

**\$2,500
Community
Heroes Grant**

***2016 Installation
and Awards
Luncheon
Honors Incoming
Leadership***

Also in this issue:

- Point of Sale regulation considered
- 8 predictors of housing prices
- Commercial energy use disclosure law repealed
- Relocation management & Zillow

HAPPY NEW YEAR

**SCCP
Certification
Series Begins
January 29!**

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.

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Message From The President

Candie Noel
2016 SCCAR President
Bailey Properties, Inc.
cnoel@baileyproperties.com
831-252-2638

Happy New Year and best wishes for a happy, healthy and prosperous 2016! I am honored to have this opportunity to serve as your 2016 President and to work with each of you to make this an exciting year.

Our mission statement is, “The purpose of the Santa Cruz County Association of REALTORS® is to enhance the professionalism and integrity of our members, promote homeownership and protect private property rights.” Our Association, on the local level, is what binds us together as REALTORS®.

The New Year will present some new and some old challenges that will need to be tackled. Housing affordability and lack of inventory are looming large for us. Rent control is beginning to gain a stronger voice, along with increased vacation restrictions and short term rental restrictions. A proposed point of sale change out for wood burning stoves is gaining strength. Our Association’s LGR (Local Government Relations) Committee will be working with the appropriate agencies, government officials, legislators, C.A.R. and NAR to provide solutions that will protect private property rights and our ability to do business. The LGR Committee welcomes new members. *Participate, become involved.*

The Santa Cruz County Association of REALTORS® Housing Foundation (SCCARHF) is a non-profit organization that assists with housing affordability through various grant programs. Using available monies, the Foundation helps low income, first time home buyers with closing costs. In 2015 a new grant was obtained to assist our community heroes with their closing costs through the “Community Heroes Grant Program”. This program works in conjunction with the “Closing Cost Assistance Grant Program” whose funds come primarily from “A Taste of Santa Cruz”, the Foundation’s largest annual fundraiser. SCCARHF is a good place to lend a hand with housing affordability and home ownership. *Participate, become involved.*

Would you like to see new education classes or seminars at the Association? The Education Committee is looking for new members and new ideas for classes that will increase member’s knowledge and professionalism. The Santa Cruz Pro series was established by the education committee and is an ongoing success. *Participate, become involved.*

The annual charity golf tournament is the Events and Community Relations Committee’s largest annual event. It’s a perfect way to do something of value for your community, network with others and have lots of fun doing it. New events are currently being planned for 2016 and the committee is looking for new members. *Participate, become involved.*

Affiliates have their very own and very special committee. The Affiliates Committee provides opportunities for Affiliate members to interact with REALTOR® members through social and educational activities. The committee’s organizes the annual Spring Fling and Oktoberfest events which are fun networking opportunities. This committee welcomes all Affiliate members (sorry, no REALTOR® members allowed). *Participate, become involved.*

I am very excited to serve as your president in 2016 and want to hear from you, which is why we are starting a new program called “Monday Morning with the President”. Every first Monday of the month from 9:30 - 10:30 a.m. beginning February 1st I will be at SCCAR to meet with you and talk about whatever is on your mind. Please stop by and say “Hi”. If you can’t wait that long, please feel free to call or email me. Please join me in making 2016 a year of growth and strength for our Association.

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Relocation Management and the Zillow Thing

Embrace these new companies and compete with them. What likely won't work is to ignore them and then ignore building your online marketing and service capabilities.

by Steve Murray, publisher of REAL Trends

Recently, Zillow announced that they would offer a service whereby they would prequalify online customers and clients for their agent and broker customers to help improve the quality of the leads that agents end up with as a result of advertising on Zillow. The announcement was met with disbelief, frustration and perhaps a little anger. Aren't these the guys who keep saying that they are just a media company that has no intention of being in the brokerage business and who also just bought a large transaction management company? One commentator was heard to say that they felt like the frog in the pot which didn't realize someone was turning the heat up slowly to boil them. Maybe they are; maybe they aren't.

RELOCATION MANAGEMENT

How does relocation management fit into this? For those of us who have been around more than 30 years, we recall when relocation management firms entered the industry in the mid-1970s. First, they said they were serving the corporate employers, and brokers would have to live with their service requirements if they wanted the business, but that serving the corporate clients was all they would do. Then they formed their own referral networks and, should you want their business; you would have to send all your broker-to-broker referrals through their networks (for which they would take a piece). Then, after saying the corporate client is their only client; they started charging a referral fee for each listing or buyer they sent their broker members. Then, some leveraged that relationship further and created franchise networks where now the broker not only paid for each relocation-oriented referral but also paid a percentage of the gross commission income on all business. All this happened in roughly less than 10 years. You should have heard the howling when all this was going on between 1977 and 1987.

STILL BENEFITTING FROM THE MODEL

Brokerage firms survived and adapted, as did their agents. They invested in their own relocation management departments (which didn't exist prior to the entry of the relocation management firms), they started their own corporate relocation services groups (one of which, Weichert, is among the largest in the country), and they competed while also doing business with the evil empires of Homequity, Merrill Lynch Relocation and Equitable Relocation. In fact, we know from studying this that many of the brokerage firms that embraced the relationship with these firms became the privately owned giant regional firms that we see today. Realogy, Berkshire Hathaway, Weichert and Leading RE still benefit today from this model of integrating relocation and brokerage.


