

EP50: 50 Years And Our 50th Show!

Welcome to the Landlord Logic Show, hosted by John Tiner. John is the owner and CEO of Tiner Property Management, a three generation family business since 1976. Tiner Property Management expertly manages over 1,000 properties in the greater Sacramento area to place quality tenants quickly while minimizing your risk. John stays up to date on all the new laws and regulations and shares his knowledge with do it yourself landlords each week.

The Landlord Logic Show with the Tiner Property Management Pros. Joining us now, John Tiner, along with his wife and business partner, Jenny Tiner.

Welcome to The Landlord Logic Show. I'm John Tiner, owner of Tiner Property Management. And in the studio with me today is my wife, partner, friend. You wear a lot of hats in my life. Jenny Tiner. And welcome, Jenny.

Thank you. Hi, everybody. Thanks for joining us.

We are a property management firm. We manage about 1,400 properties. And this is our 50th year in... We started in 1976, so it's our jubilee year, our golden year, if it was an anniversary, a golden year. This is also our 50th show.

50th show.

Number 50 will be the theme today, right?

And I'm 50, right?

50 and a little bit more would change, but yes.

And I am not 50.

Yes, it must be nice. We'd love to hear from you. You can call us at 916 974 6003. Other ways to reach us is from a cell phone. You can dial pound 250, say the word Tiner. That'll get you some valuable information. Or check us out on the website, which is Tiner.com, T I N E R.com. And check out our resources page. These shows, videos, blogs, it's all on there on our resource tab. And again, that's Tiner.

But we wanted to talk a little bit today. We have a speaking engagement. I talk to realtors a lot of times about new laws with property management, and they kind of hijacked me with questions and answers about the rental market, wanting to know where the rental market was.

Yeah, we went there last week and we went through all the laws we've talked about in our other shows. There's a lot of them that came up in the first part of the 2026. These realtors, the board meetings will oftentimes have John come and talk to them. And in this case, speaking of the theme of the show, 50, there was about 50 realtors there. And we had this whole presentation of all these laws. And as soon as we walk in, they know they're mainly real estate agents. There

was some lenders, mortgage brokers there. Title companies, but property management company. And so the first question we got quite a few times was, what is the rental market? How is it going? So I'm like, John, you need to add this into the presentation. So we know that they're interested in our listeners because it's changed.

Yes. And I think part of what people are making comparison for is, you know, the sales market, which has been soft. We've seen values drop a little bit. Interest rates have been high now for three, four years. And so that's affected the sales market. Part of why we've grown so much over the last four years is people who couldn't sell rented.

Couldn't sell, don't want to sell.

Or don't like the price they're being given, right?

Or have a really good interest rate.

Yes. Don't want to sell. The golden handcuff, 3% interest rate. Who would ever want to get rid of that property? Logically, it makes sense. But we're finding that a lot of the same challenges in the sales market are affecting the rental market too. There's a lot of properties available on the rental market. Just in 2021, there was a real lacking or a shortage of rental inventory, but now a lot of people couldn't sell if rented. So the rental market is actually awash with properties. A lot of vacancies sitting out there. And the prices are a little soft. Properties have to be looking really sharp in order to get them rented. And they sit more days on the market, more price reductions. All those indicators are a softening rental market.

But I'm not wanting to paint a gloom and doom picture because we're renting about two properties a day. We're getting them rented. It is taking us a little longer. We're taking about 30 days from the time the property's clean and ready to rent until we've actually had somebody put up money and sign a lease agreement now, so about 30 days. In a hot market, we see that down to 10 to 15 days. So it's definitely a little harder now.

I recently, in fact, last week, gave a call to all my landlords that had longer term vacancy, all my owners, I should say.

And the reason why you did that is we do really good. We give our owners, we keep them updated weekly. We have an owner tally. Our owners are knowing how many inquiries, how many showings, how many applications, if they were denied, what our property managers recommend. So, but some of our owners and why we're talking to our listeners about this is they didn't listen. We recommend it. They don't listen.

So they got a call from me. They listened a little bit more. I think I called 12 or 15 and 13 of them reduced the price significantly, 5% to 10%, and or made some repairs to the property that we've been recommending for quite a while. You've got to do these things in order to get them rented. We're not just pounding sand for no reason. We know what gets rented and what doesn't. And so we really put a little pressure on them, and they responded, and we started renting some of these properties this week. So it made a difference. You can't be 10% over market, 5% over

market, and half tenants apply. They're not going to apply. They're going to move on to better values.

