

CAR Indian Wells

Tim Townley

Investment Housing

Tica's opening remarks

- LA's ADU's are now all under rent control.
- LA also added Just Cause Evictions for single family properties.
- Use investment housing to realize the American Dream.

Oscar Wei CAR Economist

- inflation, while still higher, is on the way down, currently at 6.5%.
- projecting inflation rates heading back down and by 2024 will be 1.8%.
- Interest rates will likely increase thru the rest of 2023, then start to retreat next year.
- wage growth is not keeping up with inflation.
- GDP is slowing, and personal saving rate is down to 3.4%
- Consumers will cut back thru this year,
- CEO Confidence is low, and end of 2nd quarter a recession is coming.
- Current rate is 6.5%, CA home sales are 44.1% down.
- Job cuts are hitting the tech area the hardest.
- Tight supply keeps prices up, but prices are starting to decrease as inventory opens up.
- Apartments Vacancy rate nationally--6.1%--lower than pre-pandemic.
- Average national rent rates for apartments have been falling since 2001.
- Single family rates are declining a bit as well nationally.
- Property owners are still looking to increase rents.
- Cost of ownership of rental properties has increased between 5% to 15% (75% of owners).
- Short term rentals are showing more supply than demand for early 2023.
- Renters are looking to increase by 10% for the next two decades.

Ernie Ochoa Issue Chair

- Ballot initiative repeal of Costa-Hawkins, but it will be back on 2024 ballot.

Teresa Molina Reduced Cap on Security Deposits

- AB 12 would prohibit a security deposit of more than 1 month's rent.

Lisa Fore

- SB 267 prohibits the ability to use consumer credit reports to screen renters.

Robert Bloom Senior Counsel CAR

New Forms

- Rental Property Owner Disclosures (more for the owner and broker)

Revised

- Property Management Agreement
- Lease Listing Agreement
- Rental Property Owner Disclosure
- Residential Lease
- Move in Move out
- Notice of right to pre-move out inspection

New laws

- Right to rent a portion of a unit in an owner occupied common interest development.
- Reusable Tenant Screening Report.
- Landlord tenant Termination of Tenancy protections