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New TRIAD Disclosure Coming 8/1
Listing Agent's Duty to a Buyer
The Market's Freezing Point



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of REALTORS®, Inc.

OFFICIAL PUBLICATION OF THE SANTA CRUZ COUNTY ASSOCIATION OF REALTORS®

REALTOR®

THE VOICE FOR REAL ESTATE IN SANTA CRUZ COUNTY

The REALTOR® is the official bimonthly newsletter of the Santa Cruz County Association of REALTORS® provided as a member service to inform, educate and update members on local, state and national news.

Santa Cruz County Association of REALTORS®

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REALTOR®

THE VOICE FOR REAL ESTATE IN SANTA CRUZ COUNTY



Message From The President

Randy Turnquist
2015 SCCAR President
831-566-2590
randy@randyt.com

The FEAR of Volunteering

Does volunteering for YOUR Association of REALTORS® cost you business? It might, but it can also bring you business and build your business. Ask me how.

WHY IS PARTICIPATING IN YOUR ASSOCIATION OF REALTORS® SO VALUABLE?

- 1) YOU will add value to all of us as we work together
- 2) YOU will sharpen your skills because the job will demand more of you
- 3) YOU will learn more. More about the business. More about your skills. More about yourself, and your fellow REALTORS®

WE AS A GROUP, (ASSOCIATION OF REALTORS®) NEED MANY SOLDIERS TO PROTECT OUR BUSINESS. YES, YOU ACTUALLY NEED TO SET ASIDE TIME TO MAKE SURE OUR BUSINESS IS PROTECTED

- You spend time on paperwork, contracts, disclosures, and paying bills
- You spend time on showing property and meeting with clients
- You spend time on marketing and prospecting

YOU NEED TO SPEND SOME TIME ON YOUR ASSOCIATION (YOUR INDUSTRY AS A WHOLE)

- We know we need ongoing education; we need people to make it available
- We know we need legal protection and guidance; we need people to make it available
- We also need to be aware of new or proposed laws; we need people to be watchful for these laws

- Then we may need all of us to stand against or in favor of a law so we won't be forced to succumb to rules made by people who don't understand our business

HOW DO YOU GET INVOLVED?

- Ask someone who is already involved. I am available if you don't know anyone else
- Find out the many, many ways that you can be a help. Some are small some are big
- Then just jump in and do it. Sit quietly or ask questions, and learn. Soon you will be an expert
- Be prepared to make adjustments. You may find out you don't like what you thought you'd like. **Don't quit**, just find another way to support YOUR association

I look forward to seeing you.

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Guidelines for Bureaucrats

- 1/ When in charge, ponder
- 2/ When in trouble, delegate.
- 3/ When in doubt, mumble

James H. Boren, American bureaucrat (1970)

Reverse Mortgages



Richard Cornelsen
Reverse Mortgage Specialist

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Welcome To The Neighborhood Soquel

By Candie Noel,
Bailey Properties, Inc.
cnoel@baileyproperties.com

Question: Where did Soquel get its name? True or False

1. *an Ohlone word for village*
2. *named after Suquer, the leader of the nearby Uypi (Ohlone) settlement*
3. *the incidence when a patron asked the bar-keep if he could soak his boots, and the bar-keep said "you go and soak hell"*

A soaking is a good way to describe the history of the Soquel Village. Its history is awash with flooding. Soquel Village sits on a floodplain that Soquel Creek has used naturally for flood water storage and movement. The Soquel Creek watershed is about 42 square miles and is the third largest in Santa Cruz County. The Creek originates in the Santa Cruz Mountains, rising at 2,800 feet at Mayments Flat near the summit. It then flows south for about 15 miles and empties into Soquel Cove.

Relatively low order flooding events occur in intervals of 30 and 16 years. When a high-order event such as a 100-year flood occurs in conjunction with a log jam at a bridge (at one time there were 3 bridges in the Village), the damage to Soquel Village can be devastating.

The first documented flood was in 1847 when a winter deluge washed away the town's sawmill. Since then, flood waters have flowed into Soquel Village fourteen times. Eight of those times severe damage was incurred. Due to flooding and the destruction caused by log jams, Soquel Creek Bridge has been destroyed and rebuilt at least 4 times. Not only does the rushing creek water create flooding, but log jams forming at the bridge divert the majority of the creek's flow through downtown. The Village of Soquel sits in a basin and in 1862 there was an "ah-ha" moment. The citizens lugged dirt from the surrounding hillsides and added it to the floodplain. The commercial buildings in that shallow spot downtown were built on stilts.

A storm in January 1890 again flooded and battered the downtown. Logs jammed up below the paper mill on Paper Mill Road. Villagers saw their barns and houses undercut and sagging over the creek.

The last major event was in 1982 when 26,900 cubic yards of logs and sediment jammed against the bridge. The storm flooded 70 buildings. The rushing waters overturned and crunched around 60 homes in the two mobile home parks. Soquel Village sat in mud and muck for weeks. The damage was so severe it took years to repair. The current bridge built in 2002 is 2 feet higher than past bridges to prevent future log jams. Didn't the March 2010 rains create some anxiety over the height of the Creek at Soquel Bridge?



The first sawmill was built in 1846 by John Hames and John Daubenbiss for Martina Castro and her husband, Michael Lodge. Martina held title to Soquel Augmentation Rancho, a grant from the government of Mexico. The Rancho was estimated to be 32,702 acres and included land from what is now the City of Capitola, New Brighton State Beach, Monterey Bay Heights, and part of Cabrillo College. The mill Hames and Daubenbiss built marked the beginnings of Soquel Village.

The mill, storage yard, and millpond dam were located on Soquel Creek on South Main below the present site of Soquel Lions Park. The mill was washed away in that big storm of 1847. When the Daubenbiss/Hames mill was destroyed a second sawmill was built, but on higher ground further upstream on Page Mill Road. Another sawmill called the Savage Mill, was built even higher up the Creek. The South Coast Paper Mill was later established on Paper Mill Road. It reached a capacity of 3.5 tons of straw wrapping paper.

Continued on Next Page



Many antique shops, housed in the historic buildings, dot the area. Walking through the Village you will find everything from heirloom jewelry, early American furniture, china and crystal to personal accessories and various collectables. Make it a day. Take a walking tour meandering through the antiquaries of Brian W. Curtis, Center Street, Soquel Village, Frank's, Cobblestone, Trader's Emporium. Don't miss any of them.

Right around the corner is the historic Bargetto Winery where you can enjoy a glass of wine at the rustic tasting room and beautiful creekside courtyard. The Bargettos began making wine in an old barn on this site in 1918. The start of Prohibition in 1919 did not stop them from continuing this family tradition and business.

By 1883 Soquel was a thriving Village. Mr. Porter was planning to build a large boot and shoe factory. The chair factory had a capacity for making 200 chairs a day, and was employing 15 men. The O'Neil Brothers built a new shed 400 feet x 40 feet x 40 feet and filled it with 2,000 tons of straw from Pajaro Valley. It was enough straw to last the paper mill two years. One of Soquel's major wants was "cheap tenement housing", evidence that the population was increasing and the Village was prospering.



Needing a bridge for people, horses, and teams to cross the creek; the citizens of Soquel made a request to the Board of Supervisors to build one. In 1886 the Supervisors agreed to the bridge, but only if the Soquel citizens contributed \$1000 toward its construction. Several business owners contributed \$100 each, and the balance was paid by the Soquel taxpayers. The California Bridge Company was awarded the contract with a low bid of \$2,080. The entire length totaled 320 feet. The bridge span was 100 feet, with an 80 foot curved approach on the east, and 100 foot approach on the west. A roadway of 18 feet and a 4 foot sidewalk ran the length of the bridge. The bridge took four weeks to build. If this bridge was built today, how long would it take to just get the permits?

Dining options are international and eclectic. A few places to whet your appetite are: Creekside dining at Michael's On Main for "cutting edge comfort cuisine". Tortilla Flats, Little Tampico, Taqueria La Cabana for the obvious, and for margaritas. Sawasdee and Star of Siam for your Thai fix. Don't forget Carpos for the best burgers around. Get your shot of java at the Ugly Mug, a locally owned coffee shop.

