

REALTOR®

Your local Association news source

May/June 2022

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REALTOR



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REALTORParty.realtor



BUSINESS NEWS

Home prices accelerated at fastest pace in 47 years during Q1



PRESIDENT'S MESSAGE

Did you know May is REALTOR® Advocacy Month?



MARKET DATA

State and local housing data for April 2022





Kathy Oliver, SCCAR President

PRESIDENT'S MESSAGE

May 2017
REALTOR® Advocacy Month
 VOTE ★ ACT ★ INVEST

Did you know that May is REALTOR® Advocacy Month? This is the time for us, as REALTORS®, to get out the vote and get involved in our local political races. June 7th is the Statewide Primary Election so do your [homework](#) and be informed before you go to the polls to vote. Are the candidates running in favor of private property rights? How do the bills effect you? Are you a virtual advocate for car.org?

Our Members have an opportunity to join the C.A.R. leadership on May 12th at 10 AM PT, to discuss climate change trends, future of housing development in our wildfire-prone state and more. This will be roughly a 90 min webinar for our members to help empower property owners, homeowners, local governments, and pertinent stakeholders to proactively reduce wildfire hazards and find effective solutions. Register [here](#).

Did you know that car.org has many business tools at any REALTOR's® disposal to use? Visit <https://www.car.org/en/tools/businessproducts> to see products to enhance your real estate career. Visit <https://www.car.org/tools/mobileapps> to download smartphone apps to help you conduct your business anywhere you go. There's even a link for discovering any down payment assistance in the area of any property you are working with - <https://www.car.org/en/tools/downpaymentresource>

Did you know that the Santa Cruz County Association of REALTORS® is having our hybrid general membership meeting next Tuesday, May 17th, 9:30-11 AM? Register and be informed of current SCCAR, C.A.R., NAR and MLS information from our Directors, who attended the Sacramento State meetings. [RSVP online!](#)

And remember... VOTE - ACT - INVEST!

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ADVOCACY starts with YOU

You're a member of the REALTOR® Party—the only advocacy group in America that fights exclusively for homeownership, real estate investment, strong communities and the free enterprise system. Here are six easy ways to get started.

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
Register To Vote	REALTOR® Party Mobile Alerts	Follow Us	Visit Us Online	Check Your Email	Do Your Research
Our goal is to have as many of our members registered and at their polling place on Election Day as possible	Text REALTOR to 30644 to have national and state calls for action sent directly to your phone	Follow the REALTOR® Party on Facebook and Twitter. Use #REALTORParty in your posts.	Stay tuned to www.realtoractioncenter.com for the latest news and information	The REALTOR® Party News newsletter is sent the 2nd Thursday of the month	Learn who your elected officials are and where they stand on real estate issues

www.realtoractioncenter.com

GO VIRAL ON JUNE 1

MARKETING XPERIENCE: A VIRTUAL SUMMIT

CALIFORNIA ASSOCIATION OF REALTORS®

\$15 FOR C.A.R. MEMBERS



SCCAR was well represented at the Legislative Meeting in Sacramento recently. They were doing the work to help protect private property rights and our ability to do business. Thank you to all who attended!



Attend 3 out of the 4 events and earn your 2022 MREP Honors Certificate!

Wednesday, May 18, 2022
4 - 6 PM at Beer Thirty
 2504 S Main St., Soquel

This event is free! A one drink minimum is encouraged to help support the local business.



What is MREP?

Modern Real Estate Professionals (MREP) is a group of engaged committee members whose goals are to provide newer members in the real estate profession a platform to network, build relationships and increase awareness of SCCAR benefits and activities. Bimonthly mixers are held in a variety of topics designed to give new agents a jump start in the real estate profession.

2022 Schedule of Events

July 20
 Progression of REALTOR Career

September 21
 Wealth Management

November 16
 Rising Movers & Shakers! MREP Honors Awarded



Learn how to get more involved with MREP or be a sponsor!
 Email: contact@mysccar.org



Event Sponsored by:



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OLD REPUBLIC HOME PROTECTION



UPCOMING EVENTS & EDUCATION

Fair Housing Day

5/17

This single-day fair housing event will feature exciting keynote speakers, industry leaders and practitioners with deep experience working to expand homeownership opportunities.

Tuesday, May 17, 2022 - 9 AM - 3 PM Virtual
Free. [RSVP](#)



MREP Kickoff!

