



Rental Market Update January 2024



Rent Control Refresher

AB 1482

“Just Cause Eviction”

Limits the ability to issue a Notice to Vacate

Most Abused Reasons

Owner moving into Property...Substantial Remodel!

Top 6 New California Rental Legislation Laws in 2024

- SB 567 -** Tightens requirements false “Owner Move-in and Substantial Remodel” and enhances penalties (3 times actual damages, civil fines, punitive damages, attorneys' fees)
- AB 12 -** Security deposit limited to one month’s rent -Exception is Small Landlords (2 properties, 4 total units)
- SB 267 -** Tenant screening “Ability to Pay” rather than credit report for Sect. 8 and Govt. assist programs
- AB 968 -** Flipper Disclosures – Disclose all work and workers
- SB 71 -** Increased small claims court limit - \$10,000 to \$12,500
- AB 1033 -** ADU’s may be sold separately as a CONDO - Lender and local agency approval

Tracking Single-Family Home Rental Trends

**HARDER
THAN IT
LOOKS**

82 Million SFR's in US
16 - 24 Million SFR's rentals
(Bloomberg, PEW, Corelogic, INVH)

Permanent Rentals
Apartments & Commercial Properties

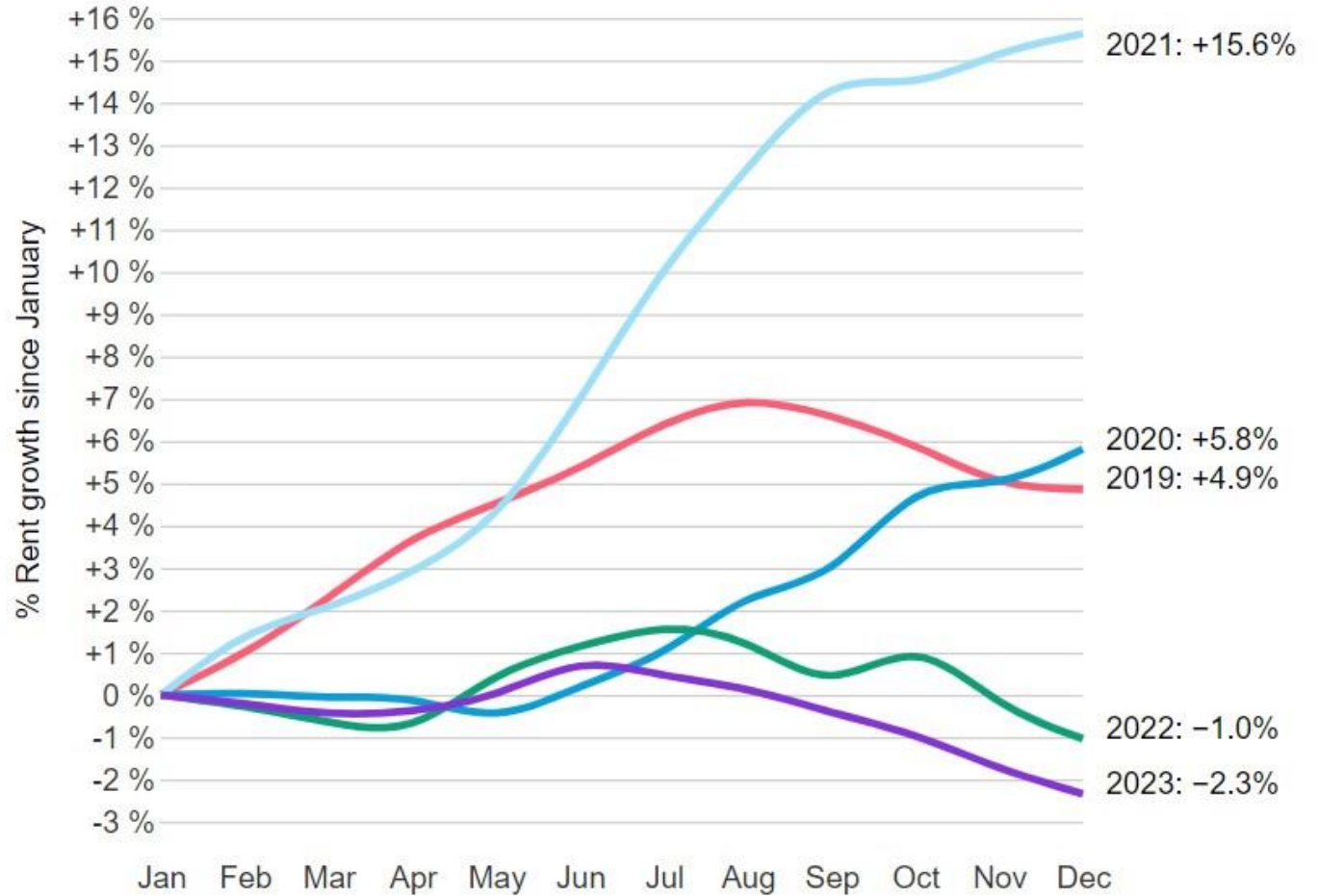
Non-Permanent Rentals
Single-Family Homes