Yes, Zillow/Trulia/Realtor.com and Homes.com are different than relocation management firms in many ways. They reach the entirety of the housing consumer market, not just a subset. We have been told for so long now that "lions coming over the hill are

going to eat us" that it seems wired into our industry DNA. Big data and technology scare most of us. But, we think there are strong similarities nonetheless. The angst of 30 years ago sounds very much like the angst of today.

Embrace them, as some do, or don't. Embrace them and compete with them as so many did in the relocation business. Don't embrace them, and build your own capabilities and compete with them. Any of these is a successful strategy. What likely won't work is to ignore them and then ignore building your own online marketing and service capabilities. It is not that you will perish, but likely you won't grow as much as you could have.

This is not a laughing matter. We know that at least one-third of all housing consumers do not choose an agent due to a relationship. They are essentially up for grabs. They may well be influenced by what Zillow/Trulia/Realtor.com/Homes.com tells them in so far as which agent to use. One-third of our market is huge when you consider that the largest existing national real estate brand has less than 10 percent market share.

History is useful in this regard. Embrace these new players or not but don't forget it is within your grasp to compete with them equally well.




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nobody wants to do the dishes.

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

January

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

Friday, January 8, 1 – 2:30 pm

Cost: Free with RSVP

Attend this class and you will learn the structure of the MLS-Listings listing management input application, along with tools and techniques for enhancing your listing market exposure, keeping the data current and staying compliant with the MLSListings rules and regulations.

[HomeSnap Pro \(MLS\)](#)

Monday, January 25, 1 – 2:30 pm

Cost: Free with RSVP

HomeSnap Pro provides an unprecedented amount of real-time information to agents on the go, giving them the flexibility to research homes, interact with each other, and collaborate with clients from their mobile devices. Now, agents and consumers can use the same platform to seamlessly share real estate information and communicate directly.

[REALTORS® Property Resource \(MLS\)](#)

Monday, January 25, 10 – 11:30 am

Cost: Free with RSVP

Learn to search and report using national-level MLS and public data available through your National Association of REALTORS® membership. Become your client's nationwide real estate professional.

[SCCP: History and Culture](#)

Friday, January 29, 9:30 am – 12:30 pm

Series price is \$99 until January 8, \$159 after. Individual class is \$20 for members.

Santa Cruz County Pro (SCCP) is designed to provide REALTORS® with knowledge and information to better assist their clients in buying and selling real estate in Santa Cruz County. In the first class in this 9

course series you will learn about the History of Santa Cruz County. Attend 7 of the 9 courses and earn your official certification!

February

[SCCP: Land Use](#)

Friday, February 26, 9:30 am – 12 pm

In the second class of this nine course advanced training series you will learn about Land Use issues in Santa Cruz County. Some topics covered are: minimum steps to determine "build ability", biggest hurdles working with county or city planning/building departments, and much, much more! Attend 7 of the 9 courses and earn your official certification!

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

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Santa Cruz County Pro

Advanced Educational Series for Santa Cruz County REALTORS®

Santa Cruz County Pro is designed to provide REALTORS® with knowledge and information to better assist their clients in buying and selling real estate in Santa Cruz County. Upon completion of this series you will have obtained advanced skills about the workings and nature of Santa Cruz County communities.

2016 Schedule

All seminars are held Friday mornings from 9:30 am - 12:30 pm

- January 29 History and Culture
- February 26 Land Use
- March 18 Affordable Housing
- April 29 Upcoming County Projects
- May 27 Water Resources
- August 26 City/County Schools
- September 23 Geology, Biology, and Climate
- October 28 Coastal Commission
- November 18 Statistical Training

(NOTE: Seven of the nine classes need to be attended to receive certification and there are no classes in June, July, or December)

Early Bird Special!
\$99
Ends January 8, 2016!

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What Attendees Are Saying...

- "Wow what a great series! I recommend this series for any part-time or full time Realtor. Each month I looked forward to the new class providing incredibly informative and valuable information. Great topics and lovely teachers! I will definitely take more classes to come. *Sheila Feddema, Broker, REALTOR®*
- "Well organized. Wonderfully informative. Well worth the time." - *Mike Young, REALTOR®, Broker Associate, MBA, SFR, CDPE, HAFA*
- "The SCCP series of educational courses for REALTORS® has been fantastic this year! I have learned so many new things about Santa Cruz County in terms of History, Land Planning, The Coastal Commission, Affordable Housing, County Projects, and County Schools. I would recommend this series to any REALTOR® interested in expanding their knowledge base about this great place that we call 'home', Santa Cruz County." - *Ruth Bates, REALTOR®, Broker Associate & MBA*

Register [online](http://mysccar.org) mysccar.org, fax completed form to 831-464-2881, or call us at 831-464-2000.

