

**Orange County
REALTORS®
Annual Meeting &
Housing Market
Forecast
March 27, 2023**



HEATHER OZUR
2023 Treasurer
CALIFORNIA ASSOCIATION
OF REALTORS®

LEGISLATIVE UPDATE

C.A.R. Sponsored Bills

- **AB 225 (Grayson)** Environmental Hazard Booklet Update
 - Updates the Residential Environmental Hazard Booklet to add three new chapters related to wildfires, climate change, and sea level rise
- **AB 323 (Holden)** Deed Restricted Units: Homeowner Protection
 - Requires density bonus/inclusionary zoning owner-occupancy units to be sold to qualified buyers for owner-occupancy unless the developers of these units can prove that there are no such qualified buyers
-

C.A.R. Sponsored Bills – con't.

- **AB 717 (Villapudua)** Revocable Living Trust Education
 - Creates educational resources for homeowners about the benefits of revocable living trusts
- **AB 743 (Petrie-Norris)** Remote Online Notarization Licensing
 - Establishes a state mandated Remote Online Notarization licensing system

C.A.R. Sponsored Bills – con't.

- **AB 1280 (Maienschein)** Natural Hazard Disclosure Form Update
 - Updates the Natural Hazard Disclosure form to include information about defensible space mandates imposed on parcels in high fire severity zones



REALTOR[®] PARTY ★ of CALIFORNIA ★

CALIFORNIA ASSOCIATION OF REALTORS[®]



2023 REALTOR® ACTION FUND GOALS

21%
Voluntary
RAF Local
Participation

\$4,083,006
Voluntary
RAF Statewide
Investment

LEGAL UPDATE

Breaking news

- *Whitlach v. Premier*

- Solidifies the right of real estate licensees to be independent contractors
- Dismisses the attempt of the plaintiff to file a class action
- Provides valuable direction and assistance to future judges and litigants, as well as potential arbitration or mediation participants
- May provide explanation and guidance for thousands of real estate licensees throughout California

New Law Highlights for 2023

- Disclosure requirements applicable to a transaction are the requirements that were in effect on the date the parties enter into a contract (AB 2960)
- Applicant for a broker's license must demonstrate two years of general real estate experience (while holding a license as a sales agent), or a college degree with a major or minor in real estate. ***Now the two years of experience must have occurred in the past 5 years*** (AB 2745)
- New procedure for tenants to provide reusable tenant screening reports that landlord may choose to accept (AB 2559)



NON-CONTINGENT OFFER ADVISORY (C.A.R. Form NCOA, 12/22)