Today Soquel remains the quaint Village, mirroring the past, and retaining that small town, good feel community. The sawmills and stilts are gone but the buildings remain basically the same as they were 100 years ago. The beautiful Italianate style Daubenbiss home built in 1867-1868 remains high on the hill above the flood basin. The Congregational Church of Soquel, also above the flood basin, was built in 1868 in the classic New England style and is an area landmark. At the Village center around the intersection of Porter and Soquel, take a look at the buildings and flash back 100 years or so. You will see Sam's Senate Saloon, and Ned Porter's store. Martina Castro's Averon House remains but is hidden by the Capitola Mansion Apartments.



With your stomach full, it's time to walk off all that good food. On the outside of town you will find the Soquel Cemetery, an excellent place for a historic walking tour. With markers dating back to the early 1800's the cemetery provides a good history of this 164 year old community. The land was donated by founders John and Sarah Daubenbiss who are buried here along with the majority of the town's pioneers. Take an afternoon to walk through the small local cemetery and read the markers. You will participate in the town's history and strong sense of patriotic loyalty. It is a cemetery of founders and the indigent and more. Look for the old headstone of Bozo Choldat, a Swiss immigrant who killed himself with poison. A more recent marker is the 1999 headstone of drummer Skip Spence, of Jefferson Airplane and The Doobie Brothers fame. There are thousands buried here, and there is room for thousands more. Nothing to do tonight? Come back in the evening. Did I mention it was haunted?





Education & Professional Development



Register Online by visiting our [Web Portal](#)

May

[Residential Property Management](#)

Tuesday, May 12, 10 am – 2 pm

Cost: \$32.83

C.A.R. Education's Property Management course will help you understand the responsibilities, functions, and skills involved in property management. This course will teach you how to distinguish between off-site and on-site property managers and their duties, positions, training, and expertise, as well as developed some practical application guidelines that you can apply immediately to your business. Significantly supplement your income when you decide to add residential property manager to your real estate profession. This course is part of the C.A.R. LearnMy-Way® series and is held online.

[Search & Report Essentials \(MLS\)](#)

Monday, May 18, 1 – 2:30 pm

Cost: Free with RSVP

Learn the foundations of the primary MLSListings search tool, including display options, report formats and client communications.

[Listing Locator \(MLS\)](#)

Monday, May 18, 10 – 12:30 pm

Cost: Free with RSVP

Attend this course and you will learn how to combine tools within Matrix and Realist to analyze consumer buying activities, and then determine the homeowners whose homes match the buying trends of today's home buyers. You will also learn to use the same processes to help buyers find homes that are currently not on the MLS, but perhaps would be interested in selling.

[Advanced Search & Report \(MLS\)](#)

Tuesday, May 26, 1 – 2:30 pm

Cost: Free with RSVP

Not all search tools return the same results. That's because zip code borders don't match to city lines and so on. Learn the features, benefits and limitations of each search tool, and how map search allows you to create accurate search areas on your own.

[SCCP: Water Resources](#)

Wednesday, May 27

The fifth in a series of presentations designed to provide REALTORS® with knowledge and information to better assist their clients in buying and selling real estate in Santa Cruz County. Some of the points to be

covered: long range water availability issues, minimum requirements for water availability, requirements and options for well, leach fields, septic options, sewage disposal/treatment issues that we will be facing in the future, current setbacks for septic or building from waterways and desalination plant update.

June

[Search & Report Essentials \(MLS\)](#)

Friday, June 12, 10 – 11:30 am

Cost: Free with RSVP

Learn the foundations of the primary MLSListings search tool, including display options, report formats and client communications.

[Public Records Search \(MLS\)](#)

Friday, June 12, 1 – 2:30 pm

Cost: Free with RSVP

Find out how to search county tax records, ownership information, mortgage facts and distressed data of all California properties. Then, use this information to create marketing plans and tools. Attendees will learn how to access and use REALIST public records to provide detailed ownership, transaction and property characteristics information.

[Listing Locator \(MLS\)](#)

Monday, June 22, 10 – 11 am

Cost: Free with RSVP

Did you know Matrix could help you locate your next listing opportunity? This course will teach you to observe where buyers are purchasing homes, what price-range they are purchasing most often, and identify homeowners in those "sweet spots" who own the homes that buyers are seeking.

Unless otherwise stated, all Education & Professional Development offerings are held at the SCCAR offices at 2525 Main Street, Soquel, CA 95073

Quotable Quote

People often tell me that motivation doesn't last and I tell them that bathing doesn't either. That's why I recommend it daily.

Zig Ziglar



Listing Agent's Duty to a Buyer

Lloyd Willams,
Bosso Williams, APC

**Real Estate
Legal
Matters**

In *Saffie vs. Schmeling*, a California appellate court case decided in 2014, the court addressed the duty of the listing agent to a buyer. The case dealt with information posted on the MLS regarding commercial property located in Hemet, California. The statement posted by the listing agent in 2006 included: "This parcel is in earthquake study zone but has had a fault hazard investigation completed and has been declared buildable by the investigating licensed geologist. Report available for serious buyers." Not included in the statement was the fact that the geologist's report was prepared in 1982, and the building standards of the County of Riverside had changed since then due, in part, to the 1994 Northridge earthquake. After the close of escrow, the buyer discovered that the property was not ready to build under the County's revised building standards. The buyer sued the listing agent for breach of the duty to disclose under common and statutory law, because the statements made in the MLS were inaccurate. The court held that the listing agent was not liable to the buyer because the representation of the report stating the property was "declared buildable by the investigating licensed geologist" was true and accurate. The representation made by the listing agent was solely about the report, not that the property is buildable at the time of the posting of the statement with the MLS. Further, the court noted

that the report was made available for review by the buyer and the agent for the Buyer.

The court noted that the buyer was able to obtain damages against the buyer's own agent on the basis that the agent for the buyer owed a fiduciary duty to the buyer which would include an affirmative duty to at least counsel the buyer to obtain an up-to-date report from a geologist as to whether the property was buildable, given the age of the report provided by the seller. The Court stated:

It was incumbent on buyer and on buyer's broker, in his role as a fiduciary for buyer, to determine whether the report was something buyer should rely on for his particular purposes. Listing agent had no obligation to perform that research for buyer and selling agent.

This case is a reminder that a listing agent's duty to a buyer is different from the duty of a buyer's agent to a buyer. It is clear that courts will require that a listing agent provide information that is "true and accurate." But be careful. *Continued on Page*

4 REASONS TOURFACTORY IS #1.

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REAL ESTATE AND LAND USE LAW UPDATE

By Miles J. Dolinger, Esq.

COURT AFFIRMS “IRREVOCABLE EQUITABLE LICENSE” TO MAINTAIN LANDSCAPING, IRRIGATION AND LIGHTING WITHIN UTILITY AND ACCESS EASEMENT.

In Richardson v. Franc, (2015) 233 Cal.App.4th 744, the court of appeal held that a residential property owner who installed landscaping, irrigation and lighting along a driveway to which it had an easement for only access and utility purposes nonetheless had an irrevocable license to maintain those improvements. This lawsuit resulted from the burdened neighbor actually severing the electrical and irrigation lines, which occurred by a successor owner over 20 years after the improvements were installed. The opinion explained the basic license rules this way:

A license gives authority to a licensee to perform an act or acts on the property of another pursuant to the express or implied permission of the owner, and a licensor generally can revoke a license at any time without excuse or without consideration to the licensee. In addition, a conveyance of the property burdened with a license revokes the license.... However, a license may become irrevocable when a landowner knowingly permits another to repeatedly perform acts on his or her land, and the licensee, in reasonable reliance on the continuation of the license, has expended time and a substantial amount of money on improvements with the licensor's knowledge. Under such circumstances, it would be inequitable to terminate the license. In that case, the licensor is said to be estopped from revoking the license, and the license becomes the equivalent of an easement, commensurate in its extent and duration with the right to be enjoyed. (Quotations omitted.)

The trial court held that the plaintiff had perfected an “irrevocable, equitable license,” and the court of appeal affirmed.

COURT OF APPEAL ALLOWS JOINDER OF 965-PLAINTIFF FRAUDULENT LENDING CASE AGAINST BANK OF AMERICA (COUNTRYWIDE FINANCIAL).

