



The Property Line

Fall 2018

COMING THIS NOVEMBER RENT CONTROL & PROP. 10

This coming November, State Proposition 10 will be on the ballot. If passed, the Costa-Hawkins Rent Control Act would be overturned and local governments would have the power to impose any form of rent control on any type of housing.

Condos and single family homes occupied by tenants after February 1, 1995 have been exempted from rent control.

Owners of rent-controlled properties have been able to charge whatever rent they have wanted to after a tenant moved out. Once occupied, the tenant would be subject to allowable annual rent increases. This is "vacancy decontrol".

If Prop. 10 passes, local jurisdictions could impose rent control on all property types including new construction and single family properties. Landlords could be prevented from charging market rent when a tenant moves out, i.e. "vacancy control" could be enacted.

Pro-tenant groups have been enamored with Rent Control as a means to make or keep housing affordable. Studies show the opposite is true. Nevertheless, tenant activists have successfully gotten Prop. 10 on the ballot.

Please support the defeat of Prop. 10!



RENTAL LISTING EXPOSURE

Thanks to our affiliation with Appfolio, our property management software provider and website builder, our rental listings are posted to over 40(!) websites. From well-known sites such as Zillow to obscure sites like RentHop, we are making sure our available units are reaching interested parties.

STAFF NEWS

Zulleyma Franco, who began her career with Cournale & Co. as a receptionist and is now leading the Accounting team, celebrated her 5th Anniversary with us in August. We appreciate her tenure and commitment to doing a good job.

Happy 5th Anniversary, **Zulleyma!**

RENTAL MARKET UPDATE

As is expected this time of the year, we are getting a significant number of move-outs. People typically want to move during the Spring and Summer. Our move-out package includes a survey which asks a number of questions, among them why they're moving.

The good news is that the market and demand for rentals is still strong. Rents in the western part of the city seem to be holding steady, dropping slightly in certain neighborhoods like the Richmond and Sunset. This may be due to the developments in the mid Market St., Mission Bay, South Beach areas where a number of condo and apartment buildings have recently gone up. The younger, "tech" crowd seem to be renting those (high period) units.

Despite the competition from the new developments, we continue to see demand for the quality of units we bring to the market and in the neighborhoods where our rental units are located.

COSTLY CONSTRUCTION

According to the SF Business Times, "SF has the world's second highest construction costs because of complex, burdensome approvals, a severe labor shortage and easy paths for opponents to delay projects".

The average construction cost of \$330 per square foot was second only to New York, according to a study by a construction consultant.

We may not be undertaking new construction at this time but the reality of the current market does pose a challenge for our staff to find quality and affordable contractors to remodel, repair or renovate properties you own.