- Early Bird Special Offer \$99 for Entire Series** **After 1/08/16 - \$159 for Entire Series**

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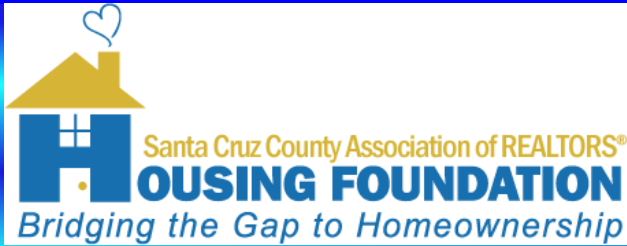
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SCCAR Cancellation Policy: Reservations for courses requiring payment will not be processed until payment is received. If you must cancel or reschedule your reservation, a full refund will be issued if notification is received, by email or in writing (not by telephone), 1 business day prior to class. SCCAR reserves the right to cancel or reschedule any course. If cancellation occurs, SCCAR will issue a full refund. In the event of rescheduling, SCCAR will send immediate notification and transfer all reservations (including payments) to the new date. To cancel/reschedule send email to: education@mysccar.org.

A Taste Of Santa Cruz





Michele Replogle
2016 SCAORHF Chair

Helping First Time Homebuyers Was Never So Much Fun!

The Santa Cruz County Association of REALTORS® Housing Foundation’s eleventh annual fundraiser, “A Taste of Santa Cruz” held at the Cocoanut Grove on November 12th was an overwhelming success, with close to 600 people in attendance and approximately \$30,000 in funds raised.

Over 30 real estate and affiliate companies teamed up with local restaurants, wineries and breweries to provide a wide array of delectable cuisine showcasing the culinary talents and wines from Santa Cruz County. The booth sponsors also provided silent and live auction items from local businesses and artisans which helped raised thousands of dollars for the Housing Foundation.

We are extremely fortunate to have our real estate and local culinary community contribute immensely to the success of this event. We can not thank all of those who made it possible enough. Please visit [facebook.com/atasteofsantacruz](https://www.facebook.com/atasteofsantacruz) or www.atosc.com to learn more and see more event photos.

Michele Replogle

Housing Foundation New Chair, New Direction



The Santa Cruz County Association of REALTORS® Housing Foundation welcomes Michele Replogle as the 2016 Chair. Michele brings a wealth of experience to the Foundation with 12 years in the business. She has served on Foundation and it’s “A Taste of Santa Cruz” committee for 2 years.

Michele continues her education in the field and in the classroom and is a graduate of San Jose State with a Bachelor’s degree in Communications. She loves what she does and has weathered real estate through some turbulent cycles. Matching people to their most suitable environment that makes them happiest is what compels Michele. This passion will be put to good use in leading the Foundation whose mission it is to help low income families become first time home owners.

New Grant Program Helps Local Heroes



The Santa Cruz County Association of REALTORS® Housing Foundation is honored to announce a new housing grant program to assist local heroes. The Community Heroes Grant Program provides \$2,500 for qualified Santa Cruz City or County police, firefighters, EMTs and veterans (including volunteers and support staff) when purchasing their first home in Santa Cruz County. Used in conjunction with our Closing Cost Assistance Grant (currently also \$2,500), this new program can make the difference in achieving home ownership for those who help keep our community safe.

"Our new grant program will help our local first responders, all emergency personnel, active military and veterans achieve the dream of home ownership here in Santa Cruz County. This grant is in addition to the Closing Cost Assistant Grant, which they must first qualify for. We, as members of the real estate community, believe in the concept of homeownership as a cornerstone for strong neighborhoods, pride of ownership, and wealth creation.", says Connie Landes, SCCAR Housing Foundation chairperson.

For more information about this and other SCCARHF grant programs visit www.sccarhf.org and follow us on [facebook/sccarhf](https://www.facebook.com/sccarhf).

Stay Updated on Federal Legislation with NAR

The National Association of REALTORS® released a policy briefing today that documents all REALTOR® related federal legislation that passed through Congress this year. It contains updates on federal tax policy, national land use and environmental regulation, federal housing policy, and business related incentives, among others. You can [read the brief here](#).

Stay updated with NAR as this legislation has a direct impact on your bottom line!

HEROES

Community Heroes Grant Program
offered by the Santa Cruz County Association of
REALTORS® Housing Foundation



*Helping those who serve others achieve the dream
of home ownership.*



Santa Cruz City or County police, firefighters, EMTs and veterans (including volunteers and support staff) can qualify for a \$2,500 grant when purchasing their first home in Santa Cruz County.

Visit www.sccarhf.org for eligibility requirements



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C
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LGR Committee Report

Robert Singleton, GAD

gad@mysccar.org

Air District Considering Point of Sale Regulations for SLV



The Monterey Bay Unified Air Pollution Control District will be considering a mandatory point of sale (POS) regulation that would require residents of Santa Cruz County's San Lorenzo Valley to switch out their wood burning stoves upon the transfer of property to a new owner. Air District officials reached out to SCCAR members in late November to explain the potential new regulation, saying that the point of sale measure may be needed in order to curb the growing air quality problems affecting the SLV region.

Specifically, the burning of wood (especially damp wood) in older, less efficient wood stoves greatly contributes to higher observable levels of PM 2.5, also known as particulate matter smaller than 2.5 micrometers. These smaller air particles have been directly linked to respiratory issues like increased rates of lung cancer and asthma. Currently the SLV region has higher observable levels of PM 2.5 than what is allowed under federal air pollution standards.

