SEE IT: Oakland agents caught on camera giving buyers tips on how to evict tenants

Agents in the rapidly gentrifying San Francisco Bay Area city of Oakland, California, have been caught on camera giving advice on how to evict tenants to a local news reporter posing as a prospective buyer.

In early June, KPIX 5 reporter Susie Steimle attended at least three open houses for renter-occupied duplexes and triplexes in the Oakland area, and at each one, real estate agents coached Steimle on how she could use an exemption in Oakland's "Just Cause for Eviction Ordinance" to evict tenants without notice and make a profit.

The Just Cause for Eviction Ordinance lists 15 reasons why a landlord can evict a tenant, which includes the failure to pay rent or conducting illegal activities in the home. But landlords of 3 unit-or-fewer owner-occupied properties don't have to follow the "Just Cause" rule, a fact some real estate agents are using as a selling point.

"You can move in, and then once you have lived in the property, then the… umm… the restrictions on evictions and stuff go away," said the first agent who was giving a tour through a triplex.

"A lot of people, that is what they do for a living," said a second agent who was listing a duplex. "They will buy apartments that have below market rate rents, and figure out a way that they can get them up higher so they can sell it for a profit."

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“The day you own this property as the homeowner you can give 60-day notices to vacate to all three tenants immediately if you wanted,” noted the third and last agent interviewed.

During the first open house tour, Steimle was greeted by Morgan West, a tenant of the triplex. Later on, the reporter reached out to West for a one-on-one interview where West explained how she felt about the advice real estate agents have been giving to potential buyers.

“I think there’s got to be some level of understanding that when you’re coming in and probably going to push people out of your home, that’s going to be really hard for those people,” said Love. “If that doesn’t make you uncomfortable, I think there’s really a problem.”

“I think it’s really sad and horrible that folks who are artists are being pushed out,” she added. “I think it’s even more sad and horrible that people who have been in these neighborhoods for generations are being displaced.”

Although it may be insensitive to tout such a legal exemption within earshot of a tenant who could lose their home, East Bay Rental Housing Association president Wayne Rowland told KPIX that small property owners need legal protection too and should understand what rights are given to them.

“It takes two to tango,” he said. “You can’t just set up rules that favor tenants and have your concerns always related to the tenants. You have to be concerned about the people who are providing the housing, as well.”

Inman reached out to Shalene Rose and Michael Braillard of Caldecott Properties and Joe Dickerson of the Dickerson Team, whose listings were featured in the video, but only Dickerson has responded.

Joe Dickerson

Dickerson said he found out about the KPIX report early Tuesday morning from a colleague. He admits he told Steimle about the fact that some investors try to take advantage of the eviction exemption to buy properties, kick out tenants and then resale the property at a profit.

But, he says he only shared that information after he was asked a specific question about that business model.

“That was me answering their question, and unfortunately my answer was given out of context in that video,” he said. “I stand by what I said. It is a fact that some investors use that as their business model. But, I don’t know of a case where buyers in Oakland specifically used the exemption to sell for a profit.”

When it comes to what the other agents featured in the video said, Dickerson believes it’s important that buyers understand the laws and regulations that apply to the property they’re purchasing.

“The existence of these ordinances are very important for people to know, both the aspects that benefit the tenant as well as the owners because people are making large investments into these properties, and should absolutely know at least the basics and regulations that guide their investments,” he told Inman.

“We have rent control in Oakland that extremely limits the increases in rent that can happen every year, which limits the property’s appreciation. So, a potential buyer needs to know they actually, in most circumstances, cannot rent it for market rate.”

As far as his property that was featured in the video, the sellers made it clear that the buyer needs to commit to keeping the current tenants in place.

“In my practice, I try to make sure everything is as transparent as possible,” Dickerson said. “My listing that you saw in the story, I asked the tenants what their desires were and they made it clear that they wanted to stay long term, and that was fully disclosed to the buyers.”

“And my seller also wanted to know what the buyers’ intents were because the sellers wanted to respect the tenants,” he added. “It’s not uncommon in our market for buyers to write ‘love letters’ for a property, so we asked the buyers to submit those and include what their long-term plans were.”

The California Association of Realtors said they were unaware of the story, but after reviewing it, they felt the agents had done nothing ethically wrong since they were sharing factual information about the ordinance.

“It does have to be the owner’s principal residence at the time of the just cause eviction,” said CAR PR director Lotus Lou in a short, emailed statement. “So, if the agent is encouraging misrepresentations – that is clearly unethical.”

Email Marian McPherson.

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