

TenantScreen.ai Draft Proposal

2025-04-19

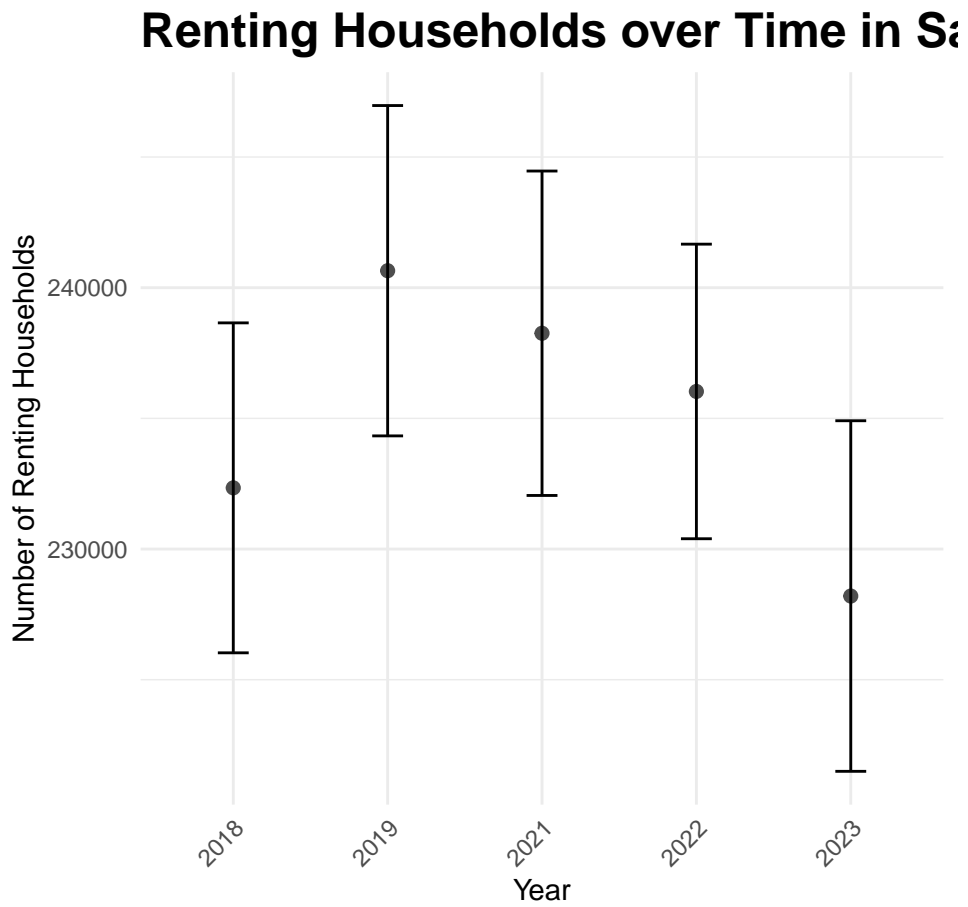
About

Suppose you receive an application to rent an apartment in your complex. The applicants look good on paper, and you complete a lease agreement. Four months later, they are behind on their rent, and you need to initiate an eviction. What went wrong? We believe there are underlying financial red flags not considered during the application process that could have been detected, and incorporate these into the applicant screening model. This makes the screening process more robust, and mitigates risk.

Evictions are a painstaking process for property managers. In addition to the lengthy and expensive eviction process, there is substantial discourse between the attorneys, courts, and the tenants. As of 2025, the average cost of an eviction in California is between \$3,000-\$4,000, not including the lost rent throughout the period. Our tool provides an additional layer of scrutiny, protecting property managers from risk that cannot be detected by conventional techniques.