What is going on with the lawsuits against Countrywide Financial Corporation and other banks that made loans to home buyers in amounts they could not afford and who ended up severely underwater or in foreclosure when the real estate bubble burst at the beginning of the Great Recession? Grinding their way through the courts, that's what. One of these cases is Peterson v. Bank of America (2014), 232 Cal.App.4th 238. The issue on appeal in this case was a procedural one; the court held that the claims of 965 separate plaintiffs concerning loans made to them by Countrywide Financial -- for intentional misrepresentation, negligent misrepresentation, and unfair competition -- could all be “joined” in a single case against Bank of America (which is the bank that absorbed Countrywide).

The Plaintiffs’ factual allegations against Countrywide are astounding. As summarized by the court:

Sometime in the mid-2000's, Countrywide changed the normal game plan of any home mortgage lender from making a profitable loan that is paid back over time to a new game plan by which it would make its profits by originating loans, then tranching them (chopping them up into little bits and pieces) and selling them on the secondary market to unsuspecting investors who would themselves assume the risk the borrowers couldn't repay. At root, everything in the third amended complaint is an elaboration on that theme insofar as it directly affected these plaintiff-borrowers from Countrywide.

In order to make the new game plan work, Countrywide allegedly engaged in an interrelated series of transactions the net effect of which was to saddle the plaintiffs with loans they could not afford. This series consisted of two identifiable phases: Phase one was to create an otherwise artificial upward spiral of appreciating property values. *Continued on Next Page*



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REAL ESTATE AND LAND USE LAW UPDATE

Continued From Previous Page

This upward spiral was allegedly accomplished by Countrywide using its own captive appraisal company, defendant Landsafe, to “falsely” inflate all valuations. The inflated values took on a life of their own which inflated all property values in California.

Phase two was to induce borrowers to take improvident loans. Normally a prudent lender would want to lend to a creditworthy borrower who could pay back the loan at the stated interest rate. But given Countrywide's new model business plan in which the ultimate payees of the loans were going to be outside investors who would take the hindmost, Countrywide wanted to saddle borrowers with the maximum amount of debt possible—any risk of default would be borne by investors on the secondary market. Meanwhile, Countrywide would pocket loan fees, commissions and profits from the sale of loans after those loans were tranching and securitized. They key to the second prong, i.e., to inducing borrowers into financial improvidence, was to mislead them as to loan terms.

The trial court granted Bank of America’s demurrer and dismissed the 3,412-page (!) complaint, but allowed all the individual plaintiffs to re-file separate complaints. That was an important, but short-lived victory for B of A because few plaintiffs or plaintiffs’ attorneys would have had the wherewithal to litigate separate lawsuits. However, the court of appeal reversed, holding that the plaintiffs satisfied the “permissive joinder” requirements set forth in Civil Procedure Code section 378, which essentially require all of the cases to have the same “series of transactions” that will entail litigating at least one common question of law or fact. The court held that this language was to be construed liberally in favor of joinder in order to prevent a multiplicity of cases that will burden judicial resources, and in order to promote the access to justice than would only be accomplished through an economy of scale in this type of case.

NEW CEQA CASE

EMERGENCY STORM DRAIN AND HILLSIDE STABILIZATION PROJECT WAS EXEMPT FROM CEQA.

In *Creed-21 v. City of San Diego*, (2015) 2015 WL 682777, the court held that an emergency storm drainage repair project on a hillside was exempt from CEQA. In 2007, the City of San Diego began planning a project to install 135-feet of new storm drain, construct retaining walls and repair a failed slope, and began doing environmental review for the project. In 2009, before environmental review was completed, the storm drain failed entirely, causing significant erosion undermining a hillside on which several homes were located. The City then determined that the project qualified for CEQA’s emergency exemption (CEQA Guidelines §15269(b)), because there was an imminent risk to public health and safety.

The City completed the emergency repair work in May, 2010, and in October, 2010, the City applied to the State Coastal Commission

for a coastal development permit and site development permit to implement a revegetation plan for the same area. The City found that the revegetation plan was exempt from CEQA because it determined that it would not result in significant environmental impacts. The plaintiffs appealed the City’s exemption determination and then filed suit arguing that the “project” for purposes of CEQA review was not just the revegetation plan but the entire storm drain and slope repair project. Although the plaintiffs won at the trial court level, the court of appeal reversed. It held that the proper baseline for determining the “project” was only the revegetation work, because the emergency repair work was already deemed exempt, whether or not the emergency work was intended to be temporary or short-term at the time that work was done. The court explained that CEQA does not contain any provisions requiring environmental review of emergency project, and that the question of environmental impacts is irrelevant to emergency projects.

To read about more recent cases, [click here](#).



THANK YOU

Thank you to the generous sponsors of this year’s REALTOR® Service Volunteer Program (RSVP) event!

Their donations helped over 65 seniors in need!



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TUESDAY, MAY 19, 2015 5:00 - 9:00 PM

Kianti's Pizza & Pasta Bar & Santa Cruz County Association of Realtors Housing Foundation

Cordially invite you to attend a fundraiser. Present this flyer and Kianti's Pizza & Pasta Bar will donate 20% of your entire check to Santa Cruz County Association of Realtors Housing Foundation. (Dine in and take out)

Must present flyer for donation (hard copy or smart phone) to receive credit for fundraiser. e-mail info@kiantis.com or Kclark@mysccar.org



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Reservations are not accepted. Full party must be present before seated. Gratuity is not included. Not valid with specials. Flyers may not be distributed inside or within vicinity of restaurant including, without limitation to, the restaurant parking lot before or during your fundraiser. Kianti's reserves the right to cancel any and all fundraiser events for any reason and/or withhold payment of associated donation funds if Kianti's guidelines are not followed.

REALTOR®: How to Use Your Brand

How to use the NAR trademark, REALTOR®, is a question we are often asked when a member is ordering business cards or is setting up their email or website address.

The trademark brands you as a REALTOR® rather than a real estate agent. NAR & C.A.R. have extensive ad campaigns going on this year to keep this message in front of consumers, “REALTORS® are essential to any real estate transaction.” NAR’s legal department has fought hard many times to retain the trademark. So it continues to be important to our industry and relevant to the public. Following are a few tips on how to use the term.

LETTERS AND LETTERHEAD

Whether spoken or written, salutations and signatories are straight forward.

**Dear REALTOR® Smith and
Sincerely, REALTOR® Smith**

The only guideline here is that the term REALTOR® be Capitalized and followed by the registered mark.

BUSINESS CARDS AND SIGNS

As a REALTOR® member, the term REALTOR® may be used adjacent to your name with the appropriate separating punctuation used such as: **John Doe, REALTOR®**



ON THE INTERNET

Most of our questions are about use of the term in domain names and email addresses. The all caps and registration mark are relaxed. So is the punctuation guideline that applies to written material. It’s appropriate to use johndoorealtor.com or jdrealtor@webnet.com. Again, it is not appropriate to use a descriptive with the trademark like yoursantacruzrealtor.com. If you would like to have more detailed information in your office, NAR has an [On Your Mark Trade-mark Pocket Reference](#) that is downloadable at realtor.org. Don’t hesitate to contact us with trademark questions (831) 464-2000.

HUD Looks to Expand Mortgage Access

MLS Listings, Inc.

As the real estate market continues to recover, many potential home buyers are finding themselves priced out of their local markets. Industry leaders are pointing towards extensively strict lending guidelines as big reason of this dynamic, and are looking at ways to loosen lending requirements and ease buyer frustration with the current home buying process.

The U.S. Department of Housing and Urban Development (HUD) is looking at alternative credit scoring models in hopes of expanding access of mortgage credit to more buyers. Mortgage qualifications have been highly restrictive by lenders of late, except to borrowers with nearly prestige credit scores. These high qualification markers are preventing many qualified buyers from entering the market.

As far back as 2011, the National Association of REALTORS® (NAR) called for federal regulators and the credit and lending communities to reassess the entire credit structure in hopes to increase available credit to buyers seen as good credit risks. Work done by Harvard University’s Joint Center for Housing Studies indicated that borrowers with lower incomes, as well as minorities, faced significantly higher rejection rates on their mortgage applications. Analysis done by NAR of mortgage data from 2007 to 2013 found that the share of rejected loans due to credit scores was also significantly higher for African Americans and American Indians. Proponents of new lending models

hope that alternative regulations will improve access to mortgage credit without dramatically increasing risk to the housing market.

