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Eviction stories: tales of an "easy" eviction.

One of the more difficult and frustrating aspects of property management occurs when dealing with an occasional eviction, even an "easy" one. Our experience with evictions is infrequent, happening in less than 0.10% of the tenancies that we encounter, but nonetheless is instructive when it happens.

In our latest experience, the tenant moved into the rental home in April 2024 and stopped paying rent in April 2025. Our clients were reluctant to authorize us to hand the matter over to an eviction attorney, hoping that the tenant would resume payments, so we did not initiate the legal process until early June. Now, at the end of August, the owners finally have their home back and this was, all things considered, an "easy" eviction because the tenant did not answer the complaint or put up any fight. She just ignored the entire situation. In cases where there is a fight, we have seen the process drag for 6-9 months, or more.

The way an evictions works is as follows: 1) we must serve the tenant with a three day notice to pay or quit; 2) we must serve another three day notice after the tenant fails to pay; 3) we must hire an attorney who must draft and file a lawsuit; 4) the attorney needs to arrange for the tenant to be personally served with the lawsuit; 5) the tenant has 10 days to respond to the lawsuit after being served; 6) the attorney must file paperwork asking for an entry of default against the tenant if the tenant fails to respond; 7) the court enters default; 8) the attorney must file additional papers for entry of judgment and issuance of a writ of possession, which must be signed by the judge; 9) the attorney must deliver the signed writ of possession to the Sheriff; and 10) the Sheriff schedules a lockout with sufficient time to post notice at the property about when the lockout will happen, which usually causes a 1-2 week delay. Keep in mind, all these "days" are "court days" and do not include weekends or judicial holidays.

After all this, we met the Sheriff at the property and the tenant had made absolutely zero effort to move. She claimed that the entire situation was a surprise to her and that she knew nothing about having to move, despite not having paid rent since April, and it was all a misunderstanding.

Needless to say, there was no misunderstanding and she was well informed of everything that ended up happening. At the end of it all, we had to give her an additional 18 days to reclaim her belongings because that is California law.

Interest rates are trending down, which may bode well for refinance activity.

Investors who recently bought rental housing may soon have an opportunity to lower their interest expense and increase cash flow by refinancing their mortgages.

The Federal Reserve, the U.S. central bank, manages monetary policy to promote maximum employment, stable prices (targeting 2% inflation), and moderate long-term interest rates. The Fed uses tools like open market operations, the federal funds rate, and quantitative easing to influence the economy.

The Federal Open Market Committee (FOMC) sets the federal funds rate—currently 5.25-5.50%—which affects borrowing costs. Lower rates spur spending and investment; higher rates curb inflation. Since 2022, aggressive hikes tamed inflation from 9% to about 3% by 2025, but slowed growth.

Mortgage rates, tied to Treasury yields and economic expectations, have fallen to 6.55% for a 30-year fixed loan as of September 2025, a 10-month low from 7.08% peaks in 2022, per Freddie Mac. Although this seems high by recent standards, it is below the historical average of 7.71% since 1971.

Forecasts suggest rates could dip to 6.4% by year-end if the Fed cuts rates, expected in September 2025 if inflation and labor data align.

Under Chair Jerome Powell, the Fed has expressed a belief that tariffs will negatively impact growth and inflation. President Trump, critical of Powell's "too high" rates, will seek a replacement when Powell's term expires in May 2026, favoring individuals who favor lower rates.

A Trump-aligned chair could accelerate rate cuts, potentially pushing mortgage rates below 6%, boosting housing but risking inflation or reduced Fed independence.

In terms of loans for rental properties, there is a big difference between loans to investors who are buying or refinancing 1-4 unit properties and those buying rentals with 5 or more units. The smaller 1-4 units typically qualify for more favorable financing terms because those loans are eligible for government guaranty, whereas the larger properties must rely on more market rate terms.

By mid to late next year, we will likely see lower rates and more refinance activity. How this translates to rental demand is not yet clear.

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