Where REALTORS® disagree with District staff is in the approach to curbing this air pollution. Given that many SLV residents rely on wood burning stoves as their primary source of heat, and that only 54 homes were sold in SLV all last year, it is likely that a mandatory point of sale regulation would do little to curb the pollution coming from the estimated 10,000 (conservative) wood burning units. In fact, the voluntary rebate program already managed by the district

helps to switch out roughly 70 wood stoves a year.

So why is the district considering this new regulation? Two reasons. 1) Anything to decrease the number of homes not burning wood in SLV is seen as an improvement to the status quo, and 2) As with most government agencies nowadays money is tight, staff time for further education and outreach is limited, and the federal/state governments are unlikely to help.

So what is SCCAR going to do to help? First and foremost we will continue to engage with Air District staff and local elected leaders to explore the potential for a compromise that would avoid a POS regulation. This may be in the form of a new disclosure that acknowledges the air quality issues facing SLV, as this is what happened in nearby Santa Clara. Second, we will work with our members to help the Air District improve its existing outreach and education programs, even if it means rolling up our sleeves and putting some REALTOR® boots on the ground to help with the efforts directly. And finally, we will be looking for alternative sources of funding to help bolster the voluntary rebate program, perhaps even working with other industries that sell more efficient heating systems.

Stay tuned for more updates! And remember, REALTORS® are part of the solution!

SCCAR Welcomes the Following New Members!

REALTOR® Members

Alain Pinel REALTORS

Kevin Cole (secondary)

Bailey Properties

Krystle Robinson

Century 21 Lad Realty

Matthew Gibson

Jonathan Rossi

Coldwell Banker

Christopher Amsden

Jennifer Brasted

Larry Kaufman

David Lyng RE

David V. Guzman

Joseph Guernaccini

Barbara Pearson

Karma Mortgage Solutions

Jose Mendoza

Keller Williams Realty

Alan Barich

Chrissy Goblirsch Miller

Stacy Jamieson

Jasmine Cernik Yu

Sotheby's

Juliette "Jette" Ferguson (Secondary)

Strock Real Estate

Rose Wood

Affiliate Members

Robert Slawinski RE

Robert Slawinski

Surf City Window & Gutter

Bradley Huth

Holiday Open House



It was our absolute pleasure ringing in the holidays with our members at our Holiday Open House Event held on December 9, 2015! Thank you to everyone who attended and brought donations for our food barrels and to our volunteers who helped make it happen. Happy Holidays!



MLS UPDATE

MLSListings, Inc.

Courting the Millennial Home Buyer

There's no denying the buying power of the millennial generation. These 20-somethings and those in their early thirties are the next wave of real estate clients. In fact, according to industry projections, today they represent 31% of home buyers, and the number of homes owned by those in their thirties will increase by 2.7 million in the next decade.

According to the 2015 Home Buyers and Sellers Generational Trends report issued by the National Association of REALTORS®, Millennials (also known as "Generation Y"):

- Comprise the largest share of home buyers at 32%, which is larger than all Baby Boomers combined
- Have the largest share of first-time buyers at 68%
- Place the highest preference compared to other generations on convenience to job as well as affordability of homes
- Expect to live in their home for 10 years before moving on
- Most likely among generations to also look online for information about the home buying process – 31% found the home they ultimately purchased via a mobile device.

While there is still a misconception that Millennials are less interested in home buying and instead favor mobility and holding onto their money, they are, in fact, more interested in home ownership than even the generation before them. However, their wants and needs in a home are much different from those of the generations before them.

According to MLSListings Chairman of the Board Quincy Virgilio, they seek functionality over size and look for features like media rooms or home theaters. Green appliances are on their radar and the community is as important as the home itself. They tend to want updated baths and kitchens, and low maintenance. They don't want formal dining rooms and instead prefer big kitchens and open floor plans. Many work from home so a home office has great appeal. They're interested in technology and want to hear about cell and Internet services, not cable and telephone.

It's a whole new world as more and more Millennials join the home-buying ranks, and sellers considering what improvements to make to their properties would be wise to consider the needs of the younger generation.

