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Local Real Estate Market Update

Have you seen the “Reduced” and “Priced to Sell” signs popping up all over? Santa Cruz County has typically been a seller’s market in recent years, however, this year the tables have turned



Gary Gangnes, CEO of Real Options Realty and Past President of SCAOR

and home owners are realizing that it is turning into a buyer’s market.

Santa Cruz County’s inventory has been 53.28% higher this August compared to last August with 1355 houses on the market this year compared to 884 last year. The Santa Cruz Association of REALTORS® statistical records indicate that the inventory has not been this high for August since 1996. Inventory is backing up as 312 homes were put on the market in August, but only 180 sold. As of September 12, there were 172 listings on the Broker Tour compared to about 130 last year.

According to Gary Gangnes, CEO of Real Options Realty and a past President of SCAOR, who compiles local statistics on the market, year over year prices have dropped \$25,000 from

\$780,000 last August to \$755,000 this August for the median single family home price (see page 4 for a chart of recent market statistics).

David Lereah, NAR’s Chief Economist, predicted home price appreciation nationally “should return to positive territory within a few months” but would be lower than the historic average, which he said was the rate of inflation plus one to two percentage points.

In other words, people who plan to stay in their homes awhile won’t feel much pain from the price correction, Lereah said, “but people who purchased last year with the intent of flipping are likely to get burned.”

With dipping prices, buyers have not

See **Market Update**, Page 4

Mid-Year Broker Forum A Well Attended Success!

On August 28th, Owners, Brokers and Managers along with Association volunteers and staff came together at the Seacliff Inn for the Santa Cruz Association of REALTORS® (SCAOR) Mid-year Broker Breakfast Forum. Guests from the Watsonville Association of REALTORS® (W.A.R) in attendance included that association’s 2006 President, Christina Morales; President-Elect, Jane Moresco, and REALTOR® member Dee Dee Vargas.

The morning began with a warm welcome and introductions of speakers by SCAOR CEO, Philip Tedesco, who also unveiled the new County-wide Shared Services Agreement.

RE InfoLink’s CEO, Jim Harrison; COO Naomi Shibata, and Senior Director of Product Management, Evelyn Horng gave presentations on the new REIL.com v3 product; MLS policy changes, and the latest news on

the Northern California Real Estate Exchange (NCREX).

SCAOR’s Director of Education, Karen Kirwan, gave an update on current educational opportunities being offered at the association as well as future professional development course offerings such as a risk management series for both brokers and salespersons.

See **Broker Forum**, Page 7



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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.

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President's Message

MLS Re-list Update

Relisting was originally intended as a tool that allowed sellers to respond to market feedback. Recently, relisting has been viewed by segments of the real estate community, including the California Association of REALTORS®, as potentially confusing to all parties involved (consumers and real estate professionals alike).

The REIL Board of Directors has considered various options and has carefully listened to REIL subscribers' feedback. In keeping with the primary objectives of fairness, consistency and clarity, REIL leadership voted in late August to eliminate relisting altogether as an accepted business practice. Please read through the article on page 12, including the Q&A section at the end. If you have comments or questions, please email relist@reil.com.

Tickets Are Now Available For "A Taste of Santa Cruz"

Get the hottest and tastiest ticket in town now before they sell out! This year's "A Taste of Santa Cruz," the Santa Cruz Association of REALTORS® Housing Foundation's 2nd annual fundraising event, has expanded its venue and is going to be even bigger and better than last year's major fun time!

Bring your business partners, clients and friends. Tickets are now available at the Association Office for \$30. The event will be held Thursday, November 2nd at the Coconut Grove Ballroom from 6-9 pm.

Laws of Web Branding

Nearly 70% of U.S. households now have access to the Internet, which means having a website to help brand your business is imperative. Here are five laws to help you develop your site (information provided by Financial Planning Magazine, June 2006):

1. **The Law of Everywhere** - Put your web address on absolutely every piece of marketing material you have, including

your letterhead, brochure, voicemail, business card, newsletter, sign riders, email signature, advertisements, etc.

2. **The Law of Customized Domain Names** - The most important branding element of your site is a customized domain name such as www.BobbieNelson.com. For maximum branding potential, you should carry your web domain over to your email domain name (i.e., email@BobbieNelson.com).

