is scheduled to occur on May 24.

According to the notice, "[a]n inspection fee of \$185 per unit is required to be paid 14 days prior to date of the inspection. If not paid the inspection will be cancelled and a penalty of \$65 will be assessed."

In addition, the City is also requiring property owners to obtain signatures from tenants whereby the tenants must agree as follows:

I the tenant, freely and voluntarily give my consent to have the inspectors of the City of San Luis Obispo's Rental Housing Inspection Program enter and inspect the unit in my absence.

Finally, the notice states that "[t]he property owner or designated representative is required to be present during the inspection." California West will be present on behalf of our clients to satisfy this requirement.

If the City picks an inconvenient date or time for an inspection, it can be rescheduled once "without penalty provided it is in writing 10 days prior to the actual inspection date."

Of all the facets of this new program, the most difficult and troubling from our perspective is getting tenants to sign a document waiving their Fourth Amendment right to be free from any unreasonable search of their home. Our position is that we can provide access to City inspectors without requiring tenants to waive any Constitutional rights and that the City is being unreasonable in requiring property owners to obtain such waiver.

We are attempting to work with the City to modify this particular requirement.

Another strong start to the pre-leasing season in San Luis Obispo.

The San Luis Obispo pre-leasing season started on March 1 for the large apartment buildings that we manage and on April 1 for most of California West's other inventory in San Luis Obispo.

So far, we are seeing strong demand again this year.

That said, so far the weakest demand has been for smaller units such as one bedroom apartments. Those types of units always seem to rent last in this market.

For larger homes of three and more bedrooms, the window for finding tenants realistically ends in mid-June once Cal Poly's students begin studying for finals and then leave town at the end of the academic session. The reason this affects larger homes, and not smaller apartments, is because it is difficult for students to coordinate large groups to find housing when everybody is living out of the area.

Once the larger groups become more difficult to form, that causes students to start focusing on one and two bedroom apartments. Those smaller units are more suitable for a single person plus perhaps one close friend.

Although we have seen a strong start to the season, it does seem slightly less frantic than at this time last year.

Grover Beach street improvement project is moving along.

As anybody who has driven through Grover Beach is well aware, the streets are in horrible condition. A recently passed bond measure will pay to fix that problem.

Recently, there has been noticeable work being done on the streets of Grover Beach but, by all indications, this will be a slow project that is nonetheless underway.

On the City of Grover Beach website, they state that the current phase of the project includes improvements to North 5th Street; North 7th Street; parts of Saratoga Avenue; North and South 13th Street; South 16th Street; and Dover Court.

We look forward to smoother streets in the near future.

So far, the weakest pre-leasing demand has been for smaller units such as one bedroom apartments. Those types of units always seem to rent last in the San Luis Obispo market.

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