



Monthly Newsletter

June 2016

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Joni Reinhardt retires after 35 years of working with California West's clients.

Joni Reinhardt has retired after 35 years of working as a property manager for California West's clients. On June 17, she officially retired. Joni and her husband are retiring together and will probably spend the rest of the year travelling before settling on new challenges.

Over the years, Joni has helped been our go-to problem solver and, although everybody at California West will miss Joni's contributions, she is being replaced by a very capable team.

Joni's longtime assistant, Betty Romero, is assuming the role of office manager in Arroyo Grande. Betty has been assisting Joni for more than 25 years and knows many of our clients and tenants. Betty is intimately familiar with all the day-to-day tasks of running the AG office as well as the policies and procedures that we have in place after many years of experience.

In addition, Derek Banducci, the President of California West, will assume more responsibilities in overseeing the properties that our AG office manages. Derek is an attorney and real estate broker who has been investing in San Luis Obispo properties since 1997 and who looks forward to this new chapter.

We are also hiring some additional help in Arroyo Grande and will be remodeling the office area to accommodate the extra staffing.

If any of our clients wish to send Joni their congratulations or regards, then please contact Betty and she will pass along all such messages. Betty's e-mail address is betty@california-west.com and her phone number is (805) 489-9400.

Derek can be reached at the same telephone number or by e-mail at derek@california-west.com if you have any questions about your properties.

Remote workers drive up Central Coast rents.

Traditionally, Central Coast families have been unable to afford higher priced rentals such as those that exist in bigger markets like in the Bay Area and Los Angeles.

This is because there are simply not enough high paying local jobs to support higher priced rentals. For the few people who have high paying jobs in this area, they generally choose to buy a home rather than rent.

Also, historically, the people who live in this area are either undergraduate students, retirees, or people who grew up here. None of these groups are generally in the market for high priced rentals.

Lately, though, we have been seeing a different phenomenon. As large companies allow more employees to work remotely, people are choosing to live in this area while periodically commuting to Los Angeles or the Bay Area.

These are people who may own a home elsewhere and who are living here to avoid the traffic and other drawbacks of living in Los Angeles or the Bay Area.

What this means from a property management perspective is that, for a really nice home, we are able to get multiple good applications even if the price around \$3,000 per month or more, which is more than most local families can afford.

We generally recommend that our clients require applicants to earn 2.5 times to 3.0 times the rent in income. So, to afford a \$3,000 per month home, a person would have to be making approximately \$100,000 per year.

This amount of income is not impossible for this area but it is far more than the typical Central Coast renter makes.

Keep in mind that the trend of working remotely is still a relatively small trend and we are not seeing large numbers of these types of applicants.

However, these types of tenants are more common now than they were in the past and it is a notable trend that is likely to continue as telecommuting becomes more acceptable at larger corporations.

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