The newer credit scoring models would put less emphasis on the impact of unpaid medical bills and the effect of missed payments on debts that have been subsequently paid off. Alternative credit scoring methods like FICO 9 and VantageScore 3.0 are being looked at for how they incorporate public utility and rental housing payments. This type of information will help lenders evaluate younger persons and minorities who might not have an extensive enough history to obtain credit in the current system. FICO estimates this its new model could improve scores 25 to 100 basis points.

Some have argued that current tight borrowing standards are exacerbated by outdated scoring models that don’t take into account the newer and more unique saving patterns of younger borrowers.

Newer credit scoring models would not turn away people who would follow those patterns for the American Dream of homeownership.

NAR is working with HUD and housing industry stakeholders to identify solutions to the mortgage credit crunch so that individuals who are ready to own a home are not unnecessarily shut out of the market.

SCCAR Welcomes the Following New Members!

REALTOR® Members

Allen Property Group
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Sean Bugna
Cheryl Heller
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Entry Forms are due by June 3, 2015

Fax Entry Form to 831-464-2881 or call 831-464-2000

Bring your baked items to the Association no later than 11 am the day of the BBQ

Choose a category below (or categories if you're feeling really inspired)

- ◇ Cakes ◇ Cookies ◇ Pies ◇ Breads ◇ Surprise Us!

* Cash prizes are given to overall bake-off winners, not by category.

Strategies for Understanding Millennial Clients

Build clients for life by catering to the generational needs of younger buyers.

Maggie Hall, Lead and Client Development Manager, Lone Wolf Real Estate Technologies

As more Millennial homebuyers enter the real estate market, it's important to understand their buying behavior. Millennials think differently than previous generations of homebuyers. They expect more based on the unparalleled amount of resources within reach, and they often don't understand the full process of a real estate transaction, especially first-time homebuyers.

Here are a few things you'll want to understand and consider when it comes to managing the home-buying process for millennial clients.

3 Key Challenges

- 1. It takes longer to close the deal.** Indecision is common for Millennial homebuyers. With the technology and abundance of information available, your Millennial clients will want to do their research, consider what else is out there, get a second opinion (often from their parents,) and weigh the pros and cons before signing on the dotted line.
- 2. They desire more than they can afford.** Millennials are often looking for more than their bank account affords them. Their wish list may be more along the lines of someone looking for a dream home rather than a traditional first home, which means their expectations can often outweigh their reality.
- 3. They are unable to see past cosmetic updates.** With their already-high expectations, some Millennials also want a move-in-ready home. First-time homebuyers must understand that they can still get what they want, however, sometimes, that comes with a little elbow grease.

Not all younger buyers will bring with them the same set of challenges. Keep in mind that they were raised in an era where everything they wanted was at their fingertips. The feeling of entitlement is often a battle faced by these young buyers that your experience as a seasoned real estate professional can resolve. Here are four tips to help you better serve Millennial clients:

- 1. Put yourself in their shoes.** The key to working with these buyers is acknowledging the full range of information they will access. Dedicate some time to begin a hypothetical house hunt as a Millennial client. Speak through the information found, rather than around it. Doing this will show respect for your clients, who, in turn will show respect for you. Plus, it will reinforce your value as an integral part of their home buying process.
- 2. Provide ample time to help your clients find their new home.** Don't rush the process. As a homeowner, it took more than two years to find my first home. Millennials will often be moving out of their parents' house and won't have a timeline like clients who are selling a previous home. Be patient.
- 3. Encourage them to ask questions.** Then, give them lots of information. You know they'll want to find out more information anyway, why not provide thorough property reports and neighborhood information, so your clients feel informed before they do their own research? Provide them access to information they can't get elsewhere. *Continued on Page 23*

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How many will be attending?: _____ (include yourself)

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THE MARKET'S FREEZING POINT

Find Out More About How Pricing is Impacting Your Sales.

Denny Grimes, CRS, ABR, CDPE, MBA, President, Denny Grimes and Company

What is the single most important thing an agent should know if they want to thrive in real estate? That was the question that I was recently asked by a well-known real estate authority. I looked at the questioner, hoping the question was rhetorical. It wasn't.

My mind raced through my 30-plus years of real estate experience, the thousands of hours of seminars, and the hundreds of success books I read. I felt like a newly chosen participant for the TV show "Survivor" because the show will allow each person to bring one item to the island. Choosing matches or a Swiss Army knife seemed a lot easier than this challenge.

The Law of Pricing Efficiency

Then it came to me—real estate physics. Interesting enough, I had never seen or heard the word physics associated with real estate, but I believe there are laws in real estate that are as consistent and predictable as the laws of physics. There's more than one law, but the one I want to talk about now is the Law of Pricing Efficiency.

Do you agree with the following? Selling a listing isn't a product of the agent's marketing prowess. Conversely, carrying listings that don't sell is not a sign that the agent is a marketing nincompoop. In other words, marketing does not cause a home to sell, and the lack of marketing does not prevent it from selling.

Let me walk you through my thought process:

What happens when you place water in the freezer? If you say, it freezes, you may be correct, but that would assume that the freezer was plugged in, and it was cooling at or below 32 degrees. The freezer doesn't make water freeze it only provides the environment needed, and then physics takes over. How often will water freeze at 32 degrees? It works 100 percent of the time.

Likewise, the Law of Pricing Efficiency works the same way. When a listing is priced in the correct range, real estate physics takes over, and the listing sells. How often? It works 100 percent of the time.

However, in practice, this is what happens: An agent lists a home,

holds one open house, and it sells. The agent (and the seller) believes the open house sold the home.

The open house wasn't the cause of the sale any more than the freezer was the cause of water freezing. This home sold because it was priced at or below the freezing point. The Law of Pricing Efficiency states that the home would have sold anyway. Besides, if open houses caused homes to sell, then agents would hold every home open. Yet, we know only a small percentage of homes sell during the open house.

How about the listing agent who lists a home, but instead of putting it in the MLS, he has a "sneak peak" pre-launch event so that he can round up multiple buyers and create a bidding environment. The home sells, so he concludes that his marketing scheme sold the home. Again, that would be incorrect for the same reason as I mentioned above.

I could list 100 different marketing plans and scenarios where agents believe the fact that they put their listing "in the freezer" is what caused it to sell. If marketing sells houses, then how would you explain all of the homes that are being sold before they go into the MLS and before the marketing is launched?

Understand the Concept

Understanding the efficiency of pricing will add money to your bottom line and years to your life. You will never have to sit at a sympathy open house for the stubborn, overpriced seller who thinks you're not doing enough marketing. Fully grasping this concept, you will be able to stare into the seller's eyes and say, "There is nothing more I can do to sell your home." The seller will most likely blink, and you will walk away with a price reduction.

Agents who fail, or stubbornly resist, these laws may find themselves looking for creative ways to feed themselves as they continually feed seller's never-ending appetite for more marketing.

Men have been to the moon and back because of the power and consistency of physics. Your career can head in that same direction if you embrace the laws of real estate physics. □

E-MAIL ATTENTION GETTERS

Here are three hints to help your e-mail to be more effective and professional

Continuity between the "From" & "Subject" lines

Your recipient knows who's sending the email by looking at the "From" line, while the "Subject" line entices them to open the communication. Don't waste valuable characters repeating your name in the Subject line. Do use the space to brand regular communications, such as market updates, and include city, neighborhood or community/development names.

Take a lesson from the headlines

Turn to your favorite or local news site. The headlines are typically succinct, highlighting the most enticing aspects of the story in a very limited space. See what appeals to you and use that as a benchmark to craft your subject lines.

Don't set your pants on fire

Don't lie. Don't make any claims that you can't substantiate or promises you can't keep. That will get you an opt-out or even a spam complaint.

10 Tips for Saving Water in the Garden

Laura Fisher Kaiser
HouseLogic

Saving water in your garden translates to saving money on your water bill. Here's how to practice garden water conservation and still have a gorgeous yard.

Saving water in your garden and yard trims your water bill and saves an increasingly scarce natural resource.

A water-efficient landscape can:

- Reduce outdoor water use by 20% to 50%
- Save up to 10,000 gallons a year
- Shave \$30 to \$70 off the average annual household water bill.

