

The Trusted Voice of San Diego Real Estate

March 24, 2020

## Re: Designating the Real Estate Industry as an "Essential" Business

Dear Representative,

Thank you for your leadership and dedication during this unprecedented time. The Greater San Diego Association of REALTORS® (SDAR) shares your concerns regarding the health and safety of our communities. As you may know, Governor Newsom has enacted a stay-at-home order that does not include real estate as an "essential" business. We would like your help to minimize potential interruptions within the real estate industry. We are respectfully requesting that the Governor reconsider and reclassify day-to-day operations related to the purchase or lease of residential property to be deemed essential business during the ongoing COVID-19 pandemic.

In addition to the serious matters of health and safety, our Association is concerned about the citizens in the process of buying, selling, or leasing homes and other properties. Securing shelter is "essential", particularly for the 5,000 families in San Diego County that are currently in the process of purchasing a home and the 7,000+ families who currently have their home listed for sale. Clearly the impact on those reliant on our members to secure or sell their home is significant.

Additionally, REALTORS<sup>®</sup> are independent contractors, including the many businesses that help support citizens securing shelter and homeownership. As independent contractors, they are not currently eligible for many of the support programs being offered to others.

Simply, the short- and long-term impact on both citizens' current needs of securing a place to live, and the economies of San Diego County and the State of California will be substantial and could take years to recover, if we are not granted a reclassification of real estate as "essential." With that said, to assist with our request, we hope the following three (3) definitions will be used as part of making real estate an essential business:

- 1. <u>Residential Real Estate Recordings and Transfer:</u> Essential services related to real estate transactions including title searches, appraisals, recording services, legal services, financial services, moving companies, and other services necessary to complete the transfer of real property.
- 2. <u>Residential Lease Execution and Renewal:</u> Business related to the execution and renewal of residential leases.



3. <u>Residential Property Management:</u> Repairs and maintenance related to ensuring the health and safety of tenants in occupied rental property. These front-line and support services should be deemed essential services to ensure residents have access to safe housing in these uncertain times.

In addition to the above, we are pleased our REALTORS<sup>®</sup> are taking precautions and are actively working to prevent the transmission of COVID-19. Currently SDAR has done the following:

- Issued strong warnings to our members that hosting open houses is highly discouraged and inconsistent with the protective orders of our Governor, the National Association of REALTORS<sup>®</sup>, and the California Association of REALTORS<sup>®</sup>. At this time, we are encouraging the use of virtual tours and showings to encourage social distancing in all aspects of our business.
- 2. Launched a new online publication, in partnership with the San Diego Union Tribune, called "Real Estate Connections," a daily publication that provides members and consumers with real time updates, resources and tools to find a home, and market updates and forecasts.

Offering members, with real estate business and support needs, the opportunity to have technical support and around the clock access to market inventory, in order to help their clients with real estate needs during this time.

In closing, we believe businesses related to real estate transactions include, but are not limited to, title searches, appraisals, recording services, legal, financial and other front-line and support services, such as moving. As such, we ask for your help in having the transfer of real property reclassified as necessary and essential. This will enable San Diego and the state to maintain continuity of the projects underway, prevent an interruption of a vital industry that supports thousands of people and businesses, and ensure our citizens have access to safe housing in these uncertain times. The States of Arizona, Ohio and Illinois have both moved to include these functions in their definitions of "essential services" as they enacted their stay-at-home orders.

Again, we ask for your support and help reclassifying real estate as essential. We appreciate your ongoing leadership efforts during this uncertain time for all citizens. Please rest assured that our members, as independent contractors, are here to work with you as you continue to make these difficult decisions.

Sincerely,

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Carla Farley, President Greater San Diego Association of REALTORS<sup>®</sup>