3. **The Law of Pull and Push** - Using your website as a branding tool requires you to develop attractive content that pulls people to your site. And since clients may not always find or remember your site on their own, you have to gently push them there. Use communication avenues such as email to ensure a steady stream of traffic on your site.

4. **The Law of Trust** - A website can strengthen your brand visibility by visually communicating your trustworthiness to clients. Part of this online trust-building process is including consistently updated content on your site and using colors and a logo that match your brochures, newsletters or other hard-copy marketing materials.

5. **The Law of Personalization** - Take ownership of your online brand by personalizing your site. This can be as simple as adding a picture of you and your staff to your home page so visitors feel like they are "meeting" you when they visit your site. You might dedicate a page on your site to community relations, profiling the philanthropic activities most important to you. Establish a showroom on your site where you can showcase your properties.



Bobbie Nelson

2006 SCAOR

President

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Affiliate Spotlight

Santa Cruz County
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HOMES Magazine

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Established in 1986, Homes Magazine has 10 magazines throughout California and Nevada. In each area Homes Magazine is considered the premiere real estate publication of

choice by brokers, agents, new home developers and mortgage lenders. Distributing nearly 5 million magazines each year our brand name recognition makes us the preferred choice by homebuyers and homesellers. Homes Magazine takes pride knowing no one else prints as many magazines nor distributes them as widely.

In 1993, Homes Magazine pioneered posting color photos of real estate listings in a searchable database on HomesMagazine.com website. This spirit lives on in HomesMagazine.com today as one of the largest providers of agent and broker websites and web services in the United States.

New Members

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AMBAG and SCAOR Offer Home Buyer Program

New Program Coming Next Month

The Association of Monterey Bay Area Governments (AMBAG) is creating a new "Home Buyer Program" in conjunction with the Santa Cruz Association of REALTORS® to reach homeowners with specialized, energy-saving services including a free home energy analysis, compact fluorescent lamps and hard-wired lighting fixtures. AMBAG would like to provide our REALTORS® with a tool they can use to help homeowners decrease their energy costs and use the energy efficiency measures as a tool to help sell the home.

We will provide more information to you next month, but if you would like contact AMBAG on your own, you can contact Elizabeth Russell at erussell@ambag.org or (831) 883-3750.

Santa Cruz County Statistics

Single Family Residences

2006	Current Inventory	New	Sold	Average	Median
June	1,220	489	210	\$838,208	\$760,000
July	1,356	489	147	\$882,173	\$775,000
Aug.	1,355	468	185	\$852,949	\$765,000

Condos/Townhouses

2006	Current Inventory	New	Sold	Average	Median
June	292	101	41	\$579,170	\$510,000
July	327	116	44	\$496,065	\$467,025
Aug.	312	93	43	\$582,305	\$550,000

For more information, go to www.scaor.org and click on "News & Events."

Hello, Goodbye!

SCAOR Says Farewell & Welcome to Staff Members

In mid-August, the Santa Cruz Association of REALTORS® underwent a changing of its marketing guard as Dawn Valentine, SCAOR's Marketing and Communications Manager, bid adieu to her hometown in an adventurous move to the Pacific Northwest, purchasing a home in Portland, Oregon, and Julie Ziemelis signed on as the new Marketing Director.

Julie spent two years as the Community Relations Director at the Peninsula West Valley Association of REALTORS® (now known as SILVAR) and eight years as the Events and Communications Director at the Santa Clara County Association of REALTORS®. In both positions, Julie was actively involved in the fundraising and marketing efforts of the Association's Foundation. She will be able to utilize her marketing and grant writing expertise to assist the Santa Cruz Association of REALTORS® Housing Foundation and her real estate public relations experience to publicize the value of REALTORS® to the community.

Julie will be stepping in where Dawn left off in marketing the 2nd Annual "A Taste of Santa Cruz" event. Please stop by and introduce yourself. She will be working in the office Tuesday through Thursday and can be contacted at julie@scaor.org or (831) 464-2000.

Dawn is already missed by her committee members and the staff, but she is still adding her brand of marketing magic to the Association from afar, continuing to manage the publication of the monthly newsletter



Julie Ziemelis, Marketing Director for Santa Cruz Association of REALTORS®

and Legislative Watch and updating the website as needed. She can be reached at dawn@scaor.org.