Planting drought-tolerant landscaping is one way to turn off the spigot in your garden. Here are other tips for saving water while growing flora.

1. Choose native plants.

Native plants have had eons to adjust to the area's normal rainfall, soil, and climate. Once established, they require little or no watering. Start your research on native plants at your local cooperative extension or botanical garden. Websites such as eNature.com or H2ouse.org can help you find the best species for your location. You could also use a handy database of nurseries nationwide that specialize in native plants.

2. Don't supersize plants.

The bigger the plant, the more water it might require. So don't plant shrubs genetically programmed to grow bigger than you need. Before you buy, research at the library or online how tall and wide mature shrubs will grow. A Leyland Cypress, for instance, could grow to 20 feet in a few years, overkill if you only need a 5-foot hedge. Also, don't overcrowd plants: Follow label planting instructions. Fewer plants require less water. And flora that looks sparse at first will fill the area in a few seasons.

3. Pile on the mulch.

Mulching around plants is a great way to reduce water loss. Mulch also cuts down on water-stealing weeds. Natural mulches include compost, bark chips, and pine needles. Save money by spreading your grass clippings and ground-up leaves on flower and vegetable gardens. These organic mulches gradually break down and add nutrients to the soil. Inorganic material, such as landscaping paper, rocks, and pebbles, are a more permanent option, although they can heat up too much in some climates.

4. Make paths porous.

Garden paths made of porous material allow rainwater to seep into the ground and nourish plant roots, not run off into the street. Use gravel, pebbles, non-mortared concrete pavers, or spaced bricks. Beware, however, that weeds will grow between paving materials. To keep down weeds, line the walk with landscaping paper (or even newspaper) before you pile on the porous material.

5. Lose the lawn.

A green lawn is a suburban ideal that drinks more than 20,000 gallons of water each year. You can keep those cool blades under

your feet and save water by planting drought-resistant varieties. Bermuda and buffalo grass, for instance, require 20% less water than fescue or bluegrass, according to the University of California Cooperative Extension. Keep grass long to shade roots and retard evaporation. Mow less often; and when you do, raise the height of your mower blade to 3 inches.

6. Put thirsty plants together.

To save water, group plants into watering zones.

- Place the thirstiest plants near the house where they can drink roof runoff.
- Farther out, make a transition zone for plants that need supplemental drip irrigation.
- Farther still is a natural zone for native plants that can survive on rainfall alone.

7. Plant and water when it's cool.

New plants and transplants need far less water if you put them in the ground in early fall or early spring when it's cooler. By summer, they'll have established a deep, healthy root system that needs less watering. Water in the cool of the morning, when you'll lose less water to evaporation than in the heat of the day. Resist watering at dusk; wet foliage during the night encourages fungus and mildew growth.

8. Build a berm.

Trees and shrubs need extra water during their first couple of years to help roots take hold. An efficient way to keep roots moist is to mound several inches of soil into a donut-shaped berm. Make the berm the width of the tree — including branches. Use a hose or bucket to fill the donut dam to the top. Water will absorb slowly instead of running off. Another option: Attach a \$25 to \$30 drip irrigator bag to the tree. It looks like a plastic flotation tube and releases water slowly over several hours.

9. Follow the sun.

Before you plant, get to know how — and how long — the sun bathes your garden. Determine patterns of shade and sun. Use dry-soil plants in sunny areas, and use plants that require more water in shady areas where evaporation is slower.

10. Create the illusion of water.

A good way to conserve water in the garden is to capture rain water from your roof in a rain barrel. During a moderate rainfall, a 25-by-40-foot roof can shed 600 gallons per hour. All you'll need is a capture system (roof gutters and downspouts), a storage system (large-capacity barrels) and delivery system (garden hose). Also, use rainwater to fill water features, which calm your nerves and attract birds and butterflies. Use a recirculating pump to keep the water flowing; replace evaporation with your rain barrel supply.

Read more: [Click Here.](#)

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Professional Courtesies for Conducting Business... Standards of Professionalism

National Association of REALTORS®

While the Code of Ethics and Standards of Practice of the National Association establishes objective, enforceable ethical standards governing the professional conduct of REALTORS®, it does not address issues of courtesy or etiquette.

Based on input from many sources, the Professional Conduct Working Group of the Professional Standards Committee developed the following list of professional courtesies for use by REALTORS® on a voluntary basis. This list is not all-inclusive, and may be supplemented by local custom and practice.

Also available: [A Pathway to Professional Conduct](#), a video which articulates key concepts and courtesies.

I. Respect for the Public

1. Follow the "Golden Rule": Do unto other as you would have them do unto you.
2. Respond promptly to inquiries and requests for information.
3. Schedule appointments and showings as far in advance as possible.
4. Call if you are delayed or must cancel an appointment or showing.
5. If a prospective buyer decides not to view an occupied home, promptly explain the situation to the listing broker or the occupant.
6. Communicate with all parties in a timely fashion.
7. When entering a property ensure that unexpected situations, such as pets, are handled appropriately.
8. Leave your business card if not prohibited by local rules.
9. Never criticize property in the presence of the occupant.
10. Inform occupants that you are leaving after showings.
11. When showing an occupied home, always ring the doorbell or knock—and announce yourself loudly before entering. Knock and announce yourself loudly before entering any closed room.
12. Present a professional appearance at all times; dress appropriately and drive a clean car.
13. If occupants are home during showings, ask their permission before using the telephone or bathroom.
14. Encourage the clients of other brokers to direct questions to their agent or representative.
15. Communicate clearly; don't use jargon or slang that may not be readily understood.
16. Be aware of and respect cultural differences.
17. Show courtesy and respect to everyone.
18. Be aware of—and meet—all deadlines.
19. Promise only what you can deliver—and keep your promises.
20. Identify your REALTOR® and your professional status in contacts with the public.
21. Do not tell people what you think—tell them what you know.

II. Respect for Property

1. Be responsible for everyone you allow to enter listed property.
2. Never allow buyers to enter listed property unaccompanied.

3. When showing property, keep all members of the group together.
4. Never allow unaccompanied access to property without permission.
5. Enter property only with permission even if you have a lockbox key or combination.
6. When the occupant is absent, leave the property as you found it (lights, heating, cooling, drapes, etc.) If you think something is amiss (e.g. vandalism), contact the listing broker immediately.
7. Be considerate of the seller's property. Do not allow anyone to eat, drink, smoke, dispose of trash, use bathing or sleeping facilities, or bring pets. Leave the house as you found it unless instructed otherwise.
8. Use sidewalks; if weather is bad, take off shoes and boots inside property.
9. Respect sellers' instructions about photographing or videographing their properties' interiors or exteriors.

III. Respect for Peers

1. Identify your REALTOR® and professional status in all contacts with other REALTORS®.
2. Respond to other agents' calls, faxes, and e-mails promptly and courteously.
3. Be aware that large electronic files with attachments or lengthy faxes may be a burden on recipients.
4. Notify the listing broker if there appears to be inaccurate information on the listing.
5. Share important information about a property, including the presence of pets, security systems, and whether sellers will be present during the showing.
6. Show courtesy, trust, and respect to other real estate professionals.
7. Avoid the inappropriate use of endearments or other denigrating language.
8. Do not prospect at other REALTORS®' open houses or similar events.
9. Return keys promptly.
10. Carefully replace keys in the lockbox after showings.
11. To be successful in the business, mutual respect is essential.
12. Real estate is a reputation business. What you do today may affect your reputation—and business—for years to come.



Short on Inventory? Try This

Check out these strategies for building more listing inventory.

Written by Larry Kendall, chairman emeritus of The Group, Inc. and author of *Ninja Selling*

Are you experiencing a listing inventory shortage? Most markets around the country are out of balance, with more buyers than sellers. In some markets, the shortage has led to multiple offers and near panic by both buyers and real estate professionals. As a leader, what are your strategies to help your people?

Here are seven strategies that have helped us find and create inventory in this market.