They have. There's more of a selection. So we have the most vacancies. I mean, we have more properties than we've ever had in our portfolio. But we also, that means we also have the most vacancies. We have 60.

So 60 vacants out of 1,400, it wouldn't be a very good vacancy rate. It'd be like 4% or 5%. I don't know. I didn't do the math, but around there. But the thing is, more than half of those are new accounts. So they really wouldn't count in our vacancy factor. If you look at the existing accounts that we've had rented before and which one of those are vacant, our vacancy factor is about 2%, which is very good. 98% of our properties are rented. And then we have some new accounts. We always have new accounts coming in because we're signing new accounts at about one a day also. So anyway, our vacancy factor isn't bad, but 60 vacancies is a lot for us.

It was. And like we said, our property managers, they're making the recommendations, but some of our owners just won't listen. I often say when John Tiner picks up the phone and talks to somebody, they listen. He has a really good way of saying, You kind of suck and you need to do this.

It's pretty logical, right? I mean, if they're sitting vacant, they're losing roughly \$100 a day in potential income. And so if it sits vacant for a month, it's going to take a long time to recover it. They would be much better off to reduce the rent \$100, \$200 and get it rented. And so that's what we're really encouraging them to do. And sometimes they just need an extra nudge. And they're not willing to do that until they've sat vacant sometimes for a month. Then they get real. And so I give them a call at that point sometimes to try to get them priced where they need to be. And we did a bunch of price adjustments.

But that's what's going on in the market. I just met with a bunch of other property managers. We have breakfast once a month. And that was the universal topic with them this month, too, is they all are struggling with vacancies, days on the market. It's tough to rent properties right now. There's more properties than there are available renters to rent them. And so looking sharp and you have to be priced right if you want to get a good tenant.

Right. And some of the conversations that I asked John, like, well, how did these go? And he's like, I felt like I was just like calling all these people and beating them up and making these calls and took a couple hours to do it. But kind of the common theme was when they asked, well, why? You know, why do I have to? And, you know, we'd rather lower the rent, get a good pool of tenants, get some activity going. Get them in there for a year. Then increase the rent next year. But if you let it sit longer, you're going to be out a lot more money.

Yeah. It's better to take a little monthly loss than to take a big loss by not renting a property at all. So I advised a lot of these owners, go ahead and take a little less than you expected this year. We can look at it when we renew the lease. If the market values have gone up, we can bump the tenant up on the rent and catch up with the market rate then. But you've got to stand

out as a good value now or your property is just going to sit vacant. That's just the reality of where we are in the market now.

It is good news for tenants right? It's a good time to be a tenant and want to rent a house. You could have a great selection properties and their rents are going down just a little bit, a little softer rent values.

Yeah, and we've seen that in even LA. We've seen rent values drop quite a bit, and people are shocked that their rents have gone down. We've had rent control and all these things to try to keep the rents from going up. But actually, folks, the market itself takes care of that.

Wait, what? If the lawmakers don't come in, the market actually takes care of itself? The free market can fix it. Can you hear our sarcasm?

Yes. You don't have to legislate everything. The market, if there's too many rentals, if you have too high requirements, if your property doesn't look sharp. You'll sit vacant and the tenants win. So you're going to have to reduce that price. That market will readjust. We've seen this. I've done this for a long time now, 40 years. And I've seen three full market cycles. And when the rental market's been down, we've seen vacancies high. We've seen rent values drop. It goes both ways.

It's been a pain point for tenants that prices have gone up a lot, and they have. But we're seeing the pendulum swing back a little bit now where rents are a little bit more affordable. So sometimes when we're renewing leases, we're not raising the rent. If they were already at market value, usually you see rents go up every year, especially since we're in control. But we're sometimes not raising rent. Sometimes for a couple of years in a row, we've seen that. And in rare cases, we've even dropped the rent.

I've seen a couple recently where I was like, oh, well, yeah, that was lower than what they were paying.

Yeah. So if you're a landlord and you're listening today and you were wondering why maybe your property hadn't rented and you want some help with that, we will help you perform and we'd love to hear from you. So give us a call at 916 974 6003. Or from your cell phone, you can dial pound 250, say the word Tiner, and that'll send you some valuable information and also ring through to us. And of course, you can check us out on our website at Tiner.com. That's T I N E R.com.