5/18

Join us for networking, fun, games, food and an overall good time! Enter our raffle to win SF Giants Game Tickets! Designed for newer members to get to know the great people and resources our industry has to offer – all are welcome!

Wednesday, May 18, 4 -6 PM at Beer Thirty



Continuing Education

5/17

Live webinar via Duane Gomer, Inc. All students will receive 3 hours for each of the following courses "Agency, Ethics, Trust Funds, Fair Housing, Risk Management, Management and Supervision and 15 hours for Property Management Success and 12 hours for Mortgage Lending for the Real Estate Professionals

Tuesday, May 17, 2022 - 10 AM - 1 PM [Register](#)

Land Use (SCCP)

5/20

This class will cover: Minimum steps to determine "build ability" of a parcel, Biggest hurdles working with county or city planning/building depts., How to gain access legally to landlocked parcels and so much more.

Friday, May 20, 2022 - 9:30 - 11:30 AM via Zoom
\$20 [Register](#)



Owner & Tenant Rights

5/18

Learn about the rights on both sides of this unique business relationship. Topics will include detailed information on habitability, evictions, responsibilities, impacts of COVID and much more.

Wednesday, May 18, 2022 - 9:30 - 11 AM at the SCCAR office
\$10. [Register](#)



In Person Tour Meeting

Thursday Mornings

Join us for our weekly Tour Marketing meeting to promote a listing, hear about what's on the market and what's coming up, share wants/needs and see some friendly faces! Meetings are held at our office, 2525 Main St., Sequel from 9 – 9:30 AM.



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HOME PRICES ACCELERATED AT FASTEST PACE IN 47 YEARS DURING Q1

Fannie Mae Home Price Index records a 20% year over year jump in prices

Home price growth accelerated at a rapid pace during the first quarter of 2022, according to the Fannie Mae Home Price Index, published in May.

During the first quarter of 2022, the FNM-HPI rose 20% year over year, up from 19.1% annual growth rate reported during the fourth quarter of 2021. In addition, this is the fastest annual pace ever recorded in the 47 year history of the index.

The FNM-HPI is a national repeat-transactions home price index measuring the average, quarterly price change for all single-family properties in the United States, excluding condos. According to Fannie Mae, the index is designed to serve as an indicator of general single-family home price trends.

"After decelerating toward the end of 2021, the FNM-HPI sped up in the first quarter due to continued strong homebuying demand and a lack of inventory," Fannie Mae chief economist Doug Duncan said in a statement. "We believe recent homebuying demand was augmented by many homebuyers pulling forward their home purchase plans in anticipation of rising mortgage rates."

On a quarterly basis, home prices rose 4.8% at a seasonally adjusted basis during the first quarter.

As mortgage rates have continued to rise, now firmly above 5%, buyers have lost some of their buying

power. As a result, home sellers in some markets are being forced to lower their list price.

During the four week period ending on April 3, 12% of home sellers dropped their asking price, according to a report from Redfin. A year prior, only 9% of homes on the market during the four week period saw price drops.

"Price drops are still rare, but the fact that they are becoming more frequent is one clear sign that the housing market is cooling," Redfin chief economist Daryl Fairweather said in a statement. "It goes to show that there's a limit to sellers' power. There is still way more demand than supply, and buyers are still sweating, but sellers can no longer overprice their home and still expect buyers to clamor at their door. That's because higher mortgage rates are eating into homebuyers' budgets."

Also cutting at prospective homebuyers' buying power is inflation. With inflation rising at 8.5% in March, the average consumer is spending \$511 more per month compared to a year ago, while wages have only risen \$212 per month. Due to this, the average homebuyer will be looking for a home that is \$41,793, according to a report from the National Association of Realtors.



NAR Asks Supreme Court to Protect Consumers from Lawsuits When Making Floor Plans of Their Homes

WASHINGTON (April 7, 2021) – The National Association of Realtors® today filed an amicus brief with the U.S. Supreme Court in an effort to protect American consumers from a recent decision of the United States Court of Appeals for the Eighth Circuit. The Court's ruling misrepresents federal law and would invalidate decades of legal precedent by allowing copyright infringement lawsuits to be filed against homeowners who make or display floor plans of their own homes.