1. **MARKET CONDITIONS:** Buyer has been informed, and is aware, that market conditions are cyclical and change over time. In a competitive or "hot" market with limited inventory, Buyers will sometimes consider making "non-contingent" or "contingent free" offers in an attempt to convince the Seller to accept their offer instead of another's. These types of offers have no contingencies: For a physical inspection of the property; For obtaining a loan; For a minimum appraisal value; For other investigations of the property; or for other matters which are commonly included in the Residential Purchase Agreements at other times.
2. **NON-CONTINGENT OFFERS:** Most residential purchase agreements contain contingencies allowing a Buyer a specified period of time to cancel a purchase: (i) if the Buyer cannot obtain a loan; (ii) if the Buyer is dissatisfied with the property's condition after an inspection; (iii) if the property does not appraise at a certain value; or (iv) for any other contingency within the purchase agreement. To make their offers more attractive, Buyers will sometimes write offers with few or no contingencies or offer to remove contingencies within a short period of time. In a "hot" market, sellers will sometimes insist that Buyers write offers with no contingencies. While making a "contingency free" offer may give the Buyer a better chance of getting a Seller to accept their offer, there are risks in writing such an offer. Broker recommends that Buyers do not write non-contingent offers and if you do so, you are acting against Broker's advice. However, if you do write a non-contingent offer these are some of the contractual rights you may be giving up:
 - A. **LOAN CONTINGENCY:** A loan contingency allows you to cancel the contract, without penalty, if during the contingency period, you cannot obtain the loan specified in the agreement. If you give up your loan contingency, and you cannot obtain a loan, whether through your fault or the fault of your lender, and as a result, you do not or cannot purchase the property, you may legally be in default under the contract and required to pay damages or forfeit your deposit to the seller.
 - B. **APPRAISAL CONTINGENCY:** An appraisal contingency allows you to cancel the contract, without penalty, if during the contingency period, your lender's (or your own) appraiser does not believe the property is worth what you have agreed to pay for it. If you give up your appraisal contingency, and the property does not appraise at the specified price, your lender may not loan the full amount needed for the purchase or may not loan any amount at all because of a low appraisal. As a result, if you are not capable of purchasing the property, you may legally be in default under the contract and could be required to pay damages or forfeit your deposit to the Seller. The Seller is not obligated to reduce the purchase price to match the appraised value.
 - C. **INVESTIGATION CONTINGENCY:** An investigation contingency allows you to examine the property, and matters pertaining to it, such as the availability and cost of insurance. If you give up your investigation contingency, you could lose the right to cancel based on information you later discover, which is why it is important to conduct an investigation early. However, even if you make an offer without an investigation contingency or you remove that contingency, the Seller may still be obligated to disclose to you material facts about the property. In some cases, once you receive that information the law gives you an independent right to cancel for a limited period of time. Without an investigation contingency, if you disapprove of the condition of the property and as a result, you do not purchase the property, you may legally be in default under the contract and required to pay damages to, or forfeit your deposit to, the Seller
3. **BROKER RECOMMENDATIONS:**
 - A. Broker recommends that you do not write a non-contingent offer, even if you are planning on paying all cash for the property. If you intend to write a non-contingent offer, Broker recommends that, prior to writing the offer, you: (i) review all available Seller reports, disclosures, information and documents; (ii) have an appropriate professional inspect the property (even if it is being sold "as is" in its present condition); and (iii) carefully assess your financial position and risk with your attorney, accountant or financial advisor.
 - B. There is inherent risk in writing a non-contingent offer. Only you, after careful consultation and deliberation with a qualified California real estate attorney, accountant, or financial advisor can decide how much risk you are willing to take. IT IS YOUR DECISION ALONE AND CANNOT BE MADE BY YOUR BROKER OR REAL ESTATE AGENT

New Form: Non-Contingent Offer Advisory

- Optional but recommended for buyers making non-contingent offers
- Expanded version of information available in Market Conditions Advisory
- Can be used even if only some contingencies are being waived up front



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SOLAR ADVISORY AND QUESTIONNAIRE (C.A.R. Form SOLAR, 12/22)

1. **SOLAR OWNERSHIP:** Solar systems may be owned outright, owned with financing, owned with a lien or security interest on the real property, or leased. Many property owners who believe that they own their solar system may not have free and clear ownership of that system. Ownership could be subject to a note and deed of trust issued when a solar system was financed or a UCC-1 financing statement filed with the California Secretary of State. **Financing of the solar system may also be** secured by an assessment against the **real** property that is collected through additional property tax payments for the period of financing (e.g., HERO or PACE). **Because a seller's property tax statement will reference the solar lien, sellers may not remember the lien or consider it as a separate lien; nonetheless it should be disclosed.** Some owners obtain private lending to purchase a solar system that is not **secured by the real property or panels or other equipment attached to it.** If the seller is intending for these **private loans** to be paid off as part of a sale, terms may need to be added in the agreement to address this situation.

2. **SOLAR LIENS, POWER PURCHASE AGREEMENTS, AND SOLAR LEASES:** Many solar systems are not owned but instead are leased. While a leased system typically has a fixed or scheduled monthly payment, **other systems may have** a power purchase agreement requiring the purchase of all **or a portion of** the solar power generated at an agreed contractual rate from the solar company with an ability to sell any excess energy to the electrical provider company (e.g., PG&E) in accordance with the system's governing regulatory scheme. Payments under such an arrangement can vary depending on the amount of energy created and used. Even solar systems that are leased may have security interests attached such as a UCC-1 or fixture filing recorded in the county where the property is located.

