



Monthly Newsletter

March 2017

In this issue

- **California West is investing in new property management software.**
- **The rental market on the Central Coast is healthy but softening.**
- **Pre-lease season is upon us in San Luis Obispo.**

This new property management software is an exciting improvement but there will be bumps in the road so please bear with us if any small issues arise over the next few months.

California West is investing in new property management software.

California West is currently in the process of transitioning to a new property management software that should allow us to offer some exciting new features to property owners and tenants. This is a major undertaking and the last time we made a similar upgrade was in 2002.

Our current software is a system called Yardi and the new software is Appfolio.

To start, our primary goal is simply to migrate from Yardi to Appfolio without any major problems by our target go-live date of June 1.

Longer term, the new software offers some really exciting features for property owners and tenants that we will fully implement once we are comfortable with the new system.

From a property owner perspective, we anticipate that the monthly reports will look slightly different, hopefully in a good sort of way. For example, the new software's reporting functions should be able to provide fuller descriptions of work that was done. We will also have the ability to enable electronic Owner Portals where our clients can download pdf's of their monthly statements, much like a bank website. We may also incorporate an inspections feature into our workflow, which allows owners to see current and past property inspection reports on the Owner Portal page.

From a tenant perspective, there will be tenant portals where tenants can pay rent online and see their current balances. We should also be able to e-mail them rent reminders at the end of the month. Other features that we may investigate further down the road include online applications and electronic lease signing.

One of the selling points of this new software is that it is always under development and improvements are constantly being added, so we hope to have a system that will improve as technology improves.

Finally, this is an exciting improvement but there will be bumps in the road so please bear with us if any small issues arise over the next few months.

The rental market on the Central Coast is healthy but softening.

Lately, the rental market on the Central Coast has softened but is still healthy. We are getting pushback from some rent increases that were not giving us problems before and are finding it more difficult to rent aggressively priced units. We've had particular difficulty with aggressively priced 2 bed apartments near the ocean in Avila Beach and Morro Bay. 1 bed apartments still seem to be moving pretty well.

Pre-lease season is upon us in San Luis Obispo.

We are being more cautious this year in our recommendations to property owners on how to price their units, as we have seen a softening in the market.

As always, on March 1 California West began its soft launch of the pre-leasing season in San Luis Obispo with large apartments near the Cal Poly campus. We will begin our official pre-lease season on Monday, April 3.

The pre-lease season is where we take leases that are expiring in the months from June through September and begin marketing those units to new tenants for the following year. We already contacted existing tenants with renewal offers as appropriate and will be marketing those units where the existing tenants either declined the renewal offer or did not respond.

Early results from the large apartment buildings are not as strong as the last couple of years but are still around the long term average in terms of lease-up progress for this time of year.

Once we publish our list of units that will be coming available, we will begin showing the units to new groups of tenants. The way the season usually unfolds is that large houses and 3 bed apartments are the most popular and are the first to get rented. It is really important from our perspective to get the larger houses pre-leased before Cal Poly lets out for the summer because larger groups are easier to put together when everyone is in town.

Once the frenzy over houses and 3 bed apartments dies down, then we begin seeing activity in the market for 2 bed apartments and smaller houses and finally for 1 bed apartments and studios.

We are being more cautious this year in our recommendations to property owners on how to price their units, as we have seen a softening in the market. We are not asking owners to back off of any rents, but merely to be far less aggressive in pursuing rent increases than they have been in recent years. In short, we are looking forward to a healthy season, but nothing like we have seen in recent years.

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

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

www.california-west.com

CalBRE Lic. No. 00528841