



Dedicated To
Your Success

New Laws & Industry Outlook:

A Discussion About the Issues Shaping our Industry

Questions & Answers

1. What is the link for paying the contribution?

Your support is greatly appreciated to assist with our advocacy programs and help to protect our industry! You can make your annual contribution of \$20 or more to the REALTOR® Action Fund (RAF) at: www.sdar.com/RAF

2. I have not had any Real estate business for 1.5 years. I know inventory is low, but any new ideas how this market is changing that some Realtors are getting lots of business and some are not.

Jordan discussed opportunities to share relevant data with clients who are uncertain about putting their home on the market.

As recommended by Jordan: "Print out our market overview report for whatever city that seller lives in and show them how quickly homes are selling show them how fast prices are rising. Show them what other sellers are doing in terms of haggling that there's virtually no discounting to speak of. I think that the amount of demand is almost insatiable."

Take a look at the remainder of these comments, which begin at the 25:17 mark in the recording.

3. So the house market still the crazy seller market?

As mentioned above, per Jordan, housing demand is "almost insatiable." He sees robust demand throughout our region. In particular, we might see oversized growth in areas with yards and additional sq. footage, but still strong demand in the urban core.

4. Will the housing bubble crash soon?

Jordan appeared optimistic on the housing market, but cautioned about putting your business in cruise control.

5. Is there an economic research chart available for the Mortgages that have allowed forbearance as a percentage in the market?

As mentioned by Jordan, "we expect to see some foreclosures, some folks aren't going to be able to hold on to their homes during this crisis, but folks have home equity. This time, we have a market where prices are going up by double digits. And we have buyers lined up around the proverbial block. For each home that hits the market. And so we know that folks don't foreclose on or walk away from home, you have home equity in you sell it right and so we expect that foreclosures are going to be less than 10% of the market and even in our absolute worst case scenario."

6. When is the new MLS policy for the DOJ settlement be sent out to members?

Take a look at the National Association of REALTOR® resources for the DOJ settlement agreement, which can be found at: <https://www.nar.realtor/2020-nar-doj-agreement-regarding-mls-rules>

7. Can we have these laws in writing?

You can download the New Laws Handbook at: <http://sdar.com/carnewlaws>

8. Can Landlords evict tenants in commercial buildings?

Governor Newsom signed Executive Order N-80-20, which allows local governments to impose commercial evictions moratoriums through March 31, 2021. As such, you will want to check with the local municipality in which the building is located.

9. Is there an update on the Covid vaccine for REALTORS? If so, what tier are we?

Per Gov, for the typical REALTOR®, this remains an unknown. REALTORS® will be notified if/when this changes.

10. What about senior communities that say must live there 1 year prior to renting is that affected?

This question is related to the new law prohibiting HOAs from limiting rentals to less than 25%. Per Gov, this cannot take place anymore due to the new law.

11. What if there are only 3 units in the HOA?

This question is related to the new law prohibiting HOAs from limiting rentals to less than 25%. Per Gov, the rule still applies. The new laws prohibits HOAs from limiting rentals to less than 25%.

12. What if the same tenant is in place during and after the sale? Can the HOA disallow the tenancy just because it changed hands?

This question is related to the new law prohibiting HOAs from limiting rentals to less than 25%. Per Gov, he does not think they are. However, if they are on a lease, they cannot be kicked out until the lease is over.

13. Is this applied to Short Term Rental?

This question is related to the new law prohibiting HOAs from limiting rentals to less than 25%. Per Gov, none of this applies to short term rentals.

14. How does this apply to ADUs? Is the ADU considered a separate residence or part of the home?

This question is related to the new law prohibiting HOAs from limiting rentals to less than 25%. Per Gov, the ADU will not count toward the 25% minimum.

15. So; if there are only 3 units in the HOA and 25% is the % allowe. Does it prohibit the 1/3 to be able to rent?

This question is related to the new law prohibiting HOAs from limiting rentals to less than 25%. Gov believes that at least one of the properties would be allowed to rent.

16. What's the name of the Very High Fire zone disclosure the seller will need to fill out, if it applies?

This is the Home Fire Hardening Disclosure Form.

17. In reference to Home Fire hardening, does this apply to a lease listing or property management agreement?

Per Gov, this does not apply to leases or property management.

18. Does this apply to contracts executed before January 1, 2021 and the escrow has not yet closed?

Per Gov, there is some uncertainty with how this law is written. The conservative advice would be to use the form.

19. HHDA - if the listing was taken in 2020 do we still need the form?

Per Gov, there is some uncertainty with how this law is written. The conservative advice would be to use the form.

20. Does that pertain to those who may have not been in the office lately?

Per Gov, you do not have to give the Covid form to agents who do not come into the office. If there is any possibility of the agent coming in, then you need to notify them that someone has tested positive.

21. What page is the covid disclosure on in the new laws guide?

This is located on page 17 and references AB 685.

22. Based on OSHA strick guidelines you can't disclose at all who has COVID. It's fine to say someone in the office has COVID but under no circumstances can you disclose who that might be.

Per Gov, this is correct. You do not disclose the name of the individual.

23. Can you give details on implementation of Prop 19?

This question is seeking clarification on when the measure goes into effect. The date is April 1 for property tax portability. But there is uncertainty as to whether you can sell your property before April 1 and then purchase a replacement property after April 1 where the property tax transfer would apply. Per Gov, C.A.R. is in the process of submitting a bill the state legislature that will get clarity on this. This is necessary because the accessors and Board of Equalization will not provide guidance until the legislature clarifies this intent.

