HCM Property Management
Monthly Newsletter - September 2025

Southern California Rental Market — October Snapshot

As we move into Q4, Southern California's rental market continues to normalize after the high-demand summer months.

Median Rents:

Orange County: $2,510 (-0.4% MoM)
Los Angeles County: $2,070 (-0.7% MoM)
Inland Empire: $1,820 (+0.3% MoM)

Vacancy Trends: Average vacancy duration has increased from 18 days in July to 23 days in September, signaling a cooling but stable market.

Insight: Owners should focus on tenant renewals and property presentation as competition increases.

Updated interiors, flexible lease terms, and minor seasonal incentives can help maintain full occupancy.

Legislative & Regulatory Updates

This fall, California continues its push for housing reform and environmental compliance.

AB 1332 – The "Cooling Efficiency Standard": Requires new and replaced HVAC systems to meet updated efficiency guidelines beginning January 2026.

AB 12 – Security Deposit Cap: Already in effect — deposits limited to one month's rent.

Upcoming Notice Requirements: Reminder that landlords must provide clear written energy use disclosures for multifamily properties starting Q1 2026.

Action Step: October is a good time to review your HVAC units and lease templates to ensure alignment with next year's compliance standards.

Maintenance & Seasonal Preparation

October is the month for pre-winter maintenance in Southern California. Even if winters are mild, preparation now prevents costly issues later:

- **Roof & Gutter Cleaning:** Clear leaves and debris before the first seasonal rains.
- **Weatherproofing:** Inspect seals, caulking, and exterior paint to prevent moisture intrusion.
- **Heating System Check:** Test furnaces and heaters before tenants start using them regularly.
- **Pest Control:** Cooler weather often drives pests indoors—schedule preventive treatments early.

Pro Tip: Preventive maintenance costs up to 70% less than emergency repairs and is one of the top drivers of tenant satisfaction.

Mortgage Market Insights

Mortgage rates have remained steady through October, hovering around 6.55–6.6%, sustaining the advantage for rental property owners.

Rent vs. Buy Gap: On average, renting still costs $1,800 less per month than purchasing a median-priced California home.

Market Outlook: With the Federal Reserve maintaining current rates, experts expect a modest decline in early 2026—but not enough to trigger a major ownership shift.

Impact for Owners: More renters staying long-term means lower turnover, more stable income, and stronger renewal leverage.

Insight: Use this stability to focus on property upgrades or refinancing existing investment loans if favorable local rates appear.

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