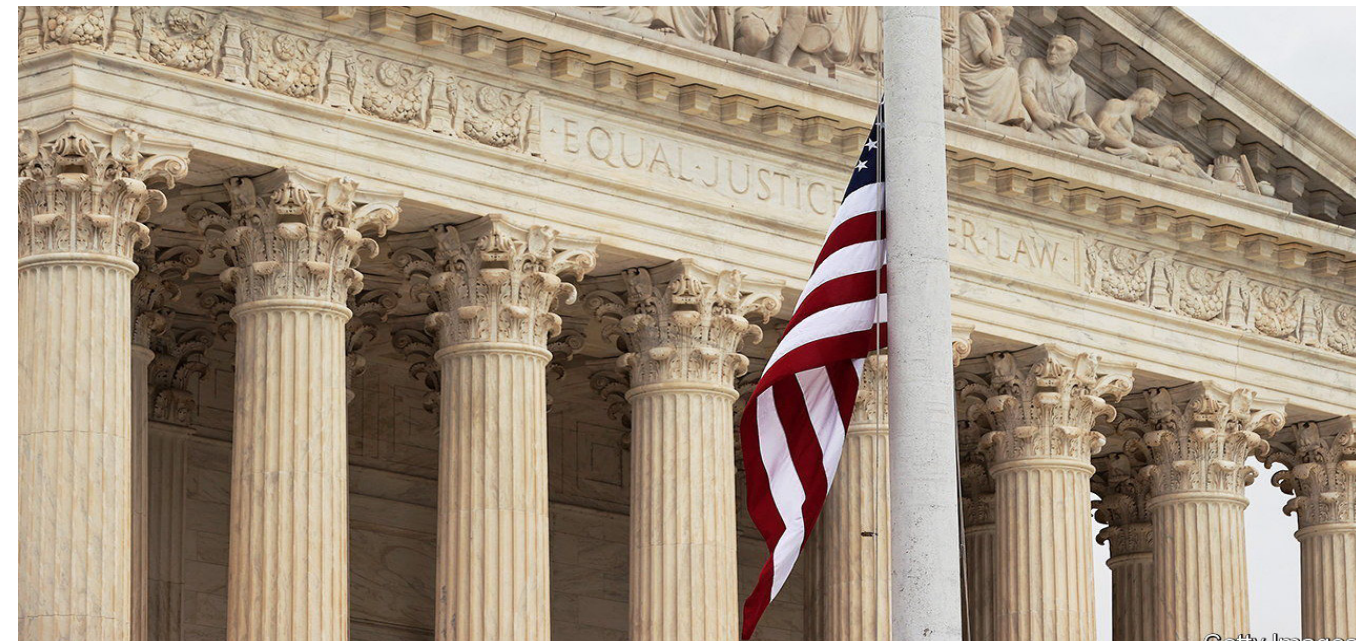
The brief was introduced alongside 18 groups representing consumers and professionals throughout the U.S. real estate industry, including the Redfin Corporation®, the Zillow Group, the American Property Owners Alliance and CoreLogic.

"The U.S. housing market accounted for roughly 18% of our country's GDP in 2020," said NAR General Counsel Katie Johnson. "The Eighth Circuit's decision not only puts countless consumers at risk of costly, burdensome litigation for making a floor plan of their own home, but it also strains a key sector of America's economy and threatens a critical tool of transparency for potential home buyers."

Congress specifically allowed for homeowners to create "pictures" or "other pictorial representations" of architectural works without fear of liability when crafting the Copyright Act of 1976.

"Many home buyers rely on floor plans in real estate listings to decide whether to purchase a residence, and their ability to secure financing for that transaction is often contingent on an appraisal that requires the creation of a floor plan," the brief reads. "After acquiring a dwelling, homeowners will often make floor plans to help them tackle installations, arrange furniture and complete do-it-yourself projects... [And] many jurisdictions require homeowners to submit floor plans before they renovate their property."

NAR's [2021 Home Buyers and Sellers Generational Trends](#) report found that roughly two-thirds of home buyers listed floor plans as "very useful" in the online homebuying process, ranking behind only "photos" and "detailed property information" as their most valuable resources. So important are floor plans, in fact, to the average U.S. consumer as they make one of the most consequential decisions of a lifetime, that this category ranked ahead of other key educational resources and disclosures like "neighborhood information," "virtual open houses" and price data on recently sold local homes.



MEMBERS IN THE COMMUNITY: BOWL FOR KIDS' SAKE 2022!