24. The property is for sale. The Tenant just learned that he has COVID and is quarantining. All showings were cancelled until further notice. Property was taken off of the market. The Seller wants to see written proof with the Tenant's name listed on it that he has COVID. Seller thinks the Tenant is not being truthful. Is the best route to refer the Seller to an Attorney?

Per Gov, he believes it to be a reasonable expectation for some form of evidence to be provided. However, the best advice is to recommend that the seller get legal advice.

25. What page is this and does this apply if the bank holds the foreclosure sale and an investor buys it?

Per Gov, yes, this applies even if the banks holds the foreclosure sale. This is on page 23 of the handout.

26. So up to 45 days, a buyer can get a loan to purchase?

Per Gov, yes.

27. Tenant provided a generic email saying that he has COVID. Seller didn't like that. Seller still wants proof.

Per Gov, the seller should get legal guidance.

28. Does the homestead need to be recorded by owner?

Per Gov, no, you get this automatically. But he does recommend recording it.

29. On the homestead exemption, can the unsecured creditor with a judgment then garnish wages or other revenue sources that would then end up forcing a foreclosure?

Per Gov, yes.

30. What if you have multiple properties?

Per Gov, this only applies to your principal residence.

31. Does Homestead apply to IRS Liens?

Per Gov, this does not protect you from IRS, child support or mechanic's liens.

32. What if the house is in a trust?

Per Gov, the rules are still the same.

33. Regarding the Homestead, what if it is not a single-family home, but a condo?

Per Gov, yes, this could be a condo and even a mobile home.

34. Can a tenant refuse to allow showings by claiming that they are uncomfortable with having people come into their house due to Covid exposure?

Per Gov, no, unless you're in certain counties that allow. San Diego does not.

35. What if the tenant is a sex offender that never notified landlord?

Per Gov, yes, that is grounds to evict.

36. If the tenant's lease runs out, can we force them out?

Not paying because of COVID but lease ended October 31.

37. I have a client with a condo rented to a tenant. There is no lease. Can he give them a 30-day notice?

Per Gov, not unless you have a just-cause reason. For example, if the owner wants to move in, find a buyer who wants to occupy, take the property off the market, the tenant is violating some term of the lease or are not paying the rent and do not have a COVID-related excuse.

38. How much notice is required to tenant if owner is selling?

Per Gov, if the tenant is on a lease, they cannot be evicted until the lease is over.

39. If buyer wants to live in home but there is a lease does the buyer need to wait to lease end?

Per Gov, if the buyer puts on the purchase contract that they will occupy for at least one year, you could give the tenant a 30-day notice.

40. Is that the CDC "law" or another one?

Per Gov, no, the California Law, which is stricter.

41. What if an investor wants to buy home?

Per Gov, this does not change the issue of the eviction requirements.

42. What is the name of the 15 day form? Can't find it in Zipforms

Per Gov, this is the "Notice to Pay COVID Transition Period Rent or Quit".

43. Can you evict tenant because you want to take back property to remodel and either later rent or sell?

Per Gov, no, not until after the end of January or maybe longer if the moratorium is extended.

44. If the tenant doesn't allow a showing, is it breaching the contract and the base for eviction?

Per Gov, yes this is a basis for eviction.

45. What if you have a court approved eviction notice given by sheriff in Dec and sheriff now states evictions have stopped at the moment. The home is in escrow.

Per Gov, if the Sheriff refuses, there is nothing to be done. You are stuck.

46. Is the 30-days notice applies to Section 8?

Per Gov, you first have to give these tenants a 90-day notice to terminate the section 8 and then you still must give the 30 or 60 day notice.

47. How do you "get a buyer that wants to live there"? Can you put the home on the MLS and have showings?

Per Gov, yes, the tenant is required to cooperate with showings.

48. Are tenants in Imperial County allowed to prevent agent from showings. Is there a website we can go to?

Per Gov, contact the C.A.R. legal hotline.

49. What if tenant does not vacate with eviction notice? Are courts open for judgments against the tenant for a Sheriff lock out in San Diego? Or is there nothing that can be done?

Per Gov, yes, courts are open for judgements.

50. Can landlords increase rents at this time?

Per Gov, yes, if its single family then there are no restrictions. If its not single family, you are limited to 5% plus inflation under state law.

51. Is it a violation of fair housing for a listing agent to require a pre-approval letter from lender to view property?

Per Gov, no, as long as this equally applies to everybody.

52. Notice of Termination of Tenancy, allows for a notice based on repairs/remodeling work to be done. Is that the case now, or wait two weeks? Lease is ending 2/15/2021

Per Gov, you can have the tenant removed only temporarily while this work is being done.

53. But 60 or 90 will go away when this one comes into effect, right? Does it repeal prop 60/90 or do you have the choice of which to use?

Per Gov, this is not clear without legislative guidance. But the way he hopes this works is that Prop 19 will cover the benefits of Props 60 and 90.

54. Once the landlord receives that money- Can they still go after the tenant for back rent?

Per Gov, the landlord cannot go after the tenant for money they've already received from the government to cover the rent. But the process to apply for the money has not yet been established.

55. Do you need to let a lease go month to month or can you ask the tenant to leave at the end of their lease?

Per Gov, if the tenant refuses to sign a new lease, then that is grounds for eviction.

56. How about COP contingency for sale of buyer? I heard new form came.

Per Gov, this is not a new form, but just a revised version. In the revised form, the buyer promises the seller to keep the seller updated on the status of the escrow. In addition, in situations where a back-up offer is received by a seller, the form allows for notice to be given to the buyer of a three-day timeline to remove contingencies dealing with securing a loan and the buyer being able to sell their home.

57. Related to the short term vacation rentals, is this City or County wide?

This is specific to the City of San Diego.