HCM Property Management
Monthly Newsletter - September 2025

Southern California Rental Market – End of Summer Recap

As summer leasing winds down, Southern California's rental market is entering a steadier phase marked by longer listing times and stabilized rent growth:

Median Rent (August-to-September):

- Orange County: $2,520 (flat MoM)
- Los Angeles County: $2,085 (-0.4% MoM)
- Riverside County: $1,835 (+0.2% MoM)

Trend: Rent growth is slowing but not reversing
2025 is still tracking 2.7% higher year-over-year across SoCal.

Insight: This cooling phase is a sign of market normalization, not decline. With mortgage rates still high, rental demand remains supported by would-be buyers choosing to stay put.

Legislative & Regulatory Updates

September brings an important reminder: several 2025 landlord regulations take full effect in Q4.

Key highlights:

Security Deposit Cap (AB 12) — Now fully active: landlords may collect only one month's rent as a deposit for most units.

Utility Billing Transparency (SB 1215) — Landlords using RUBS (ratio utility billing) must provide itemized billing statements each month.

Rent Cap Compliance (AB 1482) — Confirm your 2025 rent increase notices reflect the 8% cap for the LA metro area.

Action Step: Verify that lease templates and renewal forms are up to date. These updates protect you and help ensure compliance in the event of a tenant dispute.

Maintenance & Seasonal Preparation

As we transition into fall, this is the ideal time for preventive maintenance:

- HVAC Service: Switch from cooling to heating inspection, check filters and thermostats before colder months arrive.

- Roof & Gutter Cleaning: Southern California's fall storms can cause leaks and debris buildup; early checks save costly roof repairs later.

- Outdoor Lighting & Irrigation: Shorter days mean more lighting use; confirm timers and sprinkler systems are adjusted.

Insight: Preventive maintenance not only reduces costs but also demonstrates care to tenants — a key factor in lease renewals.

Mortgage Market Insights

Mortgage rates remain near 6.5–6.6%, keeping affordability low and rental demand solid.

Homebuyer Hesitation: Median home prices across SoCal remain 5–8x local median incomes, keeping renters in place longer.

Owner Opportunity: Properties in good condition with responsive management continue to outperform market averages in both occupancy and renewal rates.

Tip: Use this stability period to invest in long-term property improvements that increase rentability, such as paint refreshes, flooring updates, or minor energy-efficient upgrades.