Quarterly Santa Cruz County Housing Statistics

Q3: 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	133	112	99	46	\$977,536	\$830,000	\$482	99%	\$96,776,099	1,986	43,430	3.4
Ben Lomond	32	28	25	31	\$620,942	\$623,200	\$373	99%	\$15,523,574	1,732	63,185	3.4
Boulder Creek	66	44	54	32	\$493,949	\$477,500	\$400	100%	\$26,673,254	1,276	18,774	2.4
Brookdale	4	5	7	45	\$680,000	\$645,000	\$369	99%	\$4,760,000	1,880	30,399	2.1
Capitola	16	11	22	56	\$975,443	\$872,500	\$648	98%	\$21,459,750	1,601	4,880	1.5
Corralitos	8	14	5	79	\$1,093,300	\$955,000	\$373	97%	\$5,466,500	2,731	107,419	8.4
Davenport	3	2	2	44	\$807,000	\$807,000	\$650	99%	\$1,614,000	1,241	7,775	3
Felton	37	27	39	43	\$479,671	\$443,000	\$417	100%	\$18,707,175	1,180	13,825	2.1
Freedom	3	5	2	41	\$378,472	\$378,473	\$242	100%	\$756,945	1,568	5,467	7.5
La Selva Beach	16	15	3	140	\$2,678,566	\$1,635,700	\$758	93%	\$8,035,700	3,271	217,001	15
Los Gatos	23	25	20	62	\$989,437	\$962,500	\$425	96%	\$19,788,750	2,335	104,627	3.8
Mount Hermon	0	0	2	137	\$417,850	\$417,850	\$281	89%	\$835,700	1,740	5,881	0
Santa Cruz	209	147	187	43	\$946,792	\$825,000	\$533	100%	\$177,050,192	1,773	20,476	2.4
Scotts Valley	44	34	45	35	\$829,033	\$815,000	\$445	98%	\$37,306,494	1,913	16,813	2.3
Seacliff	2	2	1	7	\$657,000	\$657,000	\$513	101%	\$657,000	1,281	3,311	6
Soquel	24	22	21	36	\$1,010,229	\$835,000	\$437	99%	\$21,214,823	2,206	91,171	3.1
Watsonville	81	64	85	48	\$530,355	\$450,000	\$322	100%	\$45,080,238	1,606	32,016	2.3
Royal Oaks	18	17	16	52	\$504,243	\$481,000	\$312	99%	\$8,067,899	1,577	74,787	3.2

Q3: 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	33	27	35	57	\$618,311	\$572,500	\$432	100%	\$21,640,907	1,367	1,324	2.3
Boulder Creek	3	4	3	47	\$309,333	\$299,000	\$383	100%	\$928,000	793	755	4
Capitola	20	13	22	40	\$448,597	\$407,500	\$450	101%	\$9,869,150	999	1,029	1.8
Freedom	2	0	3	10	\$408,333	\$402,000	\$241	101%	\$1,225,000	1,658	1,554	0
La Selva Beach	4	7	3	139	\$820,000	\$755,000	\$590	97%	\$2,460,000	1,325	947	7
Santa Cruz	56	32	70	32	\$518,483	\$457,539	\$447	101%	\$36,293,817	1,109	1,214	1.4
Scotts Valley	15	11	8	33	\$583,875	\$600,000	\$412	101%	\$4,671,000	1,455	1,280	4.1
Seacliff	1	1	0									
Soquel	1	0	1	9	\$430,000	\$430,000	\$427	108%	\$430,000	1,008	697	0
Watsonville	16	19	18	42	\$359,702	\$355,000	\$243	99%	\$6,474,650	1,403	30,432	3.2

Data provided by MLS Listings, Inc.



The Commercial Energy Use Disclosure Law Has Been Repealed (for now)

Terry Rein
Rein & Rein

A Professional Law Corporation

*Real Estate
Legal
Matters*

In 2015, Governor Jerry Brown signed into law Assembly Bill 802 which creates a new energy use disclosure program for the State of California, and replaces the existing law, Assembly Bill 1103, codified in Public Resource Code Section 25402.10.

The existing energy use disclosure program, AB 1103, has been plagued with implementation problems and delays since its enactment in 2007. Under AB 1103, utilities are required to maintain records of the energy consumption of certain nonresidential buildings and to make energy consumption data available upon request of a building owner or operator. An owner or operator in turn is required to disclose benchmarking data and ratings for a building for the most recent 12 months to a prospective buyer, lessee, or lender. (Public Resources Code §25402.10.) In practice, however, it has been difficult for building owners and operators to obtain the data from the utilities due to, among other things, the demands made by utilities for authorization from tenants, which in many cases has been difficult or even impossible to obtain.

AB 802 is a welcome relief to property owners and real estate professionals. But energy benchmarking and reporting requirements are not going away. In summary, the new legislation in AB 802 provides:

- AB 1103 will be repealed effective January 1, 2016.
- There will be no statewide energy use disclosure requirement in 2016.
- In 2016, the California Energy Commission will engage in a public process to develop regulations and establish a new reporting

infrastructure. The California Energy Commission anticipates that new regulations will be in effect by January 1, 2017.

- AB 802 eliminates the requirement of an owner or operator of a building to disclose energy use information to a prospective buyer, lessee of the entire building, or lender that would finance the entire building. Instead, AB 802 will require the public disclosure of certain operating performance data.
- The existing law only applied to commercial buildings, but the new legislation applies to both commercial buildings and any building with five or more active utility accounts, both residential or nonresidential.
- To encourage the disclosure of utility information, AB 802 provides that energy usage data aggregated shall not be treated as confidential information by the utility, and the building owner and utility shall have no liability for any use or disclosure of aggregated energy usage.

The stated goal of the Legislature in enacting AB 802 is to create a viable benchmarking and disclosure program which will allow owners and operators of commercial and multifamily buildings to better understand their energy consumption through standardized energy use metrics. With the failure of AB 1103, the Legislature clearly needed to fix the energy reporting process. Hopefully, AB 802 will actually work this time around.

Terry Rein is a Santa Cruz attorney specializing in transactional real estate matters. This is prepared for educational purposes only and does not constitute legal advice.