1. Look under the bridge. With today's computer searches, most real estate professionals (and buyers) search in \$25,000 to \$100,000 increments. For example, they look for a house priced between \$250,000 and \$300,000 or from \$300,000 to \$350,000. In this case, the pricing bridge is \$300,000. A house priced at \$300,000 will catch both searches and receives 28 percent more showings than a house priced just under the bridge at \$299,000. Many real estate professionals still price with a retail mindset at \$299,000 or \$299,500 rather than a computer search mindset. A study in our market showed that 12 to 24 percent of all homes were priced right under the bridge. Want to find more inventory? Look under the bridge.

2. Drive until you qualify or until you find it. Inventory tends to be the shortest in the core areas. Buyers (and real estate professionals) who are willing to drive to the outlying areas may find more inventory at lower prices.

3. Hold a modern open house. What do we mean by a modern open house? This is the new, Internet-prompted open house. Here's the buying pattern: approximately 90 percent of buyers search online. If they see something they like, about 74 percent will drive by it. If they like the neighborhood and the outside, then 63 percent will find a way to go inside. Their preferred method? An open house. These open house visitors are self-pre-qualified via the Internet and a drive by. Sixty-five percent of them have a house to sell. Hold open houses to find sellers as well as buyers.

4. Contact out-of-town owners. During the great recession, many sellers couldn't sell but had to move on with their lives, thus leaving their houses behind. They rented their houses and moved to a new area. Target a neighborhood and work with a title company to help identify the out-of-town owners. There is often a difference in the property address and where the tax notice is mailed. Develop a postcard-mailing program to these owners.

5. Focus on new construction. During the great recession, there was virtually no new construction, so we got out of the habit of selling it. Refocus on this area as the builders start a comeback.

6. Build hot and warm Lists. Help your people develop hot and warm lists. Hot lists are people who want to buy or sell within the next 90 days. Warm lists are people who want to buy or sell within the next year, but may not know they want to buy or sell. (You know they want to buy/sell because you're observing the changes in their lives, such as divorce, empty nest, etc.) Encourage your people to share their lists. These hot/warm lists become an alternative MLS and a great source of listings.

7. Bump up your real estate reviews. Help your team develop an annual real estate review or check-up program for all your clients. Just as clients meet with their accountants or doctors once a year, offer them the opportunity to sit down and evaluate their real estate holdings. This is not a disguised listing appointment. It is a service that you provide. An evaluation of real estate review conducted by those real estate professionals in the Ninja Selling coaching program in 2014 showed that a listing, sale, or referral resulted 43 percent of the time when they had a face-to-face review with clients.

Help your team follow these seven strategies, and you will find and create more inventory. The result for our firm has been to outperform the market on listings each of the past three years. With the listings dropping by double-digit percentages each year in our market, we've been able to increase or maintain our listing inventory each year using these strategies. As we say in *Ninja Selling*, T.S.W.—This Stuff Works! □

Real Estate Legal Matters *Continued From Page 7*

A listing agent who provides technically accurate but misleading information to buyers will be skating on thin ice. The decision in this case was a close call and could have gone either way. In fact, the court in *Holmes vs. Sumner*, a 2010 case, concluded that a listing agent has a higher standard than merely providing information that is "true and accurate." The *Holmes* court held that a listing agent does not owe a fiduciary duty to the buyer, *but he owes the buyer the affirmative duty of care, honesty, good faith, fair dealing and disclosure as reflected in Civil Code § 2079.16, as well as other nonfiduciary duties imposed by law.*

Legislative Day... Not Just Any Wednesday

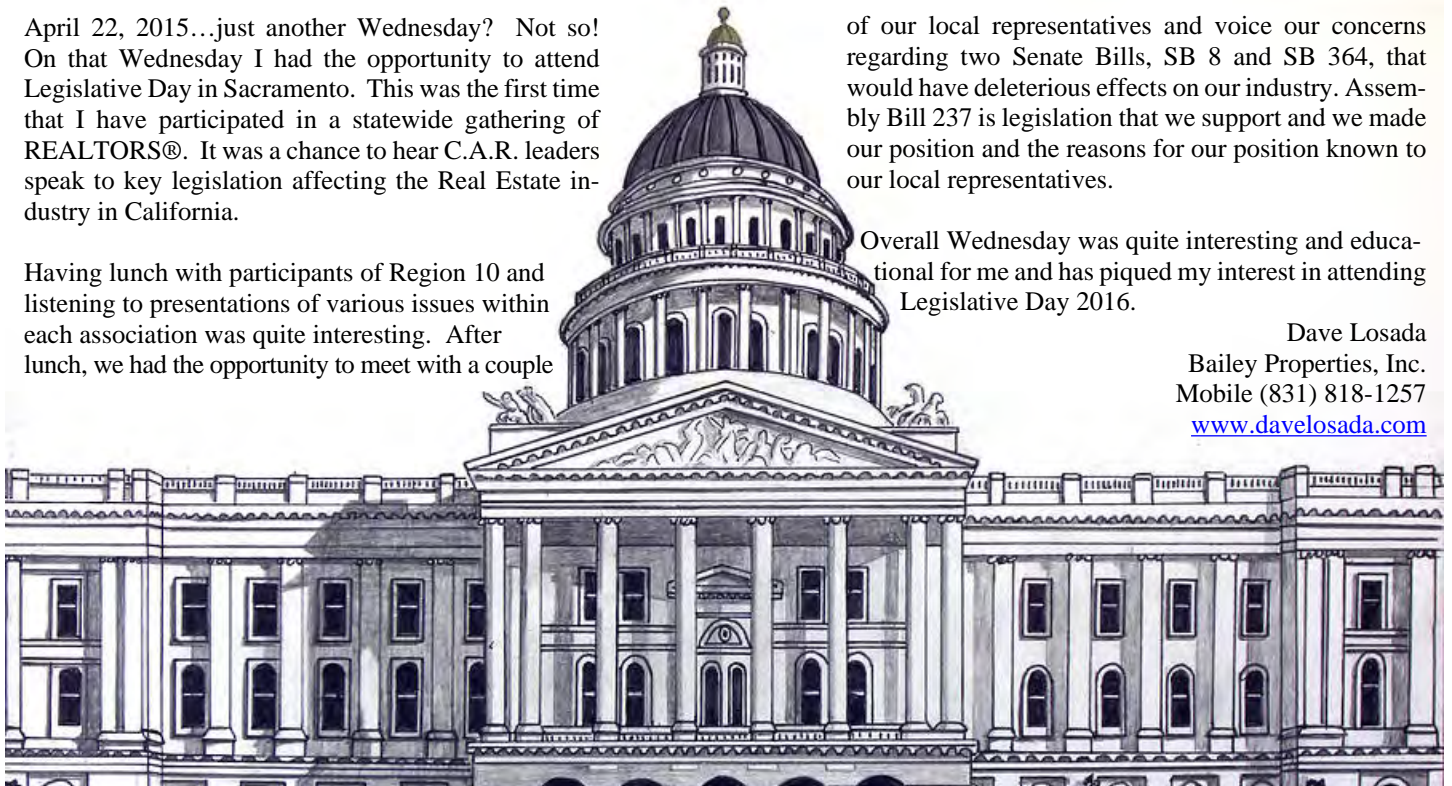
April 22, 2015...just another Wednesday? Not so! On that Wednesday I had the opportunity to attend Legislative Day in Sacramento. This was the first time that I have participated in a statewide gathering of REALTORS®. It was a chance to hear C.A.R. leaders speak to key legislation affecting the Real Estate industry in California.

Having lunch with participants of Region 10 and listening to presentations of various issues within each association was quite interesting. After lunch, we had the opportunity to meet with a couple

of our local representatives and voice our concerns regarding two Senate Bills, SB 8 and SB 364, that would have deleterious effects on our industry. Assembly Bill 237 is legislation that we support and we made our position and the reasons for our position known to our local representatives.

Overall Wednesday was quite interesting and educational for me and has piqued my interest in attending Legislative Day 2016.

Dave Losada
Bailey Properties, Inc.
Mobile (831) 818-1257
www.davelosada.com



REALTORS® from around the State meet with Assembly member Mark Stone.

SCCAR President-elect, Candie Noel, C.A.R. Director, Barbara Palmer, SCCAR member, Dave Losada, SCCAR Director, Sandy Kaplan, Assembly member Mark Stone and Immediate Past President, Frank O. May.



