

OCTOBER 2004



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LEGISLATIVE  
WATCH

**You are Invited to a Key Exchange!**

In order to provide agents with the most secure and technically advanced system, the Santa Cruz Association of REALTORS® is implementing Supra's latest lockbox keys.

**When?**

Monday, October 11<sup>th</sup> and Tuesday, October 12<sup>th</sup>

**Where?**

The Coast Santa Cruz Hotel 175 West Cliff Drive, Santa Cruz CA

Learn more about the new system at [www.supraekey.com](http://www.supraekey.com). For information on your organizations key exchange:

- Select Key Exchange Information from the right side navigation
- Select Santa Cruz Association of REALTORS® from the drop-down field



**What do I bring?**

- Yourself! Everyone getting a DisplayKEY must attend in person.
- Your photo I.D. or driver's license
- Your existing Superkey or SuperCards

**Do I just show up?**

We simply can't process everyone at once therefore we'd appreciate your coming during the scheduled date/time listed below. Find where your last name falls alphabetically and you'll see when to show up. (Example: Julia Roberts is in the "PRAT-ROSS" category so she would come on Tuesday, October 12<sup>th</sup> at 11 am.)

See **Key Exchange**, Page 7

Time	MON 10/11/2004	TUE 10/12/2004
9:00 am	AAAA - APRI	LACA - MA
9:30 am	ARMS - BART	MACD - MERC
10:00 am	BASH - BROD	MERE - NORR
10:30 am	BROO - CHES	NORT - POWE
11:00 am	CHIL - DAVI	PRAT - ROSS
11:30 am	CLOSED FOR LUNCH	CLOSED FOR LUNCH
1:00 pm	DAWS - ESTE	ROST - SHAF
1:30 pm	EVAN - GERE	SHAN - STON
2:00 pm	GERI - HEIT	STRA - TROC
2:30 pm	HELI - JOHN	TROU - WHIT
3:00 pm	JONE - KURM	WICK - ZZZZ
3:30 pm	CLOSED	CLOSED

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**REAL ESTATE** is the official monthly newspaper of the Santa Cruz Association of REALTORS® provided as a member-service to inform, educate and update REALTOR® and Affiliate members on local, state and national real estate news and the Association's calendar of events.

SANTA CRUZ ASSOCIATION OF REALTORS®

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# California Real Estate Brokers and Compensation Insurance

(From the Department of Industrial Relations)

California law requires real estate brokers to provide workers' compensation insurance coverage for their real estate agents, even when those agents are independent contractors. For purposes of workers' compensation insurance, the relationship between a real estate broker and a real estate salesperson is governed by Section 3200 et seq. of the California Labor Code, available at [www.leginfo.ca.gov](http://www.leginfo.ca.gov) (click on California Law).

The law mandating that employers carry workers' compensation insurance came into existence as an exclusive remedy for on the job injuries, which would save them from personal injury lawsuits that could devastate their businesses and employment opportunities for agents.

In recent months, the failure of some real estate brokers to comply with this law has come to the attention of the Department of Industrial Relations (DIR), the state

agency that oversees enforcement of Labor Code, underscoring the need to educate brokers about their responsibilities.

Failure to comply carries stiff penalties. If an agent of an uninsured broker gets injured while working and cannot collect the workers' compensation benefits to which they are entitled through the broker's policy, the agent receives benefits from the state's Uninsured Employers Fund (UEF), administered by the Department of Industrial Relations' Division of Workers' Compensation (DWC). The DWC, in turn, makes every attempt to collect from the broker on behalf of the UEF. The DWC takes steps to recoup funds using the same methods the state uses to collect overdue taxes, child support and student loans, which can include liens against real property and asset attachments.

Additionally, when an investigation conducted by the Department of Industrial Relations' Division of Labor Standards Enforcement (DLSE) determines an em-

ployer is illegally uninsured, DLSE issues orders preventing the employer from conducting business until they show proof of valid workers' compensation insurance, along with civil citations. Civil citations for failure to carry workers compensation insurance carry fines of up to \$100,000.

