



Monthly Newsletter

April 2026

In this issue

- **The rental market on the Central Coast is showing signs of weakness.**
- **How does California West address mold complaints?**

The rental market on the Central Coast is showing signs of weakness.

Across all three of our offices, in San Luis Obispo, Arroyo Grande, and Lompoc, we are seeing signs of softer demand.

Units are taking longer to rent and tenants are choosing units with nicer finishes.

In San Luis Obispo, the student market is especially soft but with outliers. Some units, especially those that are newer or have nicer finishes, are continuing to demand premium rents. However, by and large we are seeing softer demand and slower pre-leasing and have been advising our clients to reduce asking rents at many of the properties that are not yet pre-leased for the 2026-27 academic year.

With regard to our Arroyo Grande and Lompoc offices, we are similarly seeing weaker demand. Units must show well to rent quickly and we are having to be cautious on asking rents. We are also seeing lots of applications from people who do not qualify because they cannot afford to pay the rents that our clients are asking.

As for what we are advising clients, we suggest lowering expectations when it comes to rent, maintaining high standards on tenant selection and not compromising in that area, and investing in better finishes when possible. The go-to's in terms of better finishes are of course new paint and vinyl plank floors. Those are typically great decisions.

Re-finishing or replacing cabinets and investing in quartz countertops may make sense, especially if you plan to own the property for a long time. Those are more of a case-by-case sort of recommendation.

The type of rental also dictates the extent to which it makes sense to make upgrades. Low income housing in Lompoc is different from a student rental next to Cal Poly or a rental with beach views in Shell Beach. Each property is different. But, with that said, the current market does put a higher than normal premium on nicer finishes.

The hard part is putting a dollar value to those finishes, which is often very hard to forecast.

How does California West address mold complaints?

Mold is one of those issues that commonly arises and stirs emotions and concern, often in undue ways.

California Health & Safety Code section 17920.3 deems that a property is “substandard” if there is “[v]isible mold growth ... excluding the presence of mold that is minor and found on surfaces that can accumulate moisture as part of their properly functioning and intended use.”

Whenever California West receives mold complaints from tenants, our first step is to determine if there is a leak or other water source that could be causing the mold to appear. This could be from some actual leak, or from tenant neglect.

If there is a bathroom that the tenants are failing to ventilate properly then we encourage tenants to run the fans and open windows and doors to let steam evaporate. We also explain that the mere existence of mold is not per se hazardous. If a professional mold test is done, which we do not recommend, all that will measure is the amount of mold inside the house compared to the amount of mold outside the house. In other words, there is a baseline assumption that if you live on the planet Earth then you will be around mold.

The California Department of Public Health (“CDPH”) advises that “measuring molds does not tell you if there is a health problem” and, furthermore, although “surface and air sampling kits are commercially available, [the CDPH does] not recommend their use. If you see or smell moisture/mold, mold testing does not provide further useful health information. Rather, you (or an expert) need to locate the moisture source and fix the underlying cause of the problem.” (<https://www.cdph.ca.gov/Programs/cls/dehl/ehl/Pages/AQS/Frequently-Asked-Questions-about-Mold.aspx>)

If the source of moisture is not obvious then our next step is usually to advise our clients to let us hire an IICRC certified mold inspector to do a visual inspection and give recommendations. This is usually done as a tenant relations measure as much as anything else. Our maintenance staff could probably diagnose the problem well enough or we could hire a plumber if necessary, but those measures usually do not carry the same credibility as using someone with fancy credentials. The end result is the same, and the cost is usually similar, but the way it can be explained to tenants is usually better with an appropriately qualified mold inspector.

Finally, once any problems have been fixed, if we anticipate continuing complaints from tenants then we will recommend that our clients invest in professional mold testing to verify that the amount of mold inside the house does not meaningfully differ from the amount of mold outside the house. Again, this is more tenant relations than necessary protocol.

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