8 Surprising Predictors of Housing Prices

Source: Realtor.com

It's no surprise that home buyers and owners like to know which way prices are heading. But when it comes to nailing the best deal in real estate, there are eight surprising indicators of change in home prices, according to realtor.com®. For instance, a study found that for every \$1 decrease in gas prices, home prices increase by roughly \$4,000 and the average time to sell a property decreases by 25 days. And it's not just gas prices that are worth monitoring. Homes near a Trader Joe's are worth 5 percent more than homes near a Whole Foods, according to RealtyTrac. Also, moving a residential housing unit one mile closer to a professional sports facility increases its value by \$793.

Other indicators include marijuana laws, casinos, temperature changes, trees on a street, and proximity to highways.

[Read the full story](#)

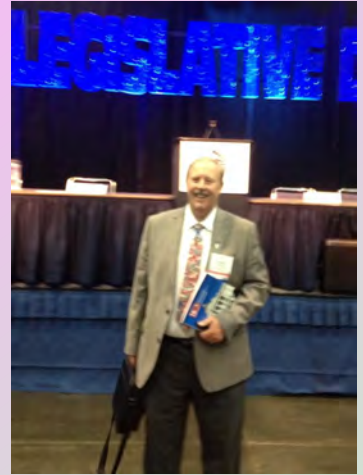
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**"You'll be impressed with the creative use of space.
It's a 200-square-foot condo with 9 bedrooms,
5 bathrooms, and an indoor swimming pool!"**

2015 in Review

Thank you to this year's President, Randy Turnquist and his outstanding leadership team, our amazing REALTOR® and Affiliate members and SCCAR staff who made 2015 remarkable year. We look forward to working together again in 2016!





**HAVE A
GRAND
2016**





Affiliate Spotlight

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At Dronex we use drones to provide aerial video and still photography to greatly enhance your marketing plan and help you sell your listings faster. We shoot video of the property and the surrounding area, edit it and add music. When you upload the two-minute video to your website, your customers and prospects get a bird's eye view of what could be their new home. The accompanying music creates a pleasant mood for the scene.

We look forward to creating a great video of your current or next listing. Please call, text or email to hear about our special introductory rates for SCCAR members.

Come fly with us!



Get a C.L.U.E. For F.R.E.E.

As of the end of November 2015, C.L.U.E. (Comprehensive Loss Underwriting Exchange) Reports are no longer available from any natural hazard disclosure provider. The owner of the C.L.U.E. Report, LexisNexis, has appropriately assumed the distribution of its information. LexisNexis and insurance companies will be the only resources to access prior claims made against homeowners insurance – the C.L.U.E. Report. Here are some key points:

- The C.L.U.E. Report is not a legally required report.
- Insurance companies have free access to CLUE Reports. *Hint- buyers can ask their insurance company for a quote prior to placing an offer. The insurance company will get the C.L.U.E. in order to give them an insurance quote and this will signal the insurability of the home they are considering purchasing.
- The C.L.U.E Report is sometimes wrong- errors on a C.L.U.E. Report are difficult to fix and can delay the close of escrow.
- Agents should avoid involvement with C.L.U.E Reports since only the owner of the property (or the reporting insurance company) can make changes to the C.L.U.E Report.

You can request a copy of your C.L.U.E. report from LexisNexis® by calling toll free at 1-866-312-8076 or by visiting the website

<https://personalreports.lexisnexis.com>. The Fair and Accurate Credit Transactions Act (FACT Act) entitles consumers to one free copy of his/her consumer file from certain consumer reporting agencies during each 12-month period. LexisNexis is a consumer reporting agency. The FCRA allows a consumer reporting agency to provide a consumer report to a person who intends to use the information in connection with the underwriting of insurance involving the consumer.

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Got Tech? Or, Has Tech Got You?

Communication and empathy are key to sales success.

By Larry Kendall, chairman of The Group, Inc. and author of Ninja Selling

What?! Meg Bear, the vice-president of a major technology firm, is saying a soft skill like empathy is the critical business skill of the future? Tell us more. First, empathy is defined as *the ability to understand and share the feelings of another*.

A study by Oxford Economics of hiring managers at Fortune 500 companies finds the top three critical workplace skills that they are looking for are empathy; communication/relationship skills, and collaboration skills. The study also found that our colleges and business schools are not turning out students with these skills. Instead, the schools are focused on technology and analytical skills with little or no focus on *people skills*. This challenge is beautifully documented by Geoff Colvin in his latest book, "Humans Are Underrated." Check out this chart.

Notice the sharp decline in empathy started in the 1990s and has accelerated since 2000. What caused this? When did the Internet and email become popular? In the 1990s. Today, many young people are spending more time with their device than they are with other human beings. They are losing the ability to understand and share the feelings of another.

RULED BY TECHNOLOGY

I see this in my college classes. Ten years ago, when I entered the classroom, the students were out of their seats, visiting and making noise. My challenge was to restore order and have them take their seats so we could start class. Today, when I walk in the classroom, it is stone silent. Everyone is in his or her seat absorbed in a device. The technology has them hypnotized. Now my challenge is to get them away from their device and engaged in learning and interacting with their classmates. It's no wonder top companies are struggling to find people who can also communicate with another human being!

FACE TO FACE

How does this relate to our real estate companies and people? Is our technology making our sales teams more productive, or is it a

distraction and escape from fully engaging the customer?