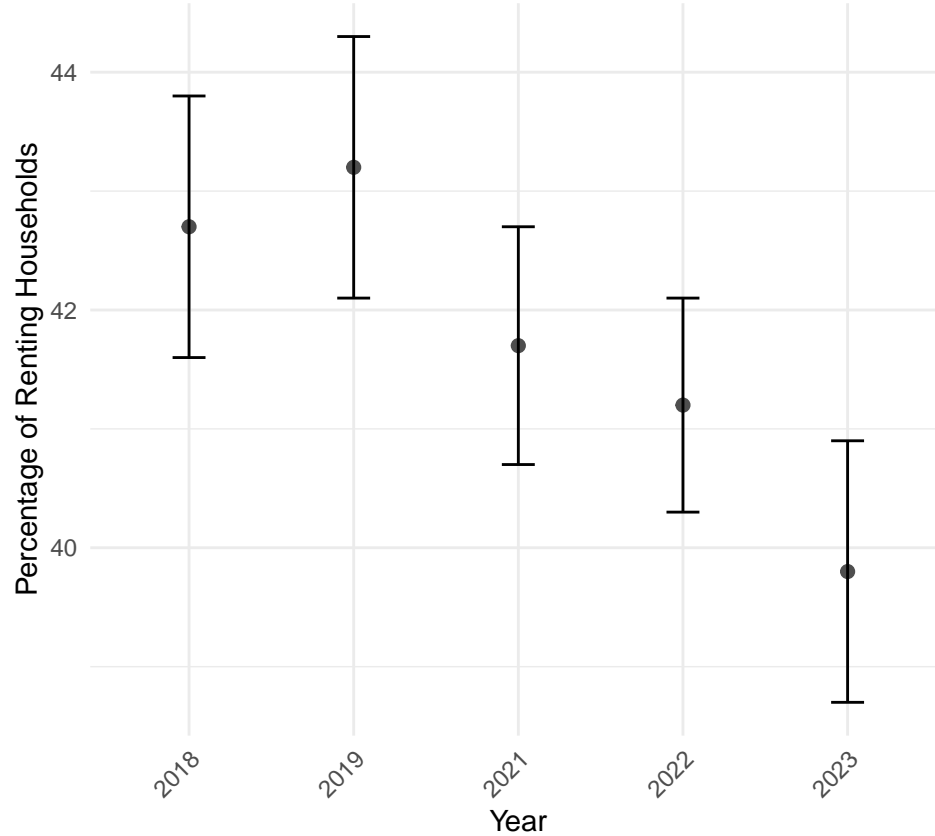
Eviction Numbers and Trend Analysis

Costs^{1,2} Eviction timeline: 90-120 days (factor into lost rent for the period) Court filing costs: \$240-\$450
Writ of Possession: \$25-\$40 Sheriff Fees: \$100-\$150 Process Server Fees: \$50-200 Attorney Fees: \$500-\$2000
+ Property Damage: case specific Storage / Disposal of Property: case specific



Source: ACS Data

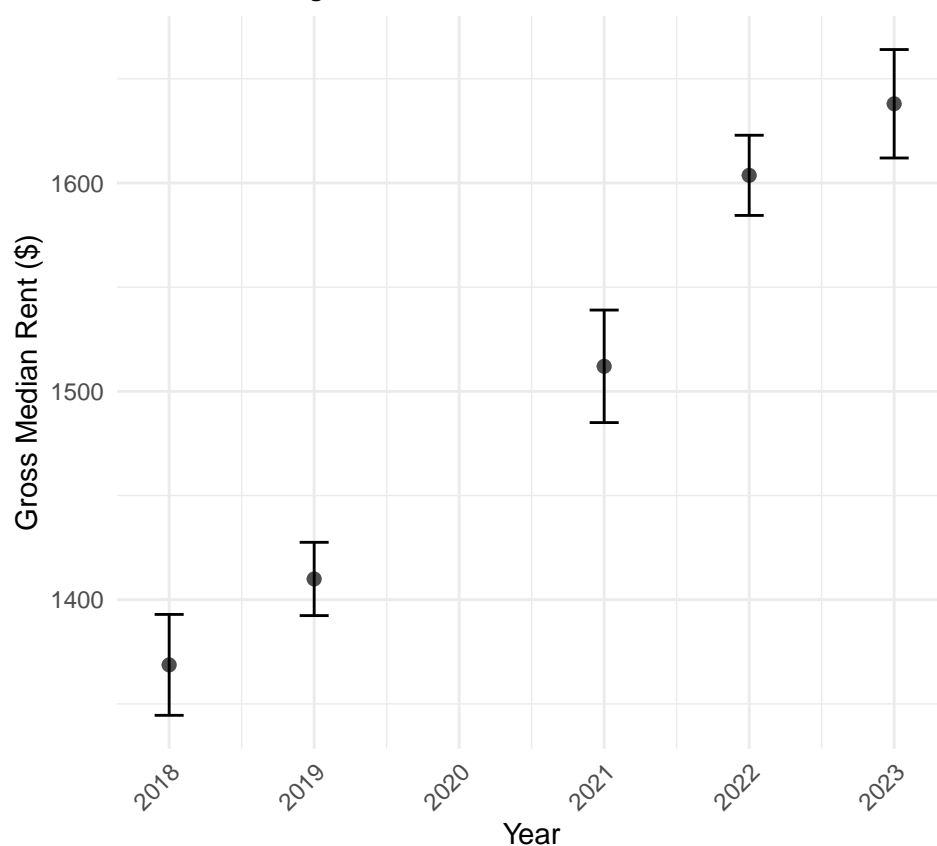
Percentage of Renting Households over



Source: ACS Data

Analysis: A quick glance at these may suggest a decrease in risk to the property management companies due to a lower volume of tenants. On the contrary, we believe that this decline in both percentage and number of renting households indicates economic hardship. It is possible that this decrease in volume is driven by a consolidation in rentals. Such examples of this include people moving back to their parents' home, moving in with their partner, or increasing the number of lessors in an individual lease.

