



Chris Airola  
916-899-4668

[Chris@RentPros.com](mailto:Chris@RentPros.com)

[www.RentPros.com](http://www.RentPros.com)

# Disclaimer



The information provided in this presentation should not be construed as legal or tax advice. Each situation may be different therefore it is recommended that agents and their clients always seek professional Legal and/or Tax advice before making decisions.



The presenter is not a Legal or Tax professional



**Oreo**



# U-Haul

---

2021 was the largest exodus from CA in 75 years

People leaving Big Cities, High tax and High regulation states

Only growing cities in CA

- San Diego
- Sacramento

# Rent Inflation

15-20% on average last year in CA

- \$1,500 is now \$1,800

50% over 5-years

- Roseville \$1,600 is now \$2,400
- Citrus Heights \$1,300 is now \$1,950

Stockton = 60% \$1,350 is now \$2,100!

# Rent-to- Income Ratio

-Intuit

**28% – 45%**

Depending on Location

**USA Average 40%**



Past 25 years

---

Average Rent Increase Was  
3 to 4%

# Why?

## Pandemic Bounce Back?

- Vacation Homes, Second Homes, Rentals???

## Population Relocation

- Gilbert Arizona +116% in one year

## Government Regulation

- Rent Control, Eviction Moratorium, Building Regulation

## Landlord Attitude, Landlord Behavior

- No More Mom & Pop



Rent Control  
=  
Higher Rents

Not all  
Properties  
are Subject to  
Rent Control

Rent Control  
Allows 9%  
Increase

Vacancy  
Decontrol

Reduced  
Supply

- Less Investing,  
Less Building

# The Landlord Business Has Changed

## Regulations Have Changed

- Requirements, Forms, Addendums, Repair Procedures, Fair Housing rules...

## Consequences Have Changed

- Gov't fines, Legal Liability, Risk...

## Attitudes Have Changed

- T's & O's More Corporate Minded

# Eviction Moratorium

Judicial Counsel  
**State Eviction  
Moratorium**

**April 6<sup>th</sup>**  
2020

**AB 3088**  
**State Eviction  
Moratorium  
Extended**

**August 31<sup>st</sup>**  
2020

**SB 91**  
**State Eviction  
Moratorium  
Extended**

**Feb 1<sup>st</sup>**  
2021

**AB838**  
**State Eviction  
Moratorium  
Extended**

**July 1<sup>st</sup>**  
2021

**AB 832**  
**September 31<sup>st</sup>**  
2021  
?????

# Eviction Moratorium Phase 3 “Eviction Protection”

October 1, 2021 – March 31, 2022

- 1.) Landlord must apply for Rental Assistance
- 2.) Tenants apply for Rental Assistance or case may be delayed
- 3.) Landlord serves 15-day / 30-day notice to pay or vacate
- 4.) Free Legal Aid services have been funded to an extreme level (Homeless Prevention Funds)
- 5.) Motions such as quash, vacate judgement, stays of Execution, hearing postponement and more
- 6.) Courts are backed up for weeks and months
- 7.) Landlords go for months and years without rent

# Getting out of the Rental Business

## **AB 854**

**Landlords must “Stay in Business”  
for at least 5 years after purchase**

**Passed Assembly Appropriations Committee Last Week**

# Why Do Landlords Stay in Business?



# Building Wealth with Real Estate

Appreciation

Depreciation

Leverage

Mortgage  
Buy-Down

Hedge against  
Inflation

High Returns

Stable  
Investment

Cash Flow



# Use **It**

Be  
Diligent

Stay  
Informed

Adapt





Chris Airola  
916-899-4668

[Chris@RentPros.com](mailto:Chris@RentPros.com)

[www.RentPros.com](http://www.RentPros.com)