In some cases, the lender or lien holder **for the solar system** may allow a buyer to assume the existing loan and may agree to **allow** the solar lien **to subordinate to, or become** secondary to, a new purchase loan. However, in many cases, the holder of the security interest will not release the priority of its security interest which means that the solar loan must either be paid off when the property is sold or that any buyer must purchase without obtaining any new financing.

When there is a solar lease, a buyer may be permitted to assume the terms of a solar lease but only with the approval of the solar company. For leased systems, there may be a provision enabling the purchase of the solar equipment prior to the end of the lease term, or a provision allowing the termination of the lease at cost with no retained ownership of the solar equipment (a "Buyout"). There may also be a clause enabling the purchase of the equipment or the termination of the lease without any pre-agreed cost; in those cases, the cost will be an appraised value determined by the solar company.

If a solar system is owned by the seller, the seller may have the right to remove the system or its components and install them on another property. If the system has been financed and the financing is secured by a lien on the property or the component parts, the seller should consult with the company about both the effect of removal of the system or its components on the lien and the consequence of any damage caused by the removal.

3. **ADVERTISING MATERIAL:** All parties are advised that the Multiple Listing Service ("MLS") and other advertisements **that** are used to list and market a property for sale and are not contractual agreements. Thus, it is imperative that buyers of Property **with a solar system ("Solar Property")** receive and carefully review copies of all documents, including any solar agreement, underlying security agreements for owned equipment, or any other material that the seller possesses prior to the buyer making any final decision regarding the solar system. Buyers should not simply rely on the information in the MLS or any other advertising material.

New Form: Solar Advisory and Questionnaire

- Recommended for any property with solar panels/power systems
- First page provides lots of general information about solar panels and solar system leasing/ownership
- Second page is a seller questionnaire

New Form: Solar Advisory and Questionnaire

6. SOLAR PROPERTY QUESTIONNAIRE (IF YES TO ANY QUESTION, PROVIDE EXPLANATION):

A. GENERAL SOLAR SYSTEM ISSUES:

ARE YOU (SELLER) AWARE OF...

- (1) Approximate age of the solar system? ☐ Yes ☐ No
- (2) Name of the installation company? ☐ Yes ☐ No
- (3) Does the solar system provide power only for a portion of the property? ☐ Yes ☐ No
- (4) Approximate size of the system (# of panels, Kilowatt size)? ☐ Yes ☐ No
- (5) Whether the system is central inverter or micro inverters? ☐ Yes ☐ No
- (6) Whether the system is on-grid only, on and off grid, or off-grid only? ☐ Yes ☐ No
- (7) Whether there is a battery bank or power wall that enables the system to run off-grid? ☐ Yes ☐ No
- (8) Whether any portion of the system is installed anywhere other than the roof? ☐ Yes ☐ No

Explanation: _____

B. OWNED-SOLAR SYSTEMS, IF APPLICABLE AND CONVEYING WITH THE PROPERTY:

ARE YOU (SELLER) AWARE OF...

- (1) Whether the system still has a balance due on any financing? ☐ Yes ☐ No
 - (A) If Yes, what is the balance? \$ _____
 - (B) If Yes, is it secured by an interest on title? ☐ Yes ☐ No
 - (C) If Yes, is the loan transferrable to or assumable by buyer? ☐ Yes ☐ No

NOTE: If it is not secured on title, the agreement may have to be amended for Buyer to be responsible for the balance.

- (2) Whether there is an annual true-up bill from the power company? ☐ Yes ☐ No
If Yes, what is the approximate bill amount? \$ _____
- (3) Whether there is any other type of lien or encumbrance on title, on a property tax bill or otherwise? ☐ Yes ☐ No
- (4) Whether there is a power purchase agreement (if yes, complete 6C below)? ☐ Yes ☐ No

Explanation: _____

C. LEASED SOLAR SYSTEMS OR SYSTEMS WITH POWER PURCHASE AGREEMENTS, IF APPLICABLE:

ARE YOU (SELLER) AWARE OF...