Yeah, one thing that I, before we kind of go on to our next topic, whenever I have investment properties, I have rental properties, and when I have a vacancy, you know, I still have a mortgage to pay. And when I take new account calls, I always give the same advice to them because they say, well, how long will it take to rent? And I want more for my property than what it's worth. And so I kind of do the rundown of it. But just I recommend price it strategically where it should be. If it's not rented, you don't have a lot of activity. Within two weeks, drop the rent 5%. Drop it again 5%. I usually do it. If it's not that third week, I'll drop it again. But usually with our office, we'll do two weeks and then another two weeks. But you really just need to be aggressive

on it because, like John said, it's about \$100 a day that you're losing if you don't have, if it sits vacant. And I still have a mortgage payment to pay.

I'd rather get somebody in there, have a good selection of people to choose from. And some of our vacancies that sit on the market a while, I mean, maybe they don't have a mortgage. All of them, some of them had to have had a mortgage payment. But I mean, we're talking if you're on the market 30 to 45 days, you know, you're an average mortgage payment, two, three, four, whatever it is, that's going to be towards about 10,000 bucks.

I've had owners call me and say, well, my property has been vacant a year, but I don't care because I own it free and clear. Well, it still costs you money to hold it, and you're losing potential income. And I've said I'm going to counsel you to look at this different because this is really a poor way to look at it. It's an investment property. You need to be generating a good return from it. And every day you're not rented, you're losing money. And that's the way we look at our rental properties. There's some urgency. When we have a vacancy, we want to get it rented. That's the only way the investment performs. And essentially, if you own a rental property, it's a business. You need to treat it like a business. And so we help owners do that. Sometimes their own mentality is hindering them or blocking them from being wise investors. So we're going to always push them toward doing what will help maximize their return on their investment.

And I know one of the, another thing is some owners will say, well, it's already under market. And I heard you say this a few times last week. Well, yeah, it's under market. It's not renting, which means it's still overpriced.

It's not under market if nobody's renting it, right? So it's under what you wanted the market to be. But it's not always under market. So you've got to price it. And the owners who say, well, I don't think it's the price. And I say, well, then why don't you reduce the price by 50% and see how long it takes us to rent it? I mean, I'm speaking in hyperbole to make a point, right? If you lower it enough, it's going to rent quickly. So it's always price. It's always price connected, as long as it's broadly marketed to the market.

We have some of our owners also say, well, that doesn't cover my mortgage. And I bluntly will say, well, your financial obligations, don't set the rent price. It's not, our problem's not your problem.

Market rent is market rent.

Yeah. Market rent's market rent has nothing to do with your personal cost to hold the property. So if you own the property free and clear, it doesn't cost you anything. There is still market rent. That's what it should be rented for. And if your mortgage payment is \$4,000 a month and your property value or rent value is 2,500, nothing in the world is going to make that rent value be \$4,000 a month. So maybe you should be wondering, should I be selling it instead of renting it?

Or you just have to know if you hold on to the property, there's value in that too. Even if I've had, I sold a property like that is I just barely made it month to month or some months I had to put money in. But when I sold it, I doubled my cost. So I made money.

You made \$200,000 when you sold it, even though you never made cash flow during the time you owned it. And you owned it for 10 years, right? So all it did is carry itself. But the tenants bought you that equity over 10 years. That's the way you have to look at an investment property. And it was leveraged because you didn't put that much down to buy it.

Right. Yeah. So public service announcement, lower your rents to the public.

Save yourself the agony and lower the rents. And with that, we also want to talk now about some of the neat phone calls that we've gotten. And it's refreshing, I think, too. You know, we just talked a lot about kind of the negative part of having to reduce rents can be positive for tenants. With high interest rates, we have not seen too many first time homebuyers enter the market. And I think this last week alone, I talked to five first time homebuyers and kind of the spiel to them of what you do, how to search, you know. And I loved it because I got into this business. And really, I mean, mainly I work now. I have listings. Majority of my clients are investors, but I love working with first time homebuyers too. It's, there's nothing like, cause it's why I got into this business and we love real estate and we love investment. I bought my first property at 19.

So it's like when I can see somebody else at whatever age that they're doing it, it's a big thing to own a property. It's like the American dream. So I'm saying that it's nice and refreshing. I think the interest rates are coming down enough where first time homebuyers are entering the market, which is great. That being said, too, we are also seeing, I think, me and John, aside from first time homebuyers that we're working with, we're working with a few investors. Investors, I would say for purchasing, we are seeing still people that are either paying cash or they're coming in with probably at least half of a down payment because the interest rates are still high. So if your owner occupying your interest rate, but if you're an investor getting, it's going to be a percent higher. So the numbers, the math doesn't math. It seems like just yet. So we're not seeing some people put down 20% for an investment property. It's just not going to make sense. They have to put down 35%, 40% to even break even, right?