In our study of high-producing real estate sales associates, we see them using the telephone and face-to-face as their primary communication modes with a little text, email, and Facebook thrown in. They are not spending a lot of time on electronic communication. Why? Because they know that empathy is a key to their success and empathy comes through live interaction.

Here's some of the science in favor of face-to-face and voice-to-voice.

- **Faster.** The average person can talk at 150 to 180 words a minute and only type or text at 30 to 40 words per minute.
- **Better.** Empathy happens with the eyes. Face-to-face is the most powerful form of communication. Fifty-five percent of communication is non-verbal (body language).
- **Quality.** Some 82 percent of all emails are misunderstood as far as tone. (Source: Harris Interactive Study) Have some fun at your next sales meeting by having the group repeat this statement seven times, each time accenting a different word:

"I didn't say he shot his wife."

It will be hilarious, and you quickly realize this statement could easily be misunderstood via email.

- **Attention.** Tony Hsieh, president of Zappos, says, "The telephone is the most amazing device ever invented. I recommend my people use the phone versus email. By phone, you have the customer's undivided attention."

Are we saying scrap the technology? No! We are saying that you must properly use your technology. Use it as a tool to build relationships and empathy rather than as a tool to isolate and buffer. We are still a sales business. Empathy, communication, and relationships are still at the core of what we do—even in a high-tech world. Control your technology rather than letting it control you. Got tech? Or, does tech got you?

E-mail Marketing Tips

Keep talking

Less is not more. It's ok to send 2 or 3 emails per month. As long as the content is fresh and relevant, it will be opened. Keeping the conversation alive keeps you top of mind. Plus, it allows for a continuous localized story – on local lifestyle, market shifts, etc. For example: "Danville school district ranks 8th in California for scholastic achievements" followed by "Graduates of Danville schools earn 23% more in their career". Note: those are fictitious and NOT subject lines. However, don't repeat subject lines! Each one needs to stand out on its own merit.

Numbers rock

Ever notice that magazines have covers that scream "17 Tips to Lose 10lbs This Week" get your attention? Years of testing have proven tips combined with numbers draw attention and drive sales.

It sets an expectation.

List key info first

Remember, you have 38 – 47 characters. Make them count. And, make sure your subject line doesn't get cut off. Send yourself a test

Speaking of test

Test, test, test. Send the same email with 2 different subject lines to a portion of your list and track the reporting.

Look beyond opens

If you didn't have a strong open rate, but a fantastic conversion rate (download, click-through, reply, etc.) that's good! Something in your subject line and email appealed to a more narrow, and potentially lucrative segment of your list. The goal is conversion. Keep that in mind.

Santa Cruz County Housing Statistics

November 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	11	63	23	63	\$1,128,640	\$899,900	\$518	98%	\$25,958,725	1,958	11,653	2.1
Ben Lomond	4	18	7	40	\$669,714	\$740,000	\$402	100%	\$4,688,000	1,782	33,753	2.2
Boulder Creek	8	40	14	34	\$538,857	\$544,750	\$392	99%	\$7,544,000	1,426	20,017	2.5
Brookdale	0	2	1	103	\$490,000	\$490,000	\$391	100%	\$490,000	1,252	12,458	2
Capitola	2	11	2	95	\$913,500	\$913,500	\$418	92%	\$1,827,000	2,183	5,794	2.4
Corralitos	1	13	2	230	\$1,012,000	\$1,012,000	\$310	95%	\$2,024,000	3,231	288,498	5.6
Davenport	0	2	0									
Felton	10	26	8	118	\$477,429	\$433,000	\$358	99%	\$3,819,434	1,324	15,758	2.7
Freedom	4	5	2	81	\$465,000	\$465,000	\$268	101%	\$930,000	1,826	12,872	5
La Selva Beach	3	10	1	40	\$670,000	\$670,000	\$397	96%	\$670,000	1,688	4,835	7.5
Los Gatos	4	24	3	50	\$1,550,000	\$1,225,000	\$500	94%	\$4,650,000	3,063	441,190	5.1
Santa Cruz	34	112	33	55	\$939,427	\$900,000	\$503	98%	\$31,001,100	1,806	25,173	2.3
Scotts Valley	6	21	8	39	\$765,862	\$736,000	\$397	98%	\$6,126,900	1,978	188,190	2.3
Soquel	5	20	6	27	\$1,062,666	\$968,000	\$475	102%	\$6,376,000	2,188	203,091	3.8
Watsonville	19	67	13	22	\$565,646	\$599,000	\$312	99%	\$7,353,399	1,794	30,865	3.2
Royal Oaks	1	13	2	29	\$629,000	\$629,000	\$331	99%	\$1,258,000	1,897	225,058	4.9