Real estate brokers who erroneously require agents to carry their own workers' compensation insurance may also be liable for potential claims for reimbursement and law suits from current or former sales agents.

All uninsured employers in the real estate industry are urged to obtain workers' compensation coverage, either through the state-recognized self-insurance program administered by the Department of Industrial Relations (further information is available at [www.dir.ca.gov/SIP/sip.html](http://www.dir.ca.gov/SIP/sip.html)), or through any carrier authorized by the California Department of

See **California Real Estate**, Page 17

## Affiliate News

By Scott Pine, Vice Chair of the Affiliate Committee

Our hats are off to all the Affiliate, SCAOR and Staff members who volunteered their time to make this year's SCAOR Charity Golf Tournament the most successful ever. This event would not happen without these volunteers. THANKS FOR CARING!

As we move into year-end activities and begin our plan for 2005 I wanted to share with our membership the progress we have made in fully integrating Affiliate Committee activities. In this two part series, part one will focus on the background with part two discussing the proposed plans.

Last year as part of the SCAOR Strategy Plan it was recommended that the Affiliate Committee be completely integrated into the normal SCAOR committee structure (Motion #8- BD2004-8).



See **Affiliate News**, Page 7

## Affiliate Spotlight

### Shoreline Residential & Construction Lending Inc.

1395 41<sup>st</sup> Avenue Ste. E

Capitola, CA 95010

P: 831 462-8840 / F: 831 462-8843

[www.shorelinelending.com](http://www.shorelinelending.com)


Shoreline Lending was established in January of 1998 following the closure of Commercial Pacific Bank. It was formed by partners Pete Pearson, Don Hastings and Rod Wilkerson. All three had worked for Commercial Pacific Bank previously and have almost 75 years of experience in the mortgage industry.

Shoreline Lending is a Mortgage brokerage specializing in residential, commercial, multi-Residential and construction loans. Shoreline is approved with a number of major lenders nationwide enabling them to offer individualized service based on each client's needs.

Completing the staff of Shoreline Lending are: Art Cabral, Loan Consultant and Sara Limroth, Sr. Administrative Assistant. See our ad on Page 13

## New Members

### Alexander, Anthony & Brown, Inc.

Patricia Nelson

### Bailey Properties, Inc.

Karla Hawkinson

Lynda Paulsen

Oscar Gutierrez

### Cal-Coast Realty & Lending

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Comments about an applicant's admittance should be submitted in writing to the: Santa Cruz Assn. of REALTORS®, 2525 Main St., Soquel, CA 95073.

# CAR Local, State and National Issues Update

The Liaisons Communication Committee invites ALL SCAOR REALTOR® and Affiliate Members to join us for the CAR update on **October 18 at 2:00pm at the Santa Cruz Association of REALTORS®.**

Purpose of the meeting is to distribute information and time sensitive issues to our entire membership related to the Real Estate industry from the Association, Committees, C.A.R., & NAR.

**Mark your calendar and plan to attend. You will hear updates on:**

- C.A.R. new forms and updates
- WinForms use
- Legal updates on issues that affect our business

- MLS/ Lockbox updates
- Land use and Local Government issues
- Lending industry issues
- Legislative issues and much more.....

Three times a year our local Association sends 12 people to the C.A.R. meetings. The information that the CAR Directors bring back can and will affect you. Please join us on Monday the 18<sup>th</sup> for this update. There will be a question and answer session with each presentation and handouts. Please call the Association at 831-464-2000 to reserve your seat today.

# SCAORHF

We are proud to announce the formation of the **Santa Cruz Association of REALTORS® Housing Foundation (SCAORHF).** SCAORHF, which was incorporated in 2003, received tax-exempt status from State of California earlier this year, and just recently received tax-exempt status from the Internal Revenue Service!

Congratulations to the Board of Trustees and the many committee members who are working diligently to bring the Foundation from concept to reality. A lot of energy is being spent building an infrastructure for the organization and articulating how SCAORHF will assist in the Santa Cruz community by putting more people into their own homes.