Executive Director, Philip Tedesco states, "It is unfortunate that we had to lose Dawn, but 'life happens.' However, the timing and availability of Julie joining us at this point will be advantageous. The SCAOR Housing Foundation is at the point now where it will really benefit from Julie's background and experience. I'm very excited about the direction we are going."

Market Update...

continued from page 1

been as eager to jump off the fence and into the fray as they have been over the past few years. According to SCAOR's numbers, no less than 200 properties have sold in August since 1996, except for this year, when only 180 left the market. That's about a 23% decline in sales from last August and down 30% from August 2004. The number of August sales averaged 229 for the previous 10 years and 180 sales are down 21.5% from that 10 year average.

Plenty of reasons to still buy

After 17 consecutive increases at each meeting since June 2004, the Federal Reserve voted to hold its benchmark interest rate steady at 5.25 percent.

Since peaking at around 6.5 percent in early July, the national 30-year fixed-rate average has been dropping and dipped to 5.94 percent in mid-September, and the 5/1 ARM had dropped to 5.70 percent, according to *Bankrate.com*.

However, the National Association of REALTORS® is predicting that rates will rise very slowly in the months ahead, reaching 6.9 percent in the fourth quarter. NAR also forecasted a drop in home sales of around 8 percent

in 2006, followed by another 2 percent decline in 2007. The forecast takes into account stabilizing mortgage rates and a modest economic expansion. However, a significant shift in interest rates or a change in the economy would alter the forecast.

Slow home-price growth — of less than 3 percent in 2006 and 2007 — also is predicted.

Buyers have many homes to choose from and sellers are becoming more negotiable on price, especially since mortgage rates are not expected to get lower this year.

Talk to your dentist, postman, librarian, friends at the soccer game, at the block party, to your neighbor, etc. As only about half the population regularly watches, listens to or reads the news, there are a lot of people out there who don't know how the housing market is performing and may not know about the confluent reasons to purchase now.

See the "Tips For Success" article on page 9 for some suggestions for seller's agents that we have compiled -- some you may agree with, some you may not, many you've already heard before. Take what works and we wish you the best in moving those listings!

Tips For Success

Competitive pricing isn't enough

One of the most valuable services a REALTOR® brings to the table is your expertise in helping the seller price their home competitively. The comparable home sales information as well as your experience with this market combines to enable the seller to compete for the sale.

However, because the market is so saturated with inventory, homes are sitting on the market even when the asking price is a true reflection of its value. This is causing great strife for sellers and REALTORS® alike. As with any other product, a house is only as valuable as someone is willing to pay. And, in today's market, we simply don't have enough willing buyers.

A price reduction is one option -- but it's not the only option. Reducing the price of a home is usually the first choice as it has proven itself to be the most effective. Whether or not this is an option depends on the seller's financial needs versus their need to sell their home quickly.

But, if a price reduction is not possible, look for ways to sweeten the deal. Depending on your seller's circumstances, they might consider some of these options:

- Instead of lowering the price from \$700,000 to \$680,000, keep it and offer to pay \$10,000 of the buyer's closing costs. This approach is cheaper (\$10,000 in closing cost help rather than a \$20,000 price reduction) plus it gets to the real need of many buyers, closing assistance.
- Increase the selling office commission or add a selling bonus
- Throw in appliances, a vehicle, a year of free maid service, pre-paid condo assessments or maybe even a free vacation at a time-share
- Offer buyers cold hard cash for upgrades, such as new carpet and a new paint job.
- Cash to close is the most common obstacle a buyer faces. Paying closing costs, points, moving costs, etc. is not original, but it puts the buyer where they want to be -- at the closing table.

Many of these tips are subject to lenders' approval, so make sure to check with them.

A picture is worth a thousand words

First and foremost, take a flattering picture of the listing. Photograph the house on a nice sunny day with a few clouds in the background and no cars! No toys, no trash cans, close the garage

door, just house and lawn. Take the picture at the time of day when the sun is shining at the proper angle to light up the entire front of the house. This usually means not taking the picture when there may be deep shadows on the front. Get a decent camera and take several shots of the house and choose the one you like best. Or better yet, hire a professional company that will take the photographs for you and upload the images to your website where buyers can do a virtual tour themselves.