C.A.R. leadership line up (l to r) : CEO and State Secretary, Joel Singer, President-elect, Pat "Ziggy" Zicarelli, Treasurer, Geoff McIntosh and the 2016-17 Treasurer, Jared Martin



SCCAR President Randy Turnquist enjoying Legislative Day!



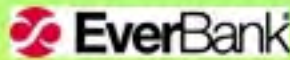
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Lori Lester
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831-227-4582

Affiliate Spotlight



Dick Cornelsen
Reverse Mortgage Specialist
Blue Adobe Mortgage
richard@blueadobemortgage.com
831-320-8143

Lori has been a Business Development Representative since 2000 and will soon celebrate her 15th Anniversary with First American Title.

Lori prides herself on the great service she provides her clients. Their time is important, so she is sure to respond to requests in a timely manner. Lori enjoys working with and interacting daily with Real Estate professionals and has made many friends over the years.

First American is the leader in Technology when it comes to Title and Escrow tools. She uses these tools to help clients close more transactions. Lori looks forward to working with you soon!

Dick Cornelsen has called the Central Coast home for most of his adult life. Originally moving to Salinas in 1970 to take a leadership role in the youth ministry organization of Young Life, he then embarked on a career in the frozen food industry and was a top producer in sales for 25 years.

Dick then took on the challenge of learning and mastering a new career in reverse mortgage origination. Starting with Wells Fargo and being employed most recently with AAG, the largest Reverse Mortgage lender in the nation. After eight years helping seniors determine the best long term mortgage solutions for themselves, Dick felt he needed a strong, local community based mortgage banker that was more focused on his client's individual needs. Blue Adobe Mortgage was a perfect fit.



Affiliate Expert's Corner

Real Estate Technology: Matterport

Darrell Monda, Tour Factory Virtual Tours

<http://tourfactory.com>

Real estate is an ever evolving, competitive landscape that requires agents to stay current and stay ahead. In the modern world, staying ahead is all about embracing technology. From virtual tours to social media, technology can represent the key to reaching new clients, researching properties, getting listings and selling homes for top dollar. So far, real estate as a market has had to adapt to existing technology to take advantage. However, now technology is starting to mold itself to real estate and it starts with a revolutionary new product called Matterport.

Matterport, developed by a startup company out of Mountain View and provided by TourFactory Bay Area, generates a 3D self-guided virtual walkthrough of any home. Their camera rotates 360 degrees and captures floor to ceiling views with 9 high definition lenses. The algorithm then compiles a virtual interior of the property and uploads it online, which is then uploaded to the virtual tour and can be syndicated to personal websites or social media accounts, as well as sent out in email blasts to prospective clients.

There are three unique template views that Matterport provides.

First is the virtual walkthrough. This self guided, self controlled virtual walkthrough offers anyone an unparalleled tour of the property. Every room can be explored, every view checked, every feature and architectural design discovered.

Second is the dollhouse view, which allows the user to see the layout, inspect the flow of the home and get a full large scale sense of the property and its features. If something catches their eye, the user can simply click on a point and be instantly transferred to the spot for the walkthrough view.

Third and final is the floor plan view which can take the place of a more expensive, professionally done hard copy floor plan.

Matterport represents the next evolution of real estate marketing. With the rise of the internet and the increase of out of town buyers looking to strike quick in a hot market, especially here in Santa Cruz and the Bay Area, the ability to take a self-guided personal virtual tour of any property any time without the presence of an agent, is crucial. Additionally, this revolutionary technology directs more traffic to your listing which means more potential buyers, offers and a higher price.

Starting at an incredibly reasonable price of \$300 for up to 3000 sq. ft., Matterport is the next evolution of technology that can help you compete in the real estate world. After years of adapting to technology, technology is adapting to real estate.

For more information, email justin.krupp@tourfactory.com, or call TourFactory Bay Area at (408) 370-3801.



Affiliate Expert's Corner

New TRID Disclosure Coming on August 1, 2015

Barry Braverman, Branch Manager
Mason-McDuffie Mortgage Corporation
 NMLS #337281

There's a brand new set of disclosures coming on August 1, 2015 that will affect real estate, title/escrow and lending industries. This set of disclosures has been nicknamed the "TRID". It is going to replace the existing Good Faith Estimate (GFE), Regulation Z Truth-In-Lending Disclosure (TIL) and HUD-1 that have been used and required by RESPA for many years. Although the final details of this new Disclosure (which is actually comprised of TWO Disclosures—The Loan Estimate and Closing Disclosure) are still being "hammered out" by the CFPB (Consumer Finance Protection Bureau). CFPB is now in charge of regulating financial products and services being offered to consumers, lending and title industry. We currently have a few facts that will give you some idea as to what this new disclosure is all about.

All lenders and title companies must use this new document starting August 1, 2015 for most "close-end" consumer credit transactions secured by real property EXCEPT home equity lines of credit (HELOC's), reverse mortgages, loans secured by a mobile home or dwelling not attached to real property or creditors who make five or fewer mortgage loans a year.

The Loan Estimate ("LE") combines and replaces both the GFE and Initial Truth-In-Lending Disclosure. It is designed to provide information that is helpful to consumers in understanding the key features, costs and risks of the mortgage for which they are applying. The Closing Disclosure ("CD") combines and replaces the Final Truth-In-Lending Disclosure and HUD-1 Settlement Statement. This disclosure is designed to help consumers in

understanding all of the costs of the transaction. The new "LE" must be delivered within three business days of the application. The new "CD" must be delivered within three business days before consummation (signoff) of the transaction. If changes are made to the loan that result in changes to the Annual Percentage Rate (APR) of the new loan, a NEW form must be provided and an additional 3 business day waiting period will begin. The TRID changes the charges and fees that are subject to a zero or ten percent tolerance or "variances" between the LE and the CD. As many of these fees estimates are vendor or third party dependent, it is important to know your vendor, service provider and their fees.

It is very important that final fees for the various charges of the loan and escrow/title services (including all outside vendor fees) be accurate. If for any reason the fees given to the escrow/title company are different due to some last minute changes or additions, the TRID must be corrected to reflect these changes and the three day waiting period will begin all over again. This will have some major impacts on the timing of shorter transactions (i.e. 30 days or less) since any change could push the escrow beyond the contract period.

As I have previously mentioned, the final details of this new disclosure are still being "ironed out" and we should know more in the upcoming months before August 1st rolls around. It is important that all people involved in our industry (REALTORS®, Escrow and Title personnel, and Lending personnel) be aware of the coming changes and be prepared for the transition.



"Thank you for calling. Please leave a message. In case I forget to check my messages, please e-mail an audio file, then send me a Facebook message to remind me to check my e-mail, then text me to make sure I'm on Facebook and call me back to make sure I got your text."

Understanding Millennial Clients

Continued From Page 14

4. Remind your clients that you'll be with them the whole way. The home buying process is stressful for first-time homebuyers. There are many things to consider, paperwork to fill out, and information to absorb. By being a resource and encouraging them to look to you for information, your relationship will grow strong. This often results in second-time clients and referrals down the road.

There are a variety of tools and resources you can use to engage younger clients. From interactive websites, video resources, social media engagement, listing presentations and reports, you can capture more business from them by tailoring your business to suit their needs.