The Tax ID# for the Santa Cruz Association of REALTORS Housing Foundation, A California Non-Profit Public Benefit Corporation, is 20-0748009, and all contributions will be tax-deductible as a charitable donations under Section 170 of the Internal Revenue Code.

The following Mission and Vision statements have been developed to further explain what we plan to accomplish in the upcoming years.

**Mission:**  
Our purpose is to assist residents of our

community in realizing the dream of homeownership in Santa Cruz County by providing education, financial programs, and by supporting organizations who embrace our goals.

**Vision:**  
Bridging the gap to homeownership

Funds will be used to provide purchasing assistance to low income participants locally.

Stay tuned for more info about SCAORHF in the continuing weeks.

## Trustees Needed for Housing Foundation

The Board of Trustees will be looking for Trustees to serve beginning in January 2005. If you are interested in serving on the Santa Cruz Association of REALTORS Housing Foundation Board of Trustees, please contact Philip Tedesco at [ptedesco@scaor.org](mailto:ptedesco@scaor.org) by Friday, October 22<sup>nd</sup>.

**SAVE THE DATE**  
*Communication Committee Meeting*  
October 18, 2:00pm  
Santa Cruz Association of REALTORS®



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# You Are Invited to a Key Exchange!...continued from page 3

## Important reminders:

- The existing KIM computer will no longer be available for update codes after the exchange.
- If you're late for your appointment, you may need to wait for the next scheduled time.
- You may trade appointments with an other member.
- Plan to spend approximately two to two hours at the exchange. If you need to reschedule please call 831-464-2000.

## Frequently Asked Questions

### Q. Do I still have to call KIM once a month to update my Key?

A. No. To update your Key, you must place the Key on the cradle provided weekly to receive an automatic update.

### Q. Since I don't have to update once a month, when and how will the automatic update take place?

A. The update will take place weekly between 12:00 midnight and 5:00 am, and will take approximately 2-4 minutes. You will be given a cradle that is plugged into an analog phone line that will automatically dial into the KIM system and update your Key.

### Q. What if I forget to update my Key?

A. Listed below are 4 ways to get an update:

1.) Your Key will automatically be updated, if you place your Key on its cradle weekly and the cradle is properly connected to an analog phone line.

2.) Manual eSYNC - If your Key does not automatically obtain an update code and your Key displays "Expired", or you forget to place your Key on the cradle to automatically eSYNC, then you may get an update code by per forming a "manual eSYNC".

There are 2 ways you can get a temporary update code. Please note that only one temporary code will be given between eSYNC's:

3.) You can receive a temporary update code via the Internet by logging into [www.suprakey.com](http://www.suprakey.com)

4.) You can receive a temporary update code by calling the KIM Voice Server toll free, 24 hours a day, at 1-877-699-6787.

### Q. How long will the automatic update take?

A. The update will take between 2-4 minutes.

### Q. Can I use someone else's cradle to update my Key?

A. Yes. Any cradle can be used to update your Key.

### Q. Can I plug my cradle into the phone lines at my office?

A. It depends. The cradle is an analog device just like most fax machines and modems and will not work on digital lines. If you are unsure what type of phone line you have, please contact your telephone provider. Most office phone systems are digital and may be damaged if the cradle is used. Most phone systems do, however, have the capability of allowing analog devices such as fax machines to be used.

### Q. Since I can only use an analog telephone line to update, how do I determine if I have a digital or analog phone line?

A. If you are unsure what type of phone line you have, please call your telephone provider.

### Q. Can I update my Key using a DSL line?

A. You can update your Key using a DSL

line, if a DSL filter is used. Most DSL subscribers are given a DSL filter when their DSL line is installed so they can utilize fax machines and existing analog phones. These DSL filters can be purchased at \$10.00-\$20.00 from businesses such as Radio Shack and CompUSA. Your provider will also be able to tell you if the line is already filtered.

### Q. Can I use my telephone if my cradle is plugged into my phone line?

A. Yes. Your cradle will only call out the after midnight, and the call will last less than five minutes. Only during the two to four minutes would you not be able to make and receive calls.