County records are not accurate

Market conditions continue to trend downwards as we close out 2023:

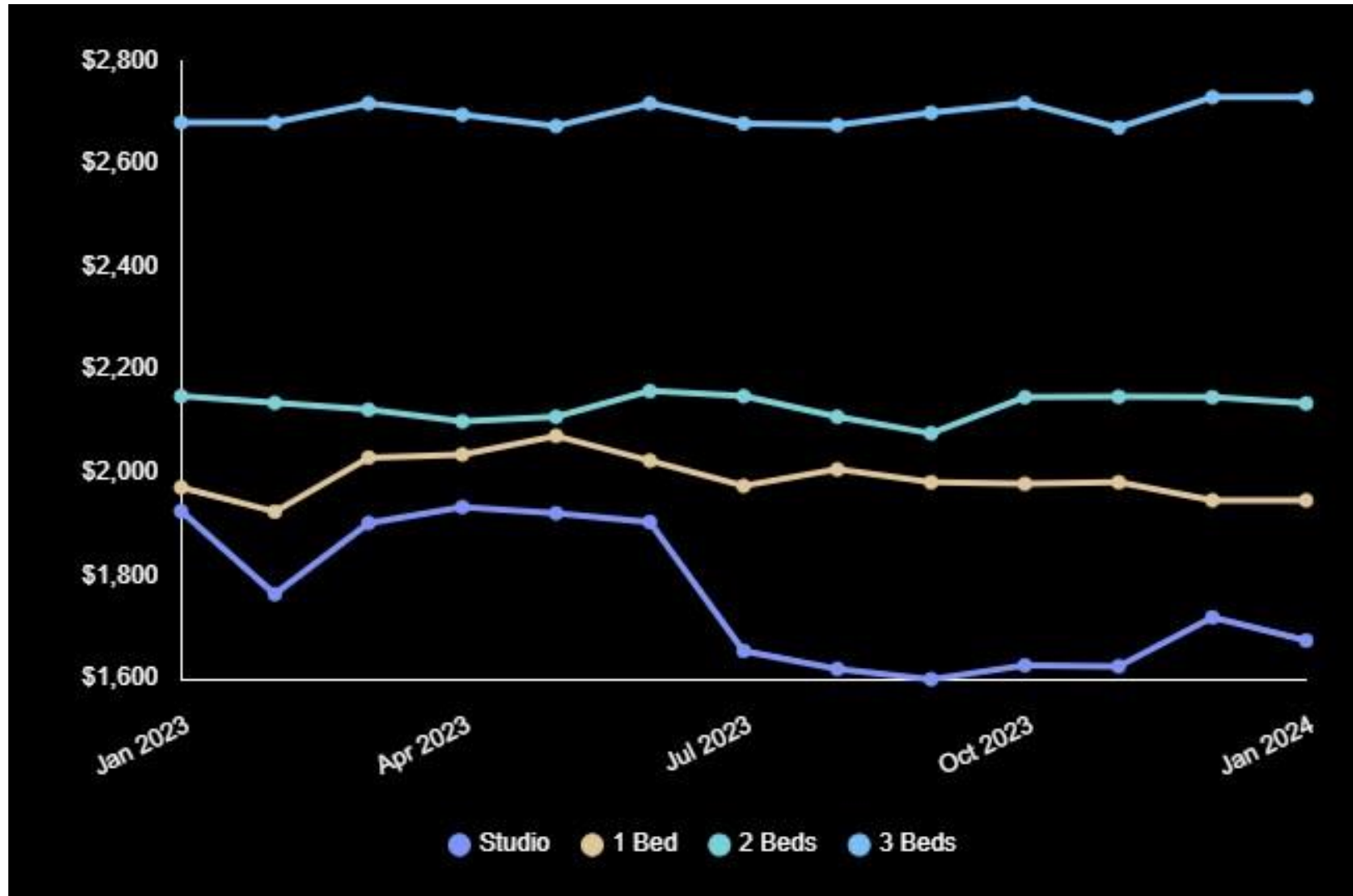
Annual Change in Median Rent

Sacramento, CA: 2019 - Present



Sacramento, CA Rent Trends:

Source: Rent.com





Top Single-family ownerships in US

2022

- Invitation Homes 85,000 (2,147 in Sacramento Area)
- Progress Residential 85,000
- American Homes 4 Rent 58,000
- FirstKey Homes 50,000
- Tricon Residential 38,000
- All Others 260,000

575,000 single family homes owned by Hedge Funds and Private Investment firms (2.3% of all 82M SFR's)

INVH Owns 85,000 of the 16M to 24M Rentals

Less than 1% of all US SFR rentals but their data is still valuable

Distribution of Invitation Homes Property Purchase Price



Chart 3

Q3 2023 saw Invitation Homes acquire more homes than in any other quarter since it became a publicly traded company in early 2017.

INVH owns 2,147 Homes in Sacramento Area



Predicting The Future Trends of SFR Rentals

- Follow the “Big Guys” for the big picture
- Follow Zillow, Redfin and others to get an idea of local trends - Median (*Asking*) Price reports etc.
- Develop a relationship with Property managers in the areas you want to invest