Lone Wolf Real Estate Technologies contributed this article. The Agent Marketing Platform (AMP) is available through Lone Wolf Real Estate Technologies. AMP offers tools and resources to help you build your book of business and your offerings to clients. Visit www.agentwolf.com to learn more. □

Santa Cruz County Housing Statistics

March 2015: Santa Cruz County - Single Family Residential

City	New	Inventory	Sold	Avg. DOM	Avg. Sale Price	Median Sale Price	Median \$/Sqft	% LP Rec'd	Sale Volume	Avg. Home Sq. Ft.	Avg. Lot Sq. Ft.	Months of Inventory
Aptos	31	93	23	79	\$989,550	\$865,000	\$479	100%	\$22,759,650	1,883	11,978	4.9
Ben Lomond	14	20	6	31	\$622,500	\$627,500	\$352	100%	\$3,735,000	1,775	92,086	4.4
Boulder Creek	17	35	7	37	\$583,571	\$639,000	\$364	101%	\$4,085,000	1,668	22,343	4.1
Brookdale	6	9	0									27
Capitola	11	20	4	104	\$781,750	\$761,000	\$413	99%	\$3,127,000	1,781	4,302	3.5
Corralitos	2	12	1	167	\$1,550,000	\$1,550,000	\$695	91%	\$1,550,000	2,231	1,039,690	8
Davenport	1	1	0									2
Felton	17	36	5	30	\$677,988	\$398,444	\$318	103%	\$3,389,944	2,079	74,488	5.4
Freedom	2	7	1	22	\$332,000	\$332,000	\$553	96%	\$332,000	600	6,316	3.5
La Selva Beach	4	15	2	190	\$798,250	\$798,250	\$449	97%	\$1,596,500	1,993	16,292	8.2
Los Gatos	17	38	7	39	\$790,785	\$849,000	\$468	98%	\$5,535,500	1,719	267,358	16.3
Mount Hermon	1	2	0									4
Santa Cruz	70	152	49	36	\$917,928	\$810,000	\$486	101%	\$44,978,504	1,892	16,455	3.7
Scotts Valley	25	34	7	30	\$935,642	\$940,000	\$400	103%	\$6,549,500	2,438	70,853	3.6
Seacliff	0	1	0									1.2
Soquel	8	32	8	92	\$905,187	\$930,000	\$397	98%	\$7,241,500	2,416	100,243	5.6
Watsonville	43	88	28	48	\$442,195	\$422,500	\$315	101%	\$12,381,477	1,355	13,360	4.2
Royal Oaks	6	17	9	66	\$472,888	\$449,000	\$350	98%	\$4,256,000	1,510	110,410	4.4

March 2015: Santa Cruz County - Common Interest Development

City	New	Inventory	Sold	Avg. DOM	Avg. Sale Price	Median Sale Price	Median \$/Sqft	% LP Rec'd	Sale Volume	Avg. Home Sq. Ft.	Avg. Lot Sq. Ft.	Months of Inventory
Aptos	21	33	10	85	\$519,200	\$522,500	\$411	100%	\$5,192,000	1,310	1,220	5.1
Boulder Creek	0	2	2	53	\$417,750	\$417,750	\$244	101%	\$835,500	1,736	1,960	3
Capitola	9	17	4	14	\$457,125	\$407,250	\$509	100%	\$1,828,500	959	806	4.3
Freedom	1	1	2	67	\$384,500	\$384,500	\$231	100%	\$769,000	1,665	1,176	1.5
La Selva Beach	1	6	0									12
Santa Cruz	16	34	14	34	\$443,992	\$452,000	\$417	101%	\$6,215,900	1,055	2,888	3.4
Scotts Valley	6	12	4	70	\$466,750	\$484,000	\$349	98%	\$1,867,000	1,322	1,057	3.8
Soquel	0	2	0									6
Watsonville	17	42	5	34	\$425,500	\$327,000	\$280	98%	\$2,127,500	834	375	7.6

February 2015: Santa Cruz County - Single Family Residential

City	New	Inventory	Sold	Avg. DOM	Avg. Sale Price	Median Sale Price	Median \$/Sqft	% LP Rec'd	Sale Volume	Avg. Home Sq. Ft.	Avg. Lot Sq. Ft.	Months of Inventory
Aptos	21	90	16	30	\$746,956	\$700,750	\$464	99%	\$11,951,300	1,658	28,468	4.7
Ben Lomond	4	14	0									3.1
Boulder Creek	13	26	11	95	\$498,000	\$500,000	\$316	98%	\$5,478,000	1,637	31,655	3.1
Brookdale	1	4	1	7	\$217,000	\$217,000	\$190	94%	\$217,000	1,142	11,151	12
Capitola	3	16	3	39	\$744,453	\$760,000	\$347	99%	\$2,233,359	2,039	6,505	2.8
Corralitos	2	13	0									8.7
Davenport	1	0	1		\$500,000	\$500,000	\$427	100%	\$500,000	1,170	4,530	0
Felton	7	28	6	35	\$522,666	\$486,000	\$484	103%	\$3,136,000	1,175	12,175	4.2
Freedom	4	6	2	86	\$390,000	\$390,000	\$311	97%	\$780,000	1,247	20,713	3
La Selva Beach	3	13	1	195	\$740,000	\$740,000	\$372	100%	\$740,000	1,991	15,507	7.1
Los Gatos	15	30	5	33	\$1,006,000	\$970,000	\$489	99%	\$5,030,000	2,061	42,107	12.9
Mount Hermon	1	1	0									2
Santa Cruz	55	142	33	49	\$869,645	\$760,000	\$486	99%	\$28,698,302	1,741	17,347	3.5
Scotts Valley	8	19	13	66	\$756,088	\$760,000	\$384	99%	\$9,829,153	2,039	22,481	2
Seacliff	1	1	2	55	\$692,000	\$692,000	\$570	100%	\$1,384,000	1,273	4,095	1.2
Soquel	11	34	4	66	\$951,000	\$864,500	\$375	102%	\$3,804,000	2,502	175,544	6
Watsonville	29	80	16	62	\$443,803	\$442,000	\$263	98%	\$7,100,850	1,845	12,023	3.8
Royal Oaks	3	21	3	114	\$563,333	\$650,000	\$183	87%	\$1,690,000	3,076	88,507	5.5

February 2015: Santa Cruz County - Common Interest Development

City	New	Inventory	Sold	Avg. DOM	Avg. Sale Price	Median Sale Price	Median \$/Sqft	% LP Rec'd	Sale Volume	Avg. Home Sq. Ft.	Avg. Lot Sq. Ft.	Months of Inventory
Aptos	8	22	7	26	\$454,071	\$435,000	\$381	101%	\$3,178,500	1,226	1,139	3.4
Boulder Creek	1	4	0									6
Capitola	5	14	3	38	\$385,666	\$365,000	\$393	100%	\$1,157,000	971	1,249	3.5
Freedom	0	2	0									3
La Selva Beach	3	5	1	192	\$526,500	\$526,500	\$458	98%	\$526,500	1,150	1,481	10
Santa Cruz	9	34	8	39	\$492,562	\$520,000	\$430	98%	\$3,940,500	1,236	762	3.4
Scotts Valley	3	10	4	11	\$443,000	\$445,000	\$405	102%	\$1,772,000	1,132	861	3.2
Soquel	2	2	1	96	\$427,500	\$427,500	\$424	98%	\$427,500	1,008	0	6
Watsonville	14	31	1	5	\$275,000	\$275,000	\$269	100%	\$275,000	1,024	1,045	5.6

Data provided by MLS Listings, Inc.

May 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1 Local Govt. Relations 8:30 am	2
3	4	5	6 RSVP Day!	7 Tour Marketing Meeting 8:30 - 9 am	8 Board of Directors 8:30 am Affiliate Mt. 9 am Events Mtg. 10 am	9
10 	11 Education Mtg. 9:30 am Affiliate Mtg. 11 am	12	13	14 Tour Marketing Meeting 8:30 - 9 am	15 Events Mtg. 10 am	16 
17	18 Listing Locator 10 am Search & Report 1 pm	19	20	21 Tour Marketing Meeting 8:30 - 9 am	22	23
24	25 Memorial Day SCCAR Closed	26 MLS Adv. Search 1 pm	27 SCCP: Water Resources 9:30 am Budget & Finance 8:30 am	28 Tour Marketing Meeting 8:30 - 9 am	29 Member Update 9 - 11 am	30
31						

June 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4 Tour Marketing Meeting 8:30 - 9 am	5 Local Govt. Relations 8:30 am	6
7	8 Education Mtg. 9:30 am	9	10 Member Appreciation BBQ 11:30 am - 2 pm  Housing Foundation 2 pm	11 Tour Marketing Meeting 8:30 - 9 am	12 BOD Mtg. 8:30 am Affiliate Mtg. 9 am Events Mtg. 10 am Search & Report 10 am Public Records Search 1 pm	13
14	15 Annual Election & Membership Mtg. 10 am	16	17	18 Tour Marketing Meeting 8:30 - 9 am	19 New Member Orientation 8:30 am - 4 pm	20
21 	22 Listing Locator (MLS) 10 am	23	24 Budget & Finance 8:30 am	25 Tour Marketing Meeting 8:30 - 9 am	26	27
28	29	30				

View our Calendar Online at www.mysccar.org