### Q. What size batteries does the DisplayKEY take?

A. No batteries are necessary for your KEY. The batteries are recharged by placing the Key on the cradle.

### Q. Can I lease more than one key or cradle?

A. No, you cannot lease more than one key. You can buy additional refurbished cradles. DisplayKEY cradles are available for \$99.00.

### Q. What do I do with my key when I am out of town?

A. If you are out of town and did not choose to bring your key with you, the key may be left on the cradle and will continue to update weekly. If you choose to bring your key and cradle with you to check listings, Field Support can provide you with a local number for updating.

### Q. How will I know when to exchange my key?

A. The appointment schedule was included in the mailer you received with this information. The schedule is also available on the Supra website.

### Q. What if I leave the business or no longer need my DisplayKEY?

A. You may terminate the lease at any time by returning the leased equipment (the DisplayKEY and the DisplayKEY cradle) to your association. There is no termination fee for the DisplayKEY (unless you do not return the equipment), but any fees that were paid will not be refunded.

## Affiliate News

...continued from page 3

Even though the Affiliate Committee has essentially operated according to normal committee protocols, full integration of the Affiliate Committee completed this task. Along with the integration came some new oversight as well as expanded responsibilities.

Given the importance of Affiliate membership to SCAOR as well as Affiliate Committee contributions a number of issues surfaced. One in particular stood out in significance, Parity. After considerable work within the committees as well as discovery work by Phil Tedesco we moved forward with a giant first step. At the January 9th, 2004 SCAOR Board of Directors' meeting Motion #7- BD2004-7 "The President shall appoint from among the Association members..." motion was approved. The significance of this motion is that it changed the SCAOR By-Laws from REALTOR® member to Association member. The above-proposed By-Law changes were approved by the general membership in June.

The last motion to the Board didn't make it, so was not on the June ballot. Hopefully 2005 will see a positive outcome. Our November newsletter will attempt to explain this topic. Stay tuned.

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# California REALTOR® EXPO 2004 at the Santa Clara Convention Center Oct. 5<sup>th</sup> – 7<sup>th</sup>

The C.A.R. Expo is offered as a unique benefit of your membership in the California Association of REALTORS®. Thanks to the generosity of our sponsors and exhibitors, including American Home Shield, this special event is FREE to members of C.A.R. Please make time to stop by the AHS Booth #345 - and don't miss their educational seminar "Property Disclosure and Red Flags" in Grand Ballroom A of the Santa Clara Convention Center, Wednesday, Oct. 6th, 10:30 a.m. - 11:30 a.m.

You may register on-site at the Santa Clara Convention Center in the Great America Ballroom. Here are some of the exciting events at California REALTOR® EXPO 2004:

## Tech Tuesday

Tuesday, October 5

Packed with great seminars and informative how-to sessions! Catch up on the latest technology for real estate practitioners, plus seminars, hands-on computer training, digital imaging workshops and more.

## FREE\* California REALTOR® EXPO

Wednesday & Thursday, October 6 and 7 Visit more than 275 exhibit booths, plus attend free info-packed seminars on legal issues, do-not-call regulations, WINForms®, personal assistants and other hot real estate topics. C.A.R. members attend free.

## Economic Experts Panel

Wednesday, October 6  
Top economists join C.A.R. Chief Economist Leslie Appleton-Young to analyze today's hot housing market and explore changes in economic conditions and their potential effect on the market.



## REALTOR® Casino and Fun Night

Wednesday, October 6

Experience the excitement of real-life casino action without leaving the building - it's Las Vegas in Santa Clara, all without losing a dime. This event also will feature interactive games, including golf and speed racing activities.

## EXPO Closing Luncheon

Thursday, October 7  
Don't miss "Solving the Mystery of

Talent," presented by concert violinist North Wood. His captivating style of combining music with motivation has inspired audiences for many years.

\* While C.A.R. members attend the EXPO free of charge, minimal fees apply to ticked events, including Tech Tuesday, luncheons, and REALTOR® Casino and Fun Night. We look forward to seeing you in Santa Clara.