So it doesn't make sense to finance and buy an investment property in the market unless you're 1031 exchanging or you're a cash buyer.

Right. And then on the other side of that, we manage 1,400 rental properties. So we get a lot of sales from that too. So some of our investors, for whatever reason, are wanting to sell. And I will say we're noticing I think it's going to be a busy sales year. I thought about this at the end of the year. Because we started talking to some of these owners that ideally the best time to list the property is springtime. So if you have a tenant in there, your conversations start months beforehand because you have to plan. Then notice to hit that springtime target.

And it's kind of a best kept secret that we sell real estate. Everybody knows we're property managers and we do rentals, but Jenny and I are actually pretty high level producers in real estate sales. In a normal year, we were selling 30 to 50 homes and that's when we only managed 700 properties. So if this market starts to sell off, we're going to be really, really busy with sales, too.

Yeah. Yep. And so me and John are the sales team. And so I think we're working on 11 listings right now.

We are.

That's where it's going to be a busy year. And so who are these sellers? Well, why are they selling? It's really a mixture. Some of them want to get out of the market. You know, we talk about all these rules and restrictions. We love our company. We love managing property. But we are seeing it can be scary. The laws can be scary. That's why they come to us. We manage it, but some are, for whatever reason, they want to get out. I wanted to laugh. One owner said, I told him that we had to provide refrigerators now, a new law, and he's like, I want to sell my property. You can sell your half million dollar property over a \$2,000 refrigerator. That would be a nice one.

It's kind of funny. But, you know, there's a limit.

The straw that broke the camel's back.

But most of the time we're seeing, you know, one family member has died, the next generation has inherited it, or some major change in their investment portfolio that causes them to want to sell. And that's what we're dealing with most of the time.

Yeah, the majority of our listings right now is that some want to get out of the market. Some are siblings. We held the property while mom or dad was in a care home or whatever. Siblings never, the kids never want to be landlords. And in some sense, they're blessed that they have this investment that their parents gave them, but they don't want to do it. It worked for their parents. It doesn't work for them. So they held it for a little bit of time. And then now comes the time that we sell it for them. So we have a lot of siblings that we've done that for. And then some just, yeah, just life changes. They have to move for whatever reason. So we're seeing in our own business, it's the busiest at this time of the year that I think we've been at.

Some summers, I've gone into some summers with 15 listings. I remember when the kids, twins now are 22, but when they were young and playing baseball, I remember going into the weekend, they played travel baseball with five new listings. I sat on the baseball stands. Took calls, negotiated contracts, sold them all before the end of the weekend. Five listings on Friday, sold them all by. That was a hot market. Those were the days. My friend, we thought they'd never end, but they did.

So now, it's just interesting. Now we're in the early part of the year, and we're working on about 11 that are going to be coming on the market. Three got vacant this week, and then the rest of

them will become vacant through the next few months. And these are people, properties, where we sat down with the tenants maybe a month or two or three. Go and told them that the owner was ultimately going to sell the property. You can stay until the end of your lease or your month to month and we would like to work with you. And the tenants have either found another property or, you know, we've helped make that transition easy for them. We're very respectful with our tenants because we know both sides of the law, the sales side and the rental side.

But we've had some really neat experiences too with that. One of the things we like to tell tenants when we're giving them a notice to vacate and telling them the owner wants to sell the property, we always say, but our favorite buyer in the whole world is you.

Yeah, do you want to buy it?

Right and we had one this week that did that and they're they're in escrow now. So we got to sit down and walk them through why it might be really smarter for them to buy a property than to continue to rent. And I love that, right? I love being able to tell people what leveraged real estate means and how they're going to make money generational wealth over time and how properties can give birth down the road when they get enough equity and tax write offs if you don't have a property and you don't understand that. You get to write off your mortgage. You get to write off some costs like that through holding real estate.

You can paint the bedroom purple and you can get a dog. And then I always say, and then my least favorite part of my job is when I do have to sit down with these tenants and give them a notice. I'm a very empathetic person. I never want anybody to be displaced. I couldn't imagine. With our busy lives, we own our home. But I couldn't imagine if somebody came in and then said, I'm selling it, you have to leave in 30 or 60 days. I couldn't imagine with everything else I do, like, oh crap, now I have to go and find a place to live and move. And, you know, so if you buy a home, then you never have that problem again.