- (1) The name of the company with the lease or power purchase agreement? ☐ Yes ☐ No
If Yes, what is the name? _____
- (2) The year that the agreement expires? ☐ Yes ☐ No
If Yes, what is the year? _____
- (3) The current monthly solar payments? ☐ Yes ☐ No
If Yes, what is the amount? \$ _____
- (4) Whether the payments are fixed or vary over the life of the agreement? ☐ Yes ☐ No
- (5) Whether the lease or power purchase agreement is transferrable to or assumable by buyer? ☐ Yes ☐ No
- (6) Whether the solar system is not owned at the end of the agreement? ☐ Yes ☐ No
If not owned, can the equipment be purchased? ☐ Yes ☐ No
If Yes, what is the estimated amount that would be owed? \$ _____

Explanation: _____

- Recommended for any property with solar panels/power systems
- First page provides lots of general information about solar panels and solar system leasing/ownership
- Second page is a seller questionnaire

Enforces Housing Laws

- Sends a message that the deadlines and other requirements in housing element and RHNA law are real
- Through the Builder's Remedy, these lawsuits could result in new mixed and moderate-income housing
- Watch for more enforcement...



CALIFORNIANS FOR
HOMEOWNERSHIP

FAIR HOUSING/ DEI UPDATE

C.A.R. DIVERSITY PROGRAMS

- Member Education
- Scholarships and Grants for Local Association Diversity Events
- Board/Committee Meeting Inclusivity Statement
- Strategic Partnerships with Multicultural Organizations
- C.A.R. Affinity Groups (ie WomanUP!, LPN, Disability)
- Local Association Diversity Leadership Meetings
- Spanish-language resources - RPA summary

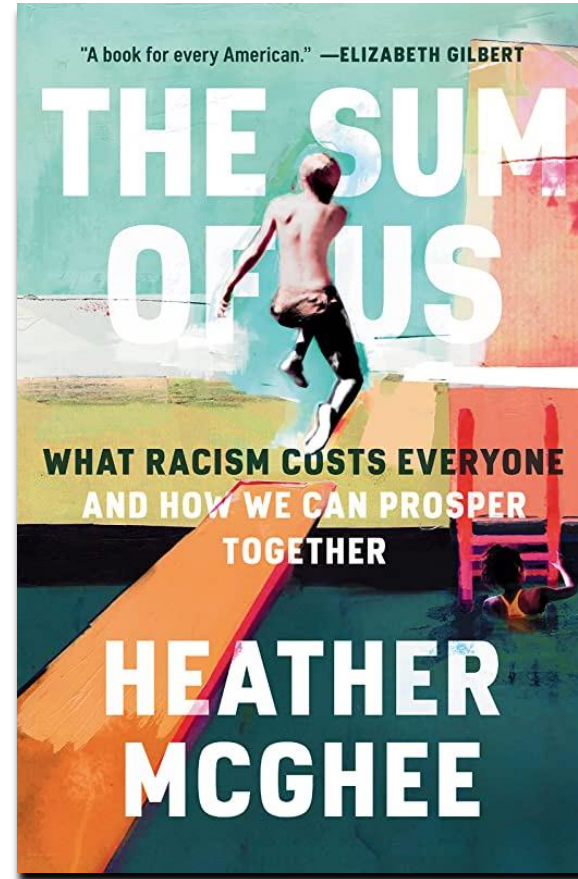
DIVERSITY COMMITTEE INITIATIVES

- Working Groups
 - Model Local Association Leadership Policy
 - Board Diversity Roadmap
- Diversity Committee endorsement of Multicultural Organization members for At-Large Seats
- Apology
- Fair Housing and Diversity Awards