# C.A.R. - Sponsored 2<sup>nd</sup> Unit Bill Clears the Legislature

In the final week of session the Legislature approved AB 2702 (Steinberg), C.A.R.'s sponsored second unit housing bill. The legislation specifies that local governments cannot adopt ordinances that have the practical effect of barring 2nd units from a community. The bill is aimed at preventing arbitrary restrictions that are meant to make it exceedingly difficult, if not impossible, to put such units on a prop-

erty. If signed by the Governor, this legislation will continue to allow communities the flexibility to design guidelines that are appropriate for their neighborhoods, while at the same time, and perhaps most importantly, allowing property owners the ability to build units that are sufficient in size for their needs and aesthetically pleasing-without encroaching on the privacy of other property owners.

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# HUD Issues Final Multifamily Housing Rule

HUD has issued a final rule establishing the terms and procedures for owners of Section 236 rental assistance properties to retain some or all of their excess rental charges so they can use it to improve their properties. This final rule follows a number of statutory changes that Congress made to the Section 236 program over the past few years. These statutory changes allowed owners to keep some of their excess income in certain situations. Previously, owners had to periodically return their additional income to HUD. The final rule eliminates the need for yearly notices by HUD allowing for the retention of income in Section 236 multifamily housing projects.

In NAR's comments on the proposed rule, NAR indicated that they supported the requirement that properties must demonstrate good physical condition in order to be approved to retain excess income. However, NAR also indicated that the requirement that a property receives no Exigent Health and Safety deficiencies was too stringent. NAR pointed out that many EHS deficiencies can be quickly remedied, includ-

ing things like missing fire extinguisher tags or missing batteries in a smoke detector. In NAR comments, they stated that the final rule should indicate that only those EHS deficiencies that cannot be easily remedied should bar a property from being permitted to retain excess income. In the final rule, HUD agreed and stated that "deficiencies that are corrected should not prevent a mortgagor from being eligible to retain excess income."



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# October 2004 Standard Forms Update

## Revised Forms

The October 2004 form revisions will be released the week of October 14th. Revised forms include:

- Buyer Broker Agreement (Non-Exclusive/Not for Compensation) (BBNN) (formerly form code BR)
- Buyer Broker Compensation Contract Exclusive (BBEC) (formerly form code AAP)
- Buyer Broker Compensation Contract Non-Exclusive (BBNC) (formerly form code NAP)
- Residential Listing Agreement - Exclusive (RLA) (formerly form code LA)
- Residential Listing Agreement - Agency (RLAA) (formerly form code EA)
- Residential Listing Agreement - "Open" (RLAN) (formerly form code NEA)
- Broker/Associate-Licensee/Assistant Three Party Agreement (TPA)
- Counter Offer (CO)
- Disclosure Regarding Real Estate Agency Relationships (AD)
- Independent Contractor Agreement (ICA)
- Interim Occupancy Agreement (IOA) **\*\*Statutory change: new**

**form to be used on and after January 1, 2005**

- Natural Hazard Disclosure Statement (NHD) **\*\*Statutory change: new form to be used on and after January 1, 2005**
- Personal Assistant Contract (PAC)
- Residential Lease After Sale (RLAS) **\*\*Statutory change: new form to be used on and after January 1, 2005**
- Residential Lease or Month-to-Month Rental Agreement (LR) **\*\*Statutory change: new form to be used on and after January 1, 2005**
- Seller Statutory, Contractual and Supplemental Disclosures (SSD)
- Seller's Affidavit of Nonforeign Status and/or California Withholding Exemption (AS) New Form Release
- Buyer Material Issues (BMI)
- Market Conditions Advisory (MCA)
- New Construction Notice of Completion and Notice to Close Escrow (NCNC)
- Notice of Obligation to Pay Rental or Lease Payments in Cash (Form NPC)

