

California Landlords Are Buying Out-of-State Due to Squatter Fears

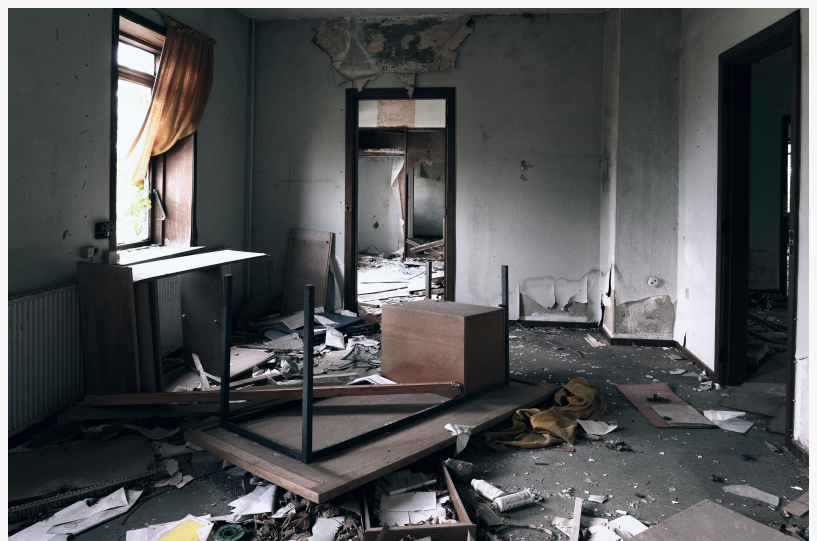
California landlords are switching gears with their real estate strategies because of increase squatter fears.

SAN DIEGO, CALIFORNIA, USA, February 8, 2024 /EINPresswire.com/ -- California has been combatting its homeless problem for years. As rents continue to soar in major cities like San Francisco, Los Angeles, and San Diego, more local Californians are struggling to keep up with their finances. Rent increases are common throughout the Golden State. When is enough, enough?

More tenants are converting into squatters in CA as they struggle to make monthly rent payments. Locals in San Francisco and San Diego are being priced out of their homes, neighborhoods, and cities. Not everyone has the ability or desire to move. What happens if the rent gets raised too high and tenants aren't having any bit of it?

Tenants can easily turn into squatters, which is a California landlord's worst nightmare. The [state laws regarding squatters](#) are complicated. The Golden State has its own set of rules. Then, depending on which county the property is located in, there could be additional squatter laws to abide by.

Due to understandable fears about tenants turning into squatters, California landlords and investors are looking out-of-state to safely expand their rental portfolios. Alex Capozzolo of SD



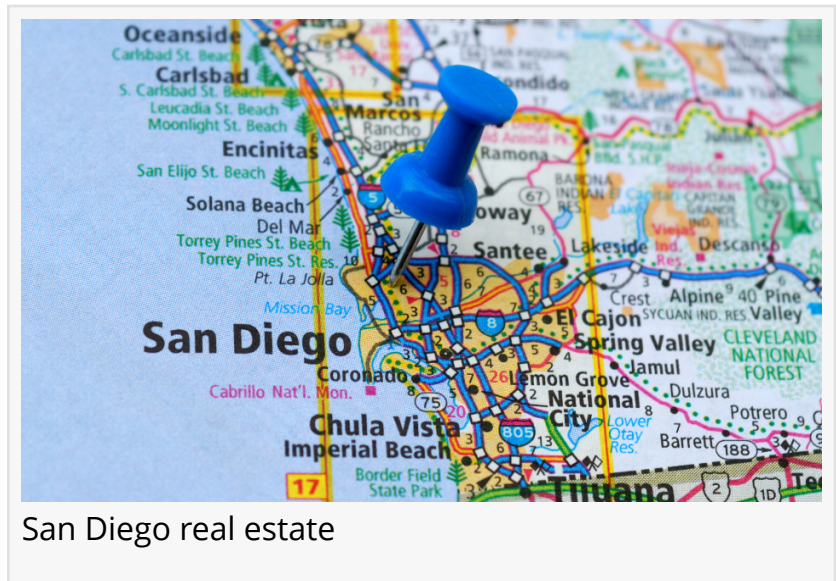
Squatter Fears



California real estate

House Guys, a homebuyer in CA, stated, "The squatter problem isn't getting better here. We've had multiple rental properties have tenants stop paying and start squatting. It's not always easy getting them out. This is why we're beginning to make offers on properties outside of California."

Capozzolo went on to explain that squatters are expensive to deal with. On average, landlords are spending anywhere from \$5,000 - \$12,000 on attorney fees depending on the case to eject a squatter. The eviction process in California is entirely different and comes with different costs.



San Diego real estate

Does this mean that local real estate investors should abandon ship altogether in California? [SD House Guys buy homes in San Diego](#) while also exploring other states. As a real estate professional, it's important to keep a diversified portfolio. That even includes location.

Certain areas will outperform others. Conversely, certain areas will have tougher landlord restrictions that make this profession more challenging. Since squatter laws vary depending on the area, many landlords underestimate how hard it can actually be to deal with a squatter.

Buying houses out-of-state has become more attractive to local California landlords. Not only are the squatter laws different, but the home values aren't as steep. Money goes much further outside of the Golden State when it comes to real estate. Is it worth buying one property in California only to risk a squatter taking over?

Other California landlords prefer to stay where their roots are. However, they are changing their investing strategy slightly to mitigate risk. Where are squatters less likely to take over? Thinking bigger.

Industrial properties are a very different ballgame compared to a traditional, residential home. However, they do offer less risk when considering a tenant turning into a squatter. There are [companies that buy warehouse buildings](#) throughout different parts of the state. They purchase them vacant to avoid any squatter situation. From there, they fix them up and turn them for a profit.

This doesn't sound like an average real estate deal, does it? There are a ton of details that go into a larger industrial real estate purchase. However, the grass could be greener on the other side.

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