Price Adjusted Median Rent Price in \$

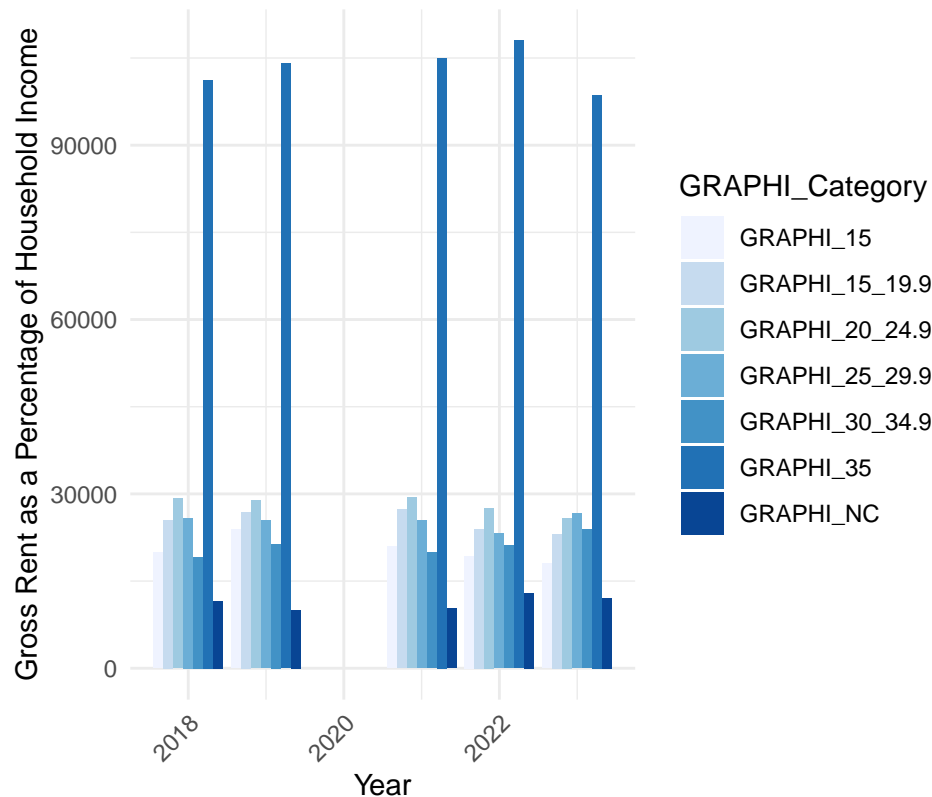


Source: ACS Data

Analysis: Using the Chained CPI index to adjust prices to 2021 dollars, we show that there is a real increase in the median rent price for Sacramento County. Over the period 2018-2023, the median rent price increased 35% (from \$1300 to \$1762). Having controlled for inflation, it is clear that rent is a driving factor in the overall increase in cost of living for Sacramento County. Rentals are becoming less affordable to tenants, thereby increasing property managers' financial risk.

Gross Rent as a Percentage of Household Income

Sacramento



: <https://data-downloads.evictionlab.org/#data-for-analysis/>

Analysis Gross rent as a percentage of household income. This measure is self explanatory; it is the rent that tenants pay, as a percentage of the household income. This figure illustrates the metric in bins, where GRAPHI_15 gives the households whose rent is less than, or equal to 15% of their household income, GRAPHI_15_19.9 is those whose rent is in the range 15% - 19.9%, and so on. A majority of households in this survey throughout the years have rent greater than, or equal to 35% of their income. These are the households who are likely living paycheck to paycheck, and are perhaps one or two bad months away from not being able to make rent in a given month. Our analytical methods aim to examine these types of households, and their spending habits closely to make a better determination of whether or not they would constitute a high risk of missing rent.

Source list:

1. <https://www.doorloop.com/laws/california-eviction-process>
2. <https://www.goodlifemgmt.com/blog/california-eviction-process-cost-and-steps/>