- Radon Gas and Mold Notice and Release Agreement - Released 8/04 (RGM)
- Seller Instruction to Exclude Listing from the Multiple Listing Service (SEL)
- Statewide Buyer and Seller Advisory (SBSA)
- Termination of Buyer Agency (TBA) Statutory Changes (IOA, NHD, RLAS, LR)

ment (NHD), Residential Lease or Month-to-Month Rental Agreement (LR) and Residential Lease After Sale (RLAS) forms are being revised to reflect statutory changes taking effect January 1, 2005. The current versions of these forms remain valid until December 31, 2004. For more information, refer to the **October 2004 Forms Quick Summary Guide** at [www.car.org/library/media/papers/pdf/Oct04%20QuickSummary.pdf](http://www.car.org/library/media/papers/pdf/Oct04%20QuickSummary.pdf), also located on C.A.R. Online, or contact [carforms@car.org](mailto:carforms@car.org)

The Interim Occupancy Agreement (IOA), Natural Hazard Disclosure State-



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Branch Manager  
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Kevin Melrose  
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# NAR Forecasts Record Existing-Home Sales This Year

Greater than expected sales of existing homes in the first seven months of this year will help set a record for annual existing-home sales, according to NAR. Existing-home sales will increase about 6.5 percent this year to 6.5 million. New-home sales also are expected to rise to a record 1.16 million this year, up 7.1 percent from 2003. Housing starts are forecasted to increase 4.8 percent to 1.94 million in 2004, the strongest pace since 1978.

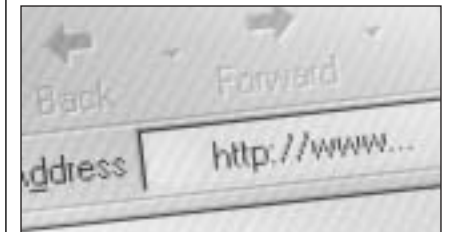
Though NAR projects the 30-year fixed-rate mortgage to slowly rise to 6 percent in the fourth quarter, the average rate for the entire year should be 5.9 percent, the second-lowest annual average since the mid-1960s. The lowest rate in recent years was 5.8 percent in 2003.

The national median existing-home price for all of 2004 is expected to rise 7.5 percent to \$182,700. At the same time, the median new-home price will grow by 8.9 percent to \$212,300, according to NAR. For more information, please visit: [www.realtor.org/PublicAffairsWeb.nsf/pages/NARNewsReleases?OpenDocument](http://www.realtor.org/PublicAffairsWeb.nsf/pages/NARNewsReleases?OpenDocument)



# NAR Survey of Online Education Habits

In a recent online survey of REALTORS®, NAR's Education Services area found that 45 percent of respondents had taken an online education course in the last 12 months. Most respondents said they like online education because it fits into their schedules and they save travel expenses by taking courses on their home or office computers. The majority of respondents also said they take online courses to help them be more successful in their business. To view more survey results, Go To: <http://www.realtor.org/runivers.nsf/pages/JumpSurveyResultsOverall>



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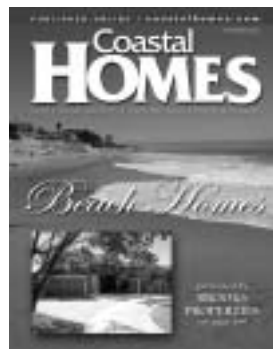
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# Calendar

# October 2004

## ANNUAL CALENDAR OF EVENTS NOVEMBER 2004

November 11 Veteran's Day Office Closed / November 12 GRI 113 – Real Property & Tax Exchange / November 15 InfoLink Class / November 25-26 Office Closed, Thanksgiving Holiday

## DECEMBER 2004

December 1 Holiday Open House-SCAOR Office / December 3 Dennis McKenzie Tax Deduction for R.E. Agents / December 10 Installation of Officers & Directors-Seascape Resort / December 24 & 27 Office Closed – Christmas Holiday / December 31 & January 3 Office Closed – New Year's Holiday