FAIR HOUSING AND DIVERSITY FORUM BOOK CLUB

The Sum of Us: What Racism Costs Everyone and How We Can Prosper Together

March 30, 2023
2 – 3PM



**Scan to
Register**



C.A.R. DEI RESOURCES

- 6 Diversity Tips for Group Leaders



- Inclusive Meeting Facilitation Tips



- New Leader Inclusion Videos



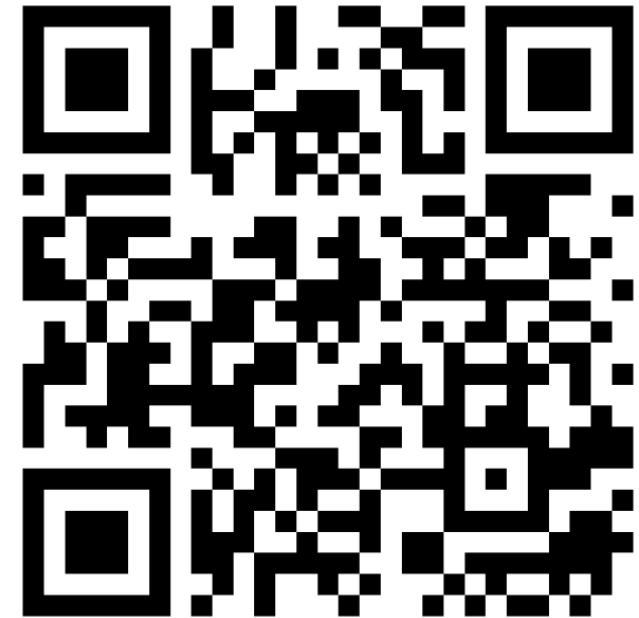
- Additional Resources can be found on C.A.R.'s Diversity Website



C.A.R. FAIR HOUSING CHALLENGE!

C.A.R. Directors and Committee Members – show your commitment to diversity and fair housing by taking these courses:

- **At Home With Diversity**
- **An Implicit Bias Course (choose one)**
 - C.A.R.'s CE Course:
 - **A Deeper Look Into Bias In Real Estate**
 - **NAR's Bias Override**
- **Fairhaven**



Deadline: September 1, 2023

AT HOME WITH DIVERSITY

Trainer: Tamara Suminski, C.A.R.
Executive Committee Member and
Certified At Home With Diversity
Instructor

Date: June 26, 10 a.m. - 4:30 p.m.

Price: \$40

AHWD helps REALTORS® work
successfully with individuals from a
variety of cultural backgrounds.



C.A.R. HAF CLOSING COST ASSISTANCE GRANT PROGRAM

C.A.R. AND CA HOUSING ORGANIZATIONS ARE HELPING FIRST-TIME HOMEBUYERS FROM UNDERSERVED COMMUNITIES BRIDGE THE AFFORDABILITY GAP BY PROVIDING THEM WITH UP TO \$10,000 IN CLOSING COST ASSISTANCE.



LEARN MORE ABOUT THE GRANT
APPLICATION & HOW TO DONATE
TO HAF AT on.car.org/hafclose

Did you know?

63% of consumers would start searching for a home if they knew they could qualify for a low-down payment



If you knew you could qualify for a mortgage with a much lower down payment, would you start to look for a house?

(n=1,008)

Source: 2019 C.A.R. Consumer Survey



C.A.R.'s Down Payment Resource Directory

<http://FindDownPayment.car.org>

Within the C.A.R Tool, you can find:

- Participating Lenders
- Program Guide/Flyer
- Filters/Guidelines:
 - Special Groups (Teachers, Protectors, etc.)
 - Eligible Properties
 - Maximum Sales Price
 - Eligible Borrowers
 - Maximum Household Income
 - Loan Terms
- Benefits
- Latest Updates



Get Down Payment Assistance

MEMBER BENEFITS



THREE LETTERS. ONE MISSION.

Shape, promote and protect
an environment for the
entire real estate industry,
one in which California
REALTORS® can succeed in
meeting the real property
needs of consumers.

