



Monthly Newsletter

November 2025

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New California law targets algorithmic rent collusion.

New California that takes effect on January 1, 2026 targets algorithmic tools that are used to set rental rates, among other things.

At its core, the new law amends existing anti-trust laws to ban the use, distribution, or licensing of tools “restrain trade.” This includes scenarios where landlords share data through platforms that generate coordinated rent recommendations, potentially leading to inflated or uniform pricing across competing units.

At California West, we take a very case by case approach to recommending rents and have not been tempted to use online tools that automatically set rents, preferring instead to work with our clients to meet their individualized objectives. That said, there have been online vendors who have promoted tools that attempt to aggregate pricing data to recommend optimal pricing. This sort of tool seems to be what the new law is targeting.

The new law also imposes liability on software providers, such as information services companies, if they coerce users into adopting algorithm-suggested prices.

While AB 325 does not outright ban all pricing software—tools relying solely on public market data or individual property analytics remain permissible—it heightens scrutiny on any system hinting at collusion.

For instance, if a tool aggregates competitor inputs to suggest rents, its deployment could trigger antitrust claims.

In our industry, this means that we will likely continue to rely on public information to set prices on an individual basis. Our clients remain free to set rents manually or via non-collusive tools.

Overall, AB 325 reinforces already existing anti-trust law without and may limit some algorithmic tools that we might have been tempted to use in the future. However, the immediate impact seems minimal.

Property management activity is slower than normal around the holidays.

As property managers, the amount of activity at this time of year is less than at other times. The demand for rental housing is slow right now, as people are less inclined to move around the holidays. In San Luis Obispo, a student market, we also see a slowing down in maintenance requests as tenants mostly leave for the holidays and are not home to notice problems as they arise. That will of course lead to slightly higher than average maintenance requests, and possibly a few emergencies, after everyone returns to town and starts noticing things.

Usually, the first few storms of the year mean more maintenance requests but the recent rains did not have much impact. This is probably due to the fact that we are coming off some relatively wet seasons recently and that means we have been able to stay on top of rain and wind problems. The problems arise when we are coming off drought years and problems have accumulated without being noticed because of the lack of rain and wind.

Once January arrives, we will see an uptick in demand for rental housing as people who were holding off on moving all of a sudden become more motivated after the holidays. In San Luis Obispo, we will also see some demand for rentals as students return from study abroad programs and just generally move around before the next semester begins.

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The most popular time of year to move is always in the summer months, as school schedules make it most convenient for both families and college students to move at that time of year. The first part of the year sees an uptick in demand, as the pent up demand from the prior holiday season adds to a normal amount of activity. Otherwise, the demand for rental housing is fairly steady in the Spring and early Fall seasons.

Seasonal notes: owner draws went out early in November due to Thanksgiving and owners should expect later than normal financials in December so they capture the full year.

The November owner draws happened earlier than normal this month due to the Thanksgiving holiday.

December owner draws will happen like normal but monthly statements will not be sent until early January. As always, the December statement includes financial activity through the end of the year. This is different from our normal practice since we typically prepare monthly statements a few days before the end of the month, so typical reports do not include the full calendar month activity. The reason for the change every year in December is so the statements may be used by our clients when preparing their tax returns.