November 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	6	21	6	23	\$717,395	\$701,125	\$620	98%	\$4,304,375	1,106	1,106	3
Boulder Creek	0	3	1	164	\$328,500	\$328,500	\$269	92%	\$328,500	1,220	0	3
Capitola	4	10	2	79	\$472,000	\$472,000	\$440	99%	\$944,000	1,084	775	2
Freedom	1	0	0									
La Selva Beach	0	5	0									
Santa Cruz	6	27	12	33	\$473,666	\$474,500	\$444	100%	\$5,684,000	1,054	1,049	1.7
Scotts Valley	2	5	5	58	\$500,000	\$488,000	\$414	101%	\$2,500,000	1,206	1,246	1.4
Seacliff	0	0	1	7	\$880,000	\$880,000	\$816	101%	\$880,000	1,078		0
Soquel	1	3	0									
Watsonville	6	9	2	66	\$413,750	\$413,750	\$430	100%	\$827,500	969	263,037	2.3

October 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	17	90	26	46	\$893,612	\$768,750	\$472	99%	\$23,233,916	1,949	15,686	2.9
Ben Lomond	7	20	11	52	\$685,272	\$662,000	\$370	98%	\$7,538,000	1,916	69,961	2.2
Boulder Creek	22	54	10	30	\$630,282	\$634,450	\$429	99%	\$6,302,828	1,522	135,554	3.9
Brookdale	0	4	0									
Capitola	9	12	4	23	\$1,015,937	\$1,030,000	\$724	98%	\$4,063,750	1,554	3,910	2
Corralitos	4	15	3	43	\$926,666	\$1,020,000	\$446	95%	\$2,780,000	2,549	302,466	7.5
Davenport	1	2	1	19	\$659,000	\$659,000	\$561	100%	\$659,000	1,175	2,701	3
Felton	8	22	11	17	\$520,318	\$525,000	\$428	101%	\$5,723,500	1,290	13,416	1.8
Freedom	3	2	1	0	\$411,000	\$411,000	\$247	100%	\$411,000	1,665	1,176	3
La Selva Beach	0	10	3	91	\$1,189,833	\$1,240,000	\$575	98%	\$3,569,500	2,061	4,356	6
Los Gatos	5	25	6	69	\$1,018,000	\$982,500	\$451	99%	\$6,108,000	2,203	230,428	5.8
Santa Cruz	47	132	47	45	\$899,496	\$795,000	\$534	99%	\$42,276,324	1,666	15,507	2.5
Scotts Valley	16	35	9	113	\$840,777	\$779,000	\$386	98%	\$7,567,000	2,320	33,207	3.1
Seacliff	0	0	1	59	\$1,215,000	\$1,215,000	\$544	90%	\$1,215,000	2,234	4,704	0
Soquel	8	25	3	34	\$750,000	\$710,000	\$442	99%	\$2,250,000	1,586	30,158	5
Watsonville	30	68	22	40	\$524,886	\$477,500	\$313	101%	\$11,547,499	1,662	28,715	2.5
Royal Oaks	4	19	3	45	\$518,000	\$535,000	\$315	94%	\$1,554,000	1,713	117,312	4.4

October 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	7	22	4	29	\$646,250	\$654,000	\$456	101%	\$2,585,000	1,402	1,067	2.3
Boulder Creek	3	4	2	71	\$395,000	\$395,000	\$293	100%	\$790,000	1,346	1,329	6
Capitola	3	7	9	28	\$536,888	\$410,000	\$443	98%	\$4,832,000	988	866	1
La Selva Beach	0	6	0									
Santa Cruz	18	33	12	18	\$549,833	\$567,000	\$448	100%	\$6,598,000	1,262	1,155	2
Scotts Valley	2	6	4	8	\$550,500	\$523,000	\$419	103%	\$2,202,000	1,353	1,056	2
Seacliff	0	0	0									
Soquel	2	2	0									
Watsonville	4	10	7	129	\$483,285	\$515,000	\$397	98%	\$3,383,000	1,207	871	1.6

Data provided by MLS Listings, Inc.

January 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1 SCCAR Closed	2
3	4	5		6	7 Tour Marketing Meeting 8:30 - 9 am	8 Board of Directors 8:30 am MLS First Class 9:30 am Listing Mgmt. 1:30 pm
10	11 Education Committee 9:30 am	12	13 Installation & Award Luncheon 11 am - 2 pm	14 Tour Marketing Meeting 8:30 - 9 am	15 Affiliate Committee 9 am	16
17	18 SCCAR closed in honor of Martin Luther King Day	19	20 Housing Foundation 2 pm Budget & Finance 11 am	21 Tour Marketing Meeting 8:30 - 9 am	22 Events Committee 10 am	23
24	25 RPR 10 am HomeSnap Pro 1 pm	26	27	28 Tour Marketing Meeting 8:30 - 9 am	29 SCCP History & Culture 9:30 am	30
31	← C.A.R. Anaheim →					

February 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2 	3	4 Tour Marketing Meeting 8:30 - 9 am	5 Local Govt. Relations 9 am Top Producers Panel - 9-11 am	6
7	8 Education Committee Mtg. 9:30 am	9	10 Housing Foundation 2 pm	11 Tour Marketing Meeting 8:30 - 9 am	12 Board of Directors 8:30 am	13
14 <i>Happy Valentine's Day</i>	15 SCCAR Closed President's Day	16	17	18 Tour Marketing Meeting 8:30 - 9 am	19 New Member Orientation 8 am - 4pm	20
21	22 Budget & Finance 10 am	23	24	25 Tour Marketing Meeting 8:30 - 9 am	26 SCCP Land Use 9:30 am	27
28	29					