Thank you to our members who participated in helping local kids in need at this year's Bowl for Kids' Sake! Shout out to President Kathy Oliver, President Elect Jennifer Lyng Watson, Candace Bradfield, Director Mary Thomas, Lori Lester, Tamar Frey, Brooke Squyres, Jeri Skipper Gruen, Director Randy Turnquist, Santa Cruz Lending Group and Katy Clark for stepping up to make a difference – this is what our community is all about!



MEMBERS IN THE COMMUNITY: HABITAT FOR HUMANITY



A beautiful virtual tour and fabulous photos by Leslie Engelking, TourFactory's Authorized Photographer & FAA Drone Pilot featured Habitat for Humanity's newest housing project in Santa Cruz – services donated by SCCAR Affiliate Member Tour Factory.



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Spring 2022 top 10 emerging markets

#2

Santa Cruz/Watsonville, CA

Population: 269,925
Unemployment rate: 5.2%
Median sale price: \$1,262,500

*March 2022

The ranking evaluates the 300 most populous core-based statistical areas, as measured by the U.S. Census Bureau, and defined by March 2022 delineation standards for eight indicators across two broad categories: real estate market (50%) and economic health & quality of life (50%). Each market is ranked on a scale of 0 to 100 according to the category indicator, and the overall index is based on the weighted sum of these rankings. The real estate market category indicators are: real estate demand (16.6%), based on average unique buyers per property; real estate supply (16.6%), based on median days on market for real estate listings; median listing price trend (16.6%). The economic and quality of life category indicators are: unemployment (8.25%), wages (8.25%), regional price parity (8.25%), the share of foreign born (8.25%), small businesses (8.25%), armless (8.25%), measured as per capita. "Everyday splurge" stores in an area; commute (8.25%), and estimated effective real estate taxes (8.25%).

MLS RULE CHANGES

MLSListings Compliance department is sending notice for the following two rules updates.

1. Lockbox Rule Change

In April the MLSListings Board of Directors voted to amend the MLS rules section for the type of lockboxes allowable in the MLS service area.

- Effective immediately, the Supra BT LE is the required type, if any lockbox is used to provide showing access for agents.
- Notices will be sent to listings which are indicating other lockboxes for access.
- Enforcement begins May 25th.
- Note: A lockbox is not required on listings but if there is a lockbox used for showing access, there must also be the Supra lockbox BT LE
- Changes to listing input options will follow

Currently, the Supra BT LE (Bluetooth Low Energy) is the type SCCAR offers.

The MLS Rules can be found [here](#). The changed section is 13.12 Lockbox Accessibility

2. Changes to List Price Upon Acceptance

Recent agent activity has emerged where the list price of a property is being changed to reflect the price of the accepted offer. The reasons given were primarily to influence the property's appraisal.

The MLS rules have a prohibition on this type of change. In section 10.2 Reporting of Sales, the rule reads: The listing shall be published on the MLS as "contingent" or "pending" with no price or terms prior to the final closing.

If price change activity is reported or detected the MLS Compliance department will restore the last list price and issue a first offense warning and then subsequently fines and other enforcement will follow.

This is the rule: 10.2 Reporting of Sales

Listings with accepted offers shall be reported to the MLS or input into the MLS database by the listing broker as "contingent" or "pending" by the end of next day after the acceptance by the listing broker unless the negotiations were carried on under Section 9.1 (a) or (b), in which case, the buyer broker shall notify the listing broker of the "contingent" or "pending" status by the end of next day after acceptance, whereby the listing broker shall then report or input the status change to the MLS by the end of next day after receiving notice from the buyer broker. **The listing shall be published on the MLS as "contingent" or "pending" with no price or terms prior to the final closing.** Upon final closing, the listing broker shall report or input the listing in the MLS as "sold" and report the selling price by the end of the next day after the final closing date unless the negotiations were carried on under Section 9.1 (a) or (b), in which case, the buyer broker shall notify the listing broker of the "sold" status and selling price by the end of the next day after the final closing date, whereby the listing broker shall then report or input the status change and selling price to the MLS by the end of the next day after the final closing date.

