



Monthly Newsletter

January 2016

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With appropriate language in a lease agreement, Tenants should not be able to fight an eviction by arguing that a breach of lease is "immaterial."

Favorable court ruling helps landlords in evictions.

Recently, in a published decision in October of 2015 (*Boston LLC v. Juarez* (2015) 240 Cal.App.4th Supp. 28), a California court upheld a landlord's right to evict a tenant for having failed to obtain renter's insurance as required by the lease in that case, even if such failure was an "immaterial" breach of the lease.

What happened is that the landlord served a three day notice to the tenant demanding that the tenant obtain renter's insurance as required by the lease. The tenant failed within those three days to comply with this demand.

As a result of this failure to comply with the demand in the three day notice, the landlord then filed an eviction lawsuit seeking to have the sheriff remove the tenant from the property.

At trial, the tenant argued that he should be allowed to remain in possession of the property because his breach was supposedly "immaterial" since he obtained the required renter's insurance within one week of the notice.

The trial court held that it did not matter whether the breach was "material" or "immaterial", and refused to hear argument on that issue, because the lease agreement in question had a special provision which stated as follows:

Owner and Renter agree that Renter's performance of and compliance with each of the terms thereof, . . . constitute a condition on Renter's right to occupy the Premises and **any failure** of compliance or performance by Renter shall allow Owner to forfeit this agreement and terminate Renter's right to possession. (Emphasis added by Court.)

On appeal, the appellate court upheld the trial court's judgment because of the "any failure" language. Needless to say, we are adding similar language to our standard lease agreements and will hope for similar results if a tenant ever argues that a failure to comply with a three day notice is an "immaterial" breach.

Pre-leasing season is nearly upon us in SLO.

The pre-leasing season is upon us in San Luis Obispo.

This is the season when our San Luis Obispo office contacts current residents and asks if they wish to renew for another 12 month lease. We will begin contacting those residents in late February and request a response by mid-March.

We will be contacting owners of properties in San Luis Obispo to discuss plans for the upcoming year and to decide whether to offer renewals to current tenants.

On April 1, if we get no response, or if the tenants tell us that they plan to leave, we will then begin marketing the units to new residents. Most of our leases in San Luis Obispo expire between late June and early September, to coincide with Cal Poly's academic year.

We have already begun receiving phone calls from people who are interested in renting next year. Our response is always to tell them to check back with us on April 1 and also, if they want a reminder, to visit our website where they can sign up for a once yearly e-mail as soon as we release our list of available units.

Since 2012, we have collected thousands of e-mail addresses in this manner and this year, in January alone, have collected over 100 e-mail addresses. The Cal Poly Housing Fair will be another major source of e-mail addresses for our e-mail blast on April 1. Every year, we get hundreds of e-mail addresses from that event.

For clients who own properties in San Luis Obispo, Rosa will be contacting you shortly to discuss your plans for the upcoming year and to decide whether to offer renewals to current tenants.

Second installments of property taxes are due on February 1 and will be late after April 10.

Second installments of property taxes are due on February 1 and late after April 10. Property owners will incur a 10% penalty if taxes are not paid by that deadline.

For property owners who expect California West to be making payments, please check your monthly financial statements and make sure that those payments are made by March or sooner.

First installments were due on November 1 and late after December 10, so those payments have already been made.

Call us if you have any questions.

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