C.A.R. STRATEGIC FRAMEWORK

■ C.A.R. MISSION STATEMENT

Shape, promote and protect an environment for the entire real estate industry, one in which California REALTORS® can succeed in meeting the real property needs of consumers.

■ C.A.R. VISION STATEMENT

C.A.R. drives innovation and opportunity in the real estate profession and market.

■ C.A.R. LONG-TERM GOALS

PILLAR - INFLUENCE

- Long-term Goal 1: C.A.R. is the voice for California real estate and the champion of real property rights.
- Long-term Goal 2: C.A.R. supports the creation of housing and pathways to homeownership in California.

PILLAR - MEMBER BUSINESS VALUE

- Long-term Goal 3: C.A.R. is the members' trusted partner, providing innovative tools, services and education to help REALTORS® achieve their professional goals.

PILLAR - REALTOR® POSITIONING

- Long-term Goal 4: C.A.R. is a diverse organization that unites the strength and expertise of the real estate profession.
- Long-term Goal 5: C.A.R. and REALTORS® are respected as leaders who foster thriving communities.

PILLAR - ORGANIZATIONAL DEVELOPMENT

- Long-term Goal 6: C.A.R. is a nimble and efficient organization.
- Long-term Goal 7: C.A.R. fosters a culture of inclusivity and transparency.

2023-2025 C.A.R. STRATEGIC PLAN

OVERARCHING C.A.R. STRATEGIC PRIORITIES

Strategic Priority 1: Influence and Impact on California Real Estate
Strategic Priority 2: Member Success in a Changing Landscape
Strategic Priority 3: Housing, Community and Professional Sustainability
Strategic Priority 4: Member Engagement, Development and Inclusion

PILLAR - INFLUENCE

- ADVOCACY
- IMPACTING HOUSING AFFORDABILITY AND SUPPLY
- FAIR HOUSING
- ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PRACTICES

PILLAR - MEMBER BUSINESS VALUE

- BUSINESS RESOURCES
- PROFESSIONALISM/PROFESSIONAL DEVELOPMENT

PILLAR - REALTOR® POSITIONING

- C.A.R. BRAND
- REALTOR® BRAND
- BROKER RELATIONS
- MEMBER ENGAGEMENT

PILLAR - ORGANIZATIONAL DEVELOPMENT

- LOCAL ASSOCIATION RELATIONS
- VOLUNTEER/LEADERSHIP DEVELOPMENT
- GOVERNANCE
- STAFF CAPACITY

Access C.A.R.'s Strategic Framework:
on.car.org/carmission



YOUR SHIFTING NEEDS ARE OUR MISSION.

Member benefits we've
created for you and
your business.

on.car.org/mbguide



THE TOOLS YOU NEED. SUPPORT YOU WANT.

MEMBER BENEFITS GUIDE

COMMITTED TO YOUR SUCCESS.

2022 C.A.R. IMPACT REPORT

GET THE FULL IMPACT AT
on.car.org/impactreport



4K+

Bills actively monitored by **Governmental Affairs** to support the real estate brokerage industry, housing, private property rights and other policy objectives of its members through lobbying efforts



\$1M

Awarded in closing cost grants through HAF's **Closing Cost Assistance** program, providing grants of up to \$10,000 to first-time homebuyers in underserved communities



95%

Transaction Rescue cases resolved, giving REALTORS® one-on-one assistance in all aspects of financing



79K+

Calls to the **Legal Hotline**, allowing members to speak directly to C.A.R. attorneys regarding their real estate transactions



UPCOMING EVENTS



STEPS

TOWARD
HOMEOWNERSHIP



**NEW 2023 SOLUTIONS
TO AFFORDABILITY
& SUPPLY**



FINANCING THE DEAL



**LEVERAGING DOWN
PAYMENT ASSISTANCE
PROGRAMS**

**FREE VIRTUAL
EVENT ON
APRIL 5:
on.car.org/stepsevent**

FAIR HOUSING DAY

FREE C.A.R. MEMBER EVENT
APRIL 11, 2023 | 9 AM - 4 PM
LOEWS HOLLYWOOD HOTEL | LOS ANGELES, CA



REGISTER AT
on.car.org/fhday2023



KEYNOTE
LUNCHEON
SPEAKER:

