

# CWPM Management

Your Professional Property Management Team.  
Established in 1967.



February 2018

### Gutter Cleaning

**The gutter cleaning by the maintenance department is almost complete. If you have not heard from maintenance or believe your property needs gutter cleaning, please contact your maintenance director Nicole: 510-352-6310 Ext. 109 Macy: 510-352-6310 Ext. 113**

### Welcome Back CWP Staff Member

**CWP would like to welcome back one of our treasured staff members who has years of experience in several roles within the company. Chanel Tay-Trade will be joining the Maintenance Team in the supporting role of Maintenance Coordinator and will assist the Maintenance Directors in the day to day operations. Chanel can be reached at Chanel@cwpmgmt.com 510-352-6310 ext. 105**

### Tenant Groups Turn To Initiative To Repeal Costa-Hawkins

Although CAA in January stopped AB 1506, a bill to overturn the Costa-Hawkins Rental Housing Act, California's most important landlord-protection law remains in peril.

After Assembly Bill 1506 fell just one vote shy of advancing to the Assembly floor, tenant activists and their allies in the Legislature are more determined than ever to overturn the Costa-Hawkins Act and bring extreme forms of rent control back to California.

Supporters of a statewide ballot initiative to repeal Costa-Hawkins are now collecting signatures, attempting to qualify the repeal measure for the November 2018 ballot.

The California Apartment Association is assembling a campaign plan to defeat the initiative. Within 30 to 45 days, CAA will begin securing assistance from rental property owners throughout the state.

### BayArea Rents Likely To Stay Sky High

Bay Area renters hit with high prices and few choices last year may be in for more of the same in 2018,

Rates for one and two bedroom apartments in San Francisco, Oakland and San Jose last year stayed among the highest in the nation, according to new market reports. Scarce rentals and a robust local economy marked by steady tech hiring drove up Santa Clara prices 3.2 percent from a year ago, according to real estate data firm Yardi Matrix.

Five of the top 10 most expensive U.S. cities to rent were in the Bay Area, and all saw prices increase year-to year. Doug Ressler, senior analyst with Yardi Matrix said the strong interest in the rental market is backed by a desire from young workers to rent rather than own with the new tax plan that is reducing deductions for mortgage interest and state and local property taxes, and a lack of other federal incentives to encourage home ownership.

### Q&A

**Q:** I am evicting a married couple. My attorney says that we have served the lawsuit on the wife personally and the husband by substituted service. What does this mean and what difference does it make?

**A:** A lawsuit for unlawful detainer can be served either personally or by substituted service by giving a copy of the lawsuit to a person at least 18 years of age at the subject property or at the usual place of employment or the defendant.

**Q:** I have tenants who have a written rental agreement for their apartment. They also rent the garage at \$150, but there is no written agreement for the garage, either separately or in the rental agreement. If we give the tenant a three-day notice to pay both the garage and the apartment rent, would it be enforceable in court?

**A:** Since the terms of the garage rental are unclear, it would be safer to serve two three-day notices, one for the apartment rent and one for the garage rent. They could be served simultaneously.

## What Homeowners Should Know About Tax Reform

The California Association of Realtors Reported: Here's what homeowners need to know about the Tax Cuts and Jobs Act that was signed into Law December 2017

### Mortgage Interest Deduction

- The limit on deductible mortgage debt was reduced from \$1 million to \$750,000 for new loans taken out after 12/14/17. Current loans of up to \$1 million are grandfathered and are not subject to the new \$750,000 cap
- Homeowners may refinance mortgage debts existing on 12/14/17 up to \$1 million and still deduct the interest, so long as the new loan does not exceed the amount of the mortgage being refinanced
- Interest paid on home equity loans is only deductible if the proceeds are used to substantially improve the residence
- Interest remains deductible on second homes, but subject to the \$1 million / \$750,000 limits

### Deduction for State and Local Taxes

- If you itemize your tax return, you can claim up to \$10,000 total for state and local property taxes and income or sales taxes. This \$10,000 applies for both sing and married filers
- If you prepaid your 2018 state and local income taxes in 2017, you cannot deduct those taxes

### Capital Gains Exclusion

- Remains unchanged at \$250,000 for single filers and \$500,000 for joint returns if the house was lived in for two of the last five years

### Housing Market Impact

- California's median home price is projected to increase 3.2 percent in 2018. Overall, home sales in California are expected to grow in 2018
- The supply of available homes for sale will be slightly impacted, as homeowners may delay trading up/down to their new home
- Overall, the California housing market is expected to see a decline of 0.3 percent in active listings in 2018

**Disclaimer:** This is not intended to provide legal or tax advice. Application of provisions to particular tax situations need to be discussed with an accountant, CPA, or tax attorney

Our Mission Statement: To provide our clients the highest level of professionalism, experience and unparalleled personal attention all delivered through a foundation built on ethics and integrity.



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