



Monthly Newsletter

July 2024

In this issue

- **Once again, California voters will be asked to vote on more rent control.**
- **Year-over-year rent growth at our three offices.**
- **Student rental season is coming to a close in San Luis Obispo.**

Once again, California voters will be asked to vote on more rent control.

In November, California voters will be asked to repeal the Costa-Hawkins Rental Housing Act, which currently limits the ability of cities and counties to impose severe forms of rent control.

Here's what the passage of Proposition 33 would mean for California rental housing providers, according to the California Apartment Association (caanet.org):

- **Repeal of Costa-Hawkins:** Proposition 33 would repeal the Costa-Hawkins Rental Housing Act, removing exemptions for single-family homes and new construction from rent control.
- **Implementation of Vacancy Controls:** Cities and counties could implement vacancy controls, preventing landlords from adjusting rents to market rates after a tenant vacates.
- **Expansion of Rent Control:** Rent control could be imposed on properties currently exempt, including new homes and single-family rentals.
- **Discouragement of New Housing Development:** The measure would likely discourage investment in new housing projects due to increased regulatory constraints.
- **Market Instability:** The reintroduction of vacancy control and expansion of rent control could lead to significant market instability, reducing property values.
- **Decreased Quality and Availability:** The overall quality and availability of rental housing in California could decline, exacerbating the ongoing housing crisis.
- **Increased Pressure for Rent Control:** Passage of Proposition 33 would increase pressure on cities and counties to adopt more stringent rent control measures.

This ballot measure is similar to others that have failed in recent years and that will no doubt keep coming back until and unless voters approve the measures.

Year-over-year rent growth at our three offices.

This month, we are comparing rent for a 1 bed, 1 bath unit at each of our offices as of July 31, 2023 versus 2024. Here’s what we found:

1 bed, 1 bath unit			
	2024	2023	% Change
Lompoc Office	\$1,141	\$1,053	8.4%
Arroyo Grande Office	\$1,510	\$1,400	7.9%
San Luis Obispo Office	\$1,725	\$1,586	8.8%

Keep in mind that these are units under management by each office, not city surveys. Submarkets exist at each office location.

Our Lompoc office manages units in Lompoc. Arroyo Grande covers Santa Maria to Shell Beach, but mostly Arroyo Grande and Grover Beach. San Luis Obispo covers Avila Beach to Paso Robles, but mostly San Luis Obispo.

Student rental season is coming to a close in San Luis Obispo.

In San Luis Obispo, we have a very seasonal rental market due to Cal Poly University’s academic year. Each year, students move around in the Summer months, which requires lots of extra work by our office and maintenance staff, as well as by local vendors.

Traditionally, our season has ended on Labor Day, as we would not write twelve month leases that ended after August 31, to make them appealing for college students whose classes would begin in mid-September.

Last year, we adjusted everything back by a month in anticipation of Cal Poly switching to a semester system that begins in mid-August.

Our office staff must inspect units once they become vacant, write work orders for any necessary maintenance work, coordinate with vendors for cleaning and carpet cleaning. The maintenance team must then move quickly to get everything ready on short deadlines. Finally, once all the work is done, our office staff must collect receipts and photos for each unit and put together an itemized explanation of any tenant charges.

Once that is all done, our accounting staff returns the deposits, minus any deductions, along with supporting receipts and photographs.

San Luis Obispo Office
 1380 Broad Street
 San Luis Obispo, CA 93401
 Ph: (805) 543-9119
slo@calwest.com

Arroyo Grande Office
 145 S. Halcyon #H
 Arroyo Grande, CA 93420
 Ph: (805) 489-9400
ag@calwest.com

Lompoc Office
 119 E. Walnut Avenue
 Lompoc, CA 93436
 Ph: (805) 736-1293
lompoc@calwest.com

www.california-west.com

Broker: Derek Banducci
 DRE Lic. No. 01276163