

The Backus Bulletin

"Your Management, Your Way"

A few odds and ends

October 2021

The statewide eviction moratorium has ended. Here are the final results:

- Single family homes can now do "no cause" evictions with 60 days' notice.
- Multifamily units (more than one dwelling on one tax lot) can be given a 60 day "for cause" notice if tenant is acting contrary to the rental agreement in a significant manner. They can be given a "no cause" notice under certain circumstances such as the property to be removed from the rental market, substantial remodeling, to be rented to a family member etc. In that case the tenant is to be compensated with one month's rent.
- Past due rent from March 2020 to October 1, 2021 requires a 15 day notice and tenant must be given information regarding their rights to mitigating damages if non-payment of rent is related to Covid financial hardship. If the tenant returns the declaration along with 25% of the rent.
- Beginning October 1, 2021 and continuing until March 31, 2022, a 3 day notice may be given for non-payment of rent. However, the landlord must apply for emergency rental assistance for the tenant. The eviction for non-payment of rent can only go forward if the assistance is denied or if the tenant has not cooperated with the

application process within 20 days. This law affects both single family and multifamily.

- Tenancies commencing after October 1, 2021, are not subject to the special 3 day notice.
- As of November 1, 2021, the landlord may collect the unpaid rent from March 2021 through September 2021. They must first attempt to collect the rent through the emergency rental assist program.

Regarding rent increases: Rents are allowed to be increased annually, split into no more than two increases, by an amount equal to 5% plus CPI. The August CPI was 3.7 meaning the total increase for leases coming up this month could be 8.7%. The total amount cannot exceed 10%. We get confirmation of the CPI monthly and review each tenants rent once a year. We recommend keeping the rent close to, but not exceeding, the market. The total average rent increase over the last 20 years has been right around 5%.

Out of state owners: As you probably know, we require proof of filing of California tax returns for our owners that have property here but reside in another state. **It is now required that we have a copy of FTB #589 from each owner. If**

we do not have one for you, it will be included in this month's statement. It is essential you fill it out and return by December 1, 2021. Otherwise, we will have to begin withholding 7% of the rent amount each month. If you regularly file California returns, it should not be a problem, **but we must have the form.**

Senate Bill 9: At this point the bill does not apply to rentals, but may be interesting to some of you regarding your principle residence. It applies to homes currently zoned *Single Family Housing*. It allows for a rental unit to be added, regardless of local zoning laws. If the lot is at least 2400 sq. ft., the lot can be divided and two dwelling units can be on each lot. The owner must live in one of the units for at least three years and the new dwelling cannot be used for short term rentals. Other zoning restrictions (height, yard size, etc) may still apply.

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Saturday - by appointment
Sundays & Holidays - closed

THINKING OF BUYING OR SELLING?

If you are thinking of buying or selling, we can assist you. We specialize in residential and multi-residential units and are experienced in conventional sales, purchases as well as short sales. Just call and ask for Bill and we will help you with your Real Estate needs. There is no obligation. Check out your property value today!

ON-LINE STATEMENTS

Contact our office or e-mail our office at info@backuspm.com to sign up or for further information.

Social Distancing!



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State wide average rent increases: Jonathan Lansner with the San Jose Mercury News, reported there has been an unusual shift in rent increases. Inland counties (Sacramento, Riverside, Fresno, San Bernardino) have shown rent increase averaging 12.5% in the past year (remember, there is no limit to increase at turnover of tenancies) while the coastal areas have been flat or a slight decline. This is generally felt to be the result of people moving out of the high rent areas to the lower rent areas, especially if they could do so, remain at home and work remotely.

San Francisco has had a significant decline in rents (up to 25%) but that seems to be recovering. Our rents in Monterey County (which should be considered Coastal) are definitely up because of an influx of people from Silicon Valley.

We try to keep up on all this information to stay ahead of the game and make sure we are giving appropriate advice to our clients.