Should you have questions regarding either topic or to report a violation, please contact MLSListings Compliance at compliance@mllistings.com or call 408-874-0200, option #2

Report as of

April 2022



California Latest Market Data

How the market is doing



*Daily Average for week ending April 9, 2022

509

Closed Sales per day*



351

Pending Sales per day*



271

New Listings per day*



% change indicates change from last week

What REALTORS® are saying



-5.9%

21.3%

Closed a sale



-4.3%

23.2%

Entered escrow



-0.3%

23.2%

Listed a property

% change indicates change from last month

What REALTORS® think will happen



3.7%

35.6%

Sales will be up

0.8%

51.3%

Prices will be up

1.0%

40.3%

Listings will be up

% change indicates change from last month

Source: California Association of REALTORS®

Santa Cruz County Housing Statistics

April 2022: 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	34	31	31	18	\$2,004,706	\$1,700,000	\$874	113%	\$62,145,916	2,187	39,290	1.4
Ben Lomond	9	6	5	16	\$972,700	\$880,000	\$733	109%	\$4,863,500	1,455	15,098	1
Boulder Creek	16	19	14	16	\$830,660	\$754,500	\$658	111%	\$11,629,250	1,446	48,252	1.7
Brookdale	0	0	3	6	\$714,666	\$699,000	\$619	112%	\$2,144,000	946	13,939	0
Capitola	7	7	3	10	\$1,510,000	\$1,630,000	\$1,447	95%	\$4,530,000	1,063	3,064	1.8
Corralitos	1	5	1	9	\$1,150,000	\$1,150,000	\$908	110%	\$1,150,000	1,267	15,159	15
Felton	15	19	9	10	\$1,050,888	\$1,200,000	\$861	115%	\$9,458,000	1,258	23,890	3
Freedom	3	1	1	5	\$931,000	\$931,000	\$645	104%	\$931,000	1,443	6,229	1
La Selva Beach	1	1	0									
Los Gatos	10	19	12	24	\$1,834,583	\$1,937,500	\$679	102%	\$22,015,000	2,667	264,896	2.5
Mount Hermon	1	1	0									
Santa Cruz	53	40	62	15	\$1,811,289	\$1,600,000	\$1,104	113%	\$112,299,958	1,803	24,122	0.9
Scotts Valley	16	14	13	9	\$1,905,753	\$1,905,000	\$776	110%	\$24,774,800	2,550	42,475	1.7
Seacliff	0	0	1	6	\$1,322,000	\$1,322,000	\$1,763	110%	\$1,322,000	750	3,833	0
Soquel	10	11	3	6	\$1,800,000	\$1,650,000	\$940	110%	\$5,400,000	2,233	1,546,830	2.5
Watsonville	26	37	22	11	\$950,477	\$825,000	\$629	102%	\$20,910,500	1,618	47,275	2
Summary	202	211	180	12	\$ 1,342,052	\$1,261,000	\$819	108%	\$283,573,924	1,620	149,597	2.5

April 2022: 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	7	14	8	\$1,172,250	\$1,222,500	\$949	111%	\$16,411,502	1,334	1,851	0.9
Boulder Creek	0	0	1	5	\$760,000	\$760,000	\$461	109%	\$760,000	1,650	1,400	0
Capitola	6	6	3	10	\$862,333	\$912,000	\$907	109%	\$2,587,000	962		1.4
Freedom	1	2	0									
La Selva Beach	0	0	1	5	\$1,900,100	\$1,900,100	\$1,039	123%	\$1,900,100	1,829	1,220	0
Santa Cruz	11	11	11	26	\$805,864	\$822,000	\$819	109%	\$8,864,514	1,064	907	1.3
Scotts Valley	5	2	3	5	\$991,000	\$908,000	\$593	119%	\$2,973,000	1,539	1,612	0.6
Watsonville	7	5	8	8	\$1,149,022	\$878,000	\$810	108%	\$9,192,178	1,199	967	1.3
Summary	38	33	41	10	\$1,091,510	\$908,000	\$819	113%	\$ 42,688,294	1,368	1,326	0.8

APRIL 2022 MARKET SNAPSHOT - SINGLE FAMILY HOMES - YEAR OVER YEAR



MARKET MINUTE

With the Federal Reserve anticipated to take more aggressive steps to fight inflation, interest rates rose further in the past week and hit the highest level since late 2018. Despite the increase, the California housing market has remained solid so far this year, and there are signs that point to a decent homebuying season in the upcoming months. The supply situation, for example, should improve in the near term as many potential sellers indicated that they will put their properties up on the market in the next six months. Home prices, meanwhile, are also expected to rise but at a more moderate pace than earlier this year. For the economy, there are increasing concerns that the central bank's balancing act will trigger a recession in 2023. It is, however, still too early to tell whether the Fed's move will lead to an economic soft landing or a downturn.