Julian Glover

ABC7 News Anchor and Race & Social Justice Reporter; Executive Producer of *Our America: Lowballed*



ALMA MENCHACA
(213) 739-8352
HAF@CAR.ORG



PATHWAYS TO HOMEOWNERSHIP

BOWLING TOURNAMENT

TUESDAY
11 APR

LUCKY STRIKE BOWLING ALLEY

6801 HOLLYWOOD BLVD.

HOLLYWOOD, CA 90028

5:00 PM-9:00 PM

INDIVIDUAL BOWLING REGISTRATION

\$200

- Includes food, drink ticket, shoe rental, and swag bag

INDIVIDUAL NON-BOWLING REGISTRATION

\$120

- Includes food and swag bag

BOWLING TEAM PACKET

\$1000

- Includes bowling team (up to 5)
- Includes food, shoe rental, and swag bag
- 8 free drinks

**Come join a friendly competition coming together as
a Real Estate Community. Net proceeds will benefit
the Closing Cost Assistance Grant Program**



Ready to make an impact? Scan the QR Code to buy
your tickets or become a sponsor.



Legislative Day

Wednesday, May 3rd
Sacramento, California



Riding with the Brand Block Party

Tuesday, May 2nd
6:30-8:30 PM



Help promote the REALTOR® brand by
sharing your Riding with the Brand
photos on social media.

Riding with the Brand Block Party

Part of NAR's "Riding with the Brand" initiative and is partially funded with an NAR grant.

- Food trucks
- Bars
- Games
- D.J.
- "Riding with the Brand" photo opportunities.



HOUSING AFFORDABILITY CRISIS AND INEQUITIES OF LAND USE CHANGE IN SOUTHERN CALIFORNIA



Presenter: **Ajay Garde**,
Associate Professor of Urban Planning
and Public Policy, UC Irvine

TUESDAY, MAY 2, 2023

12 P.M. – 1 P.M.

VIRTUAL PRESENTATION



UC Center
Sacramento



CENTER FOR
CALIFORNIA
REAL ESTATE

REGISTER AT:

ccre.us/upcomingevents

CENTER FOR CALIFORNIA REAL ESTATE WORKSHOP SERIES: LOCAL GOVERNMENT & COMMUNITY: PARTNERING FOR SUCCESS



Workshop Leader:
Maureen Tobin, Executive Director,
Davenport Institute for Public Engagement
and Civic Leadership

SIX-WEEK WORKSHOP COVERS:

1

Local Government Operations –
funding and policy
decision-making.

2

Local Government and Community –
various ways to get involved in local
government including running for office.

NEW THIS YEAR: **PROFESSIONAL CERTIFICATE OPPORTUNITY**

FULL PROGRAM OFFERED TWICE IN 2023:

May 9 – June 13 • Tuesdays, 2 P.M. – 4:30 P.M.

October 4 – November 8 • Wednesdays, 2 P.M. – 4:30 P.M.

REGISTER AT
ccre.us/upcomingevents

PEPPERDINE | SCHOOL OF PUBLIC POLICY
DAVENPORT INSTITUTE
— FOR PUBLIC ENGAGEMENT AND CIVIC LEADERSHIP —

 **CENTER FOR
CALIFORNIA
REAL ESTATE**

SEPT.
19-21,
2023



REIMAGINE! IS HEADING TO DISNEY'S BACKYARD!

ANAHEIM CONVENTION CENTER
REGISTRATION OPENS
APRIL 18, 2023

[REIMAGINEEXPO.ORG](https://reimagineexpo.org)

IMAGINE!
RE

 CALIFORNIA
ASSOCIATION
OF REALTORS®



HEATHER OZUR
2023 C.A.R. Treasurer
heathero@car.org

THANK YOU!