Sun	Mon	Tues	Wed	Thur	Fri	Sat
					<b>1</b> <i>CRS 202/ EFFECTIVE BUYER SALES STRATEGIES 8:00am-5:00pm</i>	<b>2</b>
<b>3</b>	<b>4</b>	<b>5</b> <i>TOUR DEADLINE 2:00pm</i>	<b>6</b> <i>C.A.R. SANTA CLARA</i>	<b>7</b> <i>TOURS Areas 23-43 9:30am – Noon Areas 44-59 12:30 – 3:00pm</i>	<b>8</b> <i>GRI 112/ Environmental Concerns, Construction Overview &amp; Land Use 8:00am-5:00pm</i>	<b>9</b>
<b>10</b>	<b>11</b>	<b>12</b> <i>TOUR DEADLINE 2:00pm</i>	<b>13</b> <i>FOUNDATION FUND RAISING COMMITTEE 3:30pm</i>	<b>14</b> <i>TOURS Areas 23-43 9:30am – Noon Areas 44-59 12:30 – 3:00pm</i>	<b>15</b> <i>LGR COMMITTEE 8:30am</i>	<b>16</b>
<b>17</b>	<b>18</b> <i>RE INFOLINK CLASS 2-3:30pm· OFFICE LIAISON 2:00pm FOUNDATION TRUSTEES 3:00pm</i>	<b>19</b> <i>TOUR DEADLINE 2:00pm</i>	<b>20</b> <i>EDUCATION COMMITTEE 9:00am AFFILIATE COMMITTEE 8:30am MARKETING &amp; PR COMMITTEE 2:00pm GRIEVANCE COMMITTEE 2:30pm</i>	<b>21</b> <i>TOURS Areas 23-43 9:30am – Noon Areas 44-59 12:30 – 3:00pm</i>	<b>22</b>	<b>23</b>
<b>24/31</b>	<b>25</b>	<b>26</b> <i>TOUR DEADLINE 2:00pm</i>	<b>27</b> <i>ORIENTATION 8:30am-5:00pm STRATEGIC PLANNING 8:30am</i>	<b>28</b> <i>TOURS Areas 23-43 9:30am – Noon Areas 44-59 12:30 – 3:00pm·</i>	<b>29</b> <i>ORIENTATION 8:30am-5:00pm BOARD OF DIRECTORS 1:00pm</i>	<b>30</b>

## Did You Know?

- Customer and application support representatives are available to help you with your listings, searches, updates, status changes, and general accessing problems. Technical support representatives are available to help you with technical questions and computer, modem, and installation problems. For telephone support, call RE InfoLink at 800.546.5657.

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**Saturday**

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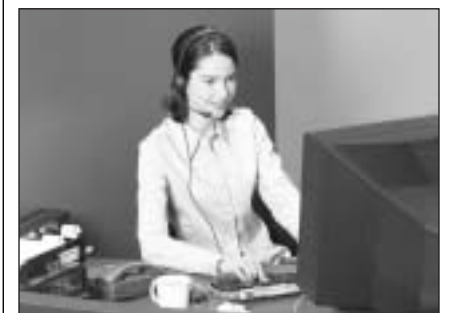
Or you can e-mail your questions to:

- Customer and application support at [appsupport@reil.com](mailto:appsupport@reil.com)

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- Your service will be interrupted if RE InfoLink notifies you to change your password. Go to [www.reil.com](http://www.reil.com) click on "Change Password" under **Agent Tools**.

- When placing your **NEW** listing on the Weekly Tour Open House Tour and would like for your listing to state **NEW**, first enter an exclamation point as the first character in the tour remarks. Then without a space, enter your tour remarks.



## PRESS RELEASES/CALENDAR EVENTS

Please send real estate press releases or upcoming real estate events to:



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# Median California Home Price Increases 16.8 percent in August, Sales Decline 8.5 percent, C.A.R. Reports

The median price of an existing home in California in August increased 16.8 percent and sales declined 8.5 percent compared to the same period a year ago, the California Association of REALTORS® (C.A.R.) reported last week.

“We anticipated a decrease in home sales last month compared to August 2003,” said C.A.R. President Ann Pettijohn. “Last summer, mortgage interest rates were at their lowest levels in more than 30 years and monthly existing home sales hit an annualized all time high of nearly 646,000 units.”

Closed escrow sales of existing, single-family detached homes in California totaled 591,150 in August at a seasonally adjusted annualized rate, according to information collected by C.A.R. from more than 90 local REALTOR® associations statewide. Statewide home resale activity decreased 8.5 percent from the 645,720 sales pace recorded in August 2003.