So if you're in the Sacramento area and you need a property manager, give us a call. We're Tiner Properties, Tiner Property Management. Phone number 916 974 6003. Or check us out on our website, which is Tiner.com, and that's T I N E R.com. John does a really good job putting educational videos out, blogs, videos, but that's found on our resources tab of our website, and again, that's Tiner.com.

Our niche, if we have a forte in the sales market, it is going to market with tenants in place and knowing how to navigate that process. In fact, on my website, Tiner.com under resources and then blogs. One of the blogs I read a few years ago has been used by realtors a lot. And I think the title is The Fine Art of Selling a Rental Property with Tenants in Place. And it walks through the strategies of how to approach the tenant. Is it on a lease? Is it under rent control? Do you want to sell a property with this tenant in place? Because some tenants are neat and they'd be very helpful in the process. And some you would not want to go to market with them there because the house shows terrible. So it depends on the tenant. But it walks through the strategy, what the best steps are.

Because it really is a fine art. I mean, we've done hundreds of sales like this, and it can go bad. And sometimes we've heard stories from tenants that somebody just plopped a lockbox on our door, and then now I have to start showing the property.

Yeah, and they dig their heels in, and they make it impossible then for the landlord to sell it, right? Because they weren't respected.

Yeah, it's your right to sell the property and to get access to it. But a bad tenant can really keep you from getting in there.

Or a mad tenant.

Mad tenant. That wasn't a bad tenant, but now they kind of are. A hostile one anyway.

Yeah. So just a couple of kind of our timeline, if we can just kind of quickly go through this. Is when we get that call from our owner. First, we get a lot of realtor referrals. If it's realtor referred, we refer back to the realtor. Simple. But if it is one that isn't realtor referred, then our property manager somehow are notified. They let us know. We send them a market analysis report. And then through the conversations, they say, well, yeah, let's move forward.

So how we do it is John or the property manager, usually John, will call the tenant. And let them know the owner needs to put the property on the market for sale. Can we schedule a time to sit down and meet with you? We feel it's important to look them in the eye. And it's also twofold. I want to see inside the property. I give them an analysis of the range, but that's just by doing the comparables. I want to look inside, see what the property is. See what the cooperation level is with the tenants and talk to them about the process. And so, and we also gain their respect. They already know us. They've already been working with us. We have some of that trust there, but they'd never met me before. They may have never adopted John before.

So we go sit down with them and, you know, do you want to buy the property? No. Okay. Well, then does it look nice? You know, can we go on the market with you in here? And then if they're, cooperative and the property looks good, great. I need from you two to three days a week, you meaning the tenant, to show the property. I don't care the days. I don't care the times. But what I find of success is Thursday, Friday, Saturday. You clean once. We come in for just a couple hours each of those days. And usually they're fine with that.

And then what we do find also successful, it is inconvenient for the tenants. So we recommend for our owners to discount the rent. Not much, 150, 200 bucks while it's on the market. That meaning usually a month to two months. So you might be out a couple hundred bucks, 400 bucks. But if you can get their cooperation and sell it with them in there, then that's less time that you have a vacancy. Otherwise, we serve them a notice to vacate during this meeting. They vacate. They turn in their keys. We do a walkthrough. The property manager does a walkthrough, does a really good list, tenant expenses, owner expenses, and then items that we may recommend for the sale. And then usually we can turn it within a week, two weeks, just depends on what's needed. Sometimes I can list it the next day. Every once in a while we get those with picture perfect tenants. So we make it easy, and then we go on the market.

Yep, and we've done that. Hundreds of times. I think probably 400 times or more that you and I have done that together and I did it before I knew you. So if you need some help with maybe selling your rental property and you'd like to reach out to us, we'd love to hear from you. You can call us at 916 974 6003. Other ways to reach us is from a cell phone. You can dial pound 250, say the word Tiner. That'll get you some valuable information. Or check us out on the website, which is Tiner.com, T I N E R.com. Check out our resources page. All of everything we talked about, the shows, videos, blogs, it's all on there on our resource tab.

But we're out of time today, so we look forward to talking to you again next week. Remember, professional property management doesn't cost. It pays.

Would you like to learn more about the services provided by the Tiner Property Management Pros? Their professional property management team will take care of your rent at home from start to finish. Simply dial pound 250 and say Tiner to learn more about the ease of managing rental properties or check out their website, Tiner.com.

Join us again next week for the Landlord Logic Show with John Tiner.