The statewide sales figure represents what the total number of homes sold during 2004 would be if sales maintained the August pace throughout the year. It is adjusted to account for seasonal fac-

tors that typically influence home sales. The median price of an existing, single-family detached home in California during August 2004 was \$474,370, a 16.8 percent increase over the revised \$406,140 median for August 2003, C.A.R. reported. The August 2004 median price increased 2.6 percent compared with a revised \$462,140 median price in July.

“Residential real estate sales in California are on track to set a new annual record in 2004,” said Leslie Appleton-Young, C.A.R.’s vice president and chief economist. “Year-to-date sales are up 5.2 percent compared with the same period in 2003.”

Highlights of C.A.R.’s resale housing figures for August 2004:

- C.A.R.’s Unsold Inventory Index for existing, single-family detached homes in August 2004 was 4.3 months, compared with two months (revised) for the same period a year ago. The index indicates the number of months needed to deplete the supply of homes on the market at the current sales rate.
- Thirty-year fixed mortgage interest rates averaged 5.87 percent during Au-

gust 2004, down from 6.26 percent in August 2003, according to Freddie Mac. Adjustable mortgage interest rates averaged 4.06 percent in August 2004 compared with 3.79 percent in

August 2003.

- The median number of days it took to sell a single-family home was 26 days in August 2004, unchanged from the same period a year ago.



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**California...**

*Continued from pg 3*

Insurance to write worker's compensation policies (see [www.insurance.ca.gov](http://www.insurance.ca.gov)).

Using a professional employer organization. Some employers choose to purchase workers' compensation insurance as part of a bundle of services that may include human resources management, payroll services, and tax filing, from professional employer organizations (PEO's).

The fact that an employer engages a PEO does not release it from liability. Employers have a responsibility to ensure workers are covered by a valid workers' compensation policy and should proceed with caution when using a PEO.

Generally, even though a PEO must have workers' compensation coverage under its own policy, real estate brokers or their companies must be listed as an additional insured.

Before turning vital programs like workers' comp and payroll over to a their party, employers must be sure they are dealing with a reputable, legally insured PEO.

The California Association of Professional Employer Organizations recommends the following steps to help determine if a PEO is legitimate:

- Check the PEO's certificate of insurance with the California Department of Insurance.
- Find out what services the PEO will

offer. Meet the people who provide the services.

- Check the company's references. Make sure they are paying payroll taxes.
- See if the company is a member of the California or National Association of Professional Employer Organizations. (see [www.napeo.org/ca](http://www.napeo.org/ca) for more information).
- How does the PEO cover employee benefits? Is it licensed in California? Self funded?
- Review liability for the service agreement. Look at the cancellation process for the PEO and your business.

Further information is available at the Department of Industrial Relation's Web site [www.dir.ca.gov](http://www.dir.ca.gov) or by calling 1.800.736.7401.



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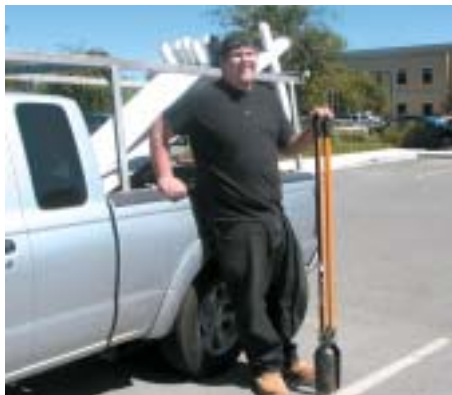
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# Santa Cruz County Statistics

## Single Family Residences

2004	Current inv.	New	Sold	Average	Median
June	813	344	293	\$673,999	\$599,500
July	852	371	274	\$687,265	\$635,000
August	821	387	257	\$740,612	\$639,000

## Condominiums & Townhomes

2004	Current inv.	New	Sold	Average	Median
June	93	70	65	\$456,146	\$415,000
July	97	63	52	\$441,994	\$429,000
August	106	79	62	\$447,439	\$425,000

Please visit: <http://www.scaor.org/html/stats.htm> for more Santa Cruz County statistical information.

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