Make the right first impression

Buyers decide whether or not they like the house in the first eight seconds, so it's important to make sure your listing looks great from the curb. To do this, pay particular attention to the most noticeable areas. A well-manicured



lawn, neatly trimmed shrubs and a clutter-free porch welcome prospects. So does a freshly painted -- or at least freshly scrubbed -- front door.

Always, always have your seller 'walk the entrance' before a showing to ensure that: toys, garbage, animal droppings, etc. are picked up.; cobwebs are swept clear; driveway & walk are swept clean of clippings; front glass is free of smudges; and the welcome mat is actually welcoming.

Remember, you never get a second chance to make a first impression.

The Inside Scoop

If you're reading this article, you sell real estate and know much of what needs to be done to raise a home's chances of selling. That said, I would be remiss if I didn't address some of the more important ways to enhance a listing.

Further, you could be remiss if

you're not addressing these issues with your seller. The current market calls for dramatic measures. In some cases, that means addressing some uncomfortable topics.

Homes that smell don't sell

After sight, smell is the next most significant sensory factor to consider when trying to create a good impression.

- Smoke -- Their home was their castle. Not any more. Cigarette and cigar smoke top the list of dislikes as has been confirmed by the many smoking bans voted in by our local consumers. So take the smokes outside if the home is listed.

- Pets -- We all love them. They smell. Keep the litter box and bird cage clean. Keep the dog outside prior to and

If the odor is significant, recommend professional cleaning services used to rid homes of smoke damage.

Clear the clutter

Go for the junk and get rid of it. Nearly all homes will show better if 30% to 50% of the clutter is removed. A 2000 study by HomeGain suggests that sellers will get an average of 511% return on investment just for cleaning and de-cluttering.

Have your seller start with visible areas and remove ALL but the most necessary items from every surface. Then address the closets and cupboards, basement and garage.

Sellers have often realized enough money from a yard sale, auction, or the tax deduction from a charitable donation to pay for other improvements necessary to get the home ready for sale. The alternative is to have them rent a short-term storage space for excess furniture and other belongings.

The garage is the window to your soul

OK, maybe not. But the garage is often overlooked as a significant selling point. A clean, organized garage can make a huge impact on prospective buyers.

Ideally, sellers should rent a storage unit for all of their packed belongings resulting after the de-clutter experience. That way, the car(s) can be properly housed in the garage instead of the driveway or street.

If using the garage is necessary, keep the boxes stacked neatly.

Paint it

Most homes just need a "freshening up" to make them marketable for top dollar. A fresh coat of paint can make a huge difference and costs little compared to the value it adds. If it needs freshening, paint it. But keep the color neutral.

The true cost of repair

Although there is still a market for "fixer-uppers," most of today's buyers want a home in near-perfect "model home" move-in condition. And with the number of homes on the market, they can get it. Sellers should make repairs ahead of time. Otherwise, when the buyer's inspector finds unexpected defects, they may try to negotiate the sales price down -- often far more than repairs would cost.

If the repairs can't be made in advance, consider asking your seller to reduce the price now to compensate for improvements the buyers may want to make.

during showings.

Do not recommend the scented carpet and home sprays as they simply mask the odors temporarily and can seriously offend visitors with allergies to chemical sprays.

Plants are an excellent option as they absorb carbon monoxide and replace with oxygen. Plus, plants are on the top ten list of good design elements.

Have the seller wash the walls with 1 tablespoon baking soda + 1 teaspoon lemon juice to 2 cups hot tap water in a spray bottle. (test in a hidden area to make sure it does not damage older wallpaper)

Get the carpets cleaned. Remove any area rugs with stains or odors. Wash or replace linens bearing odors.

Consider investing in a full home ionizer. Move it from listing to listing as needed. You'll be amazed at the difference it can make.

Tips...

continued from page 5

If the sellers are worried about time, have them hire professional cleaners or painters to get the house ready. Remember, prospects would rather see how great the home really looks than hear how great it could look "with a little work."

Light their Way

When done right, proper lighting showcases a home's best features and can help speed a sale. Inside the home, bypass the harsh overhead lighting common to most houses and turn on lamps for a softer effect. This will add warmth to the rooms and provide a more welcoming atmosphere. Add portable fixtures if necessary to ensure buyers can see each area or to highlight features of the home.

Exterior lighting has fast become a popular enhancement. Every home has a separate and unique character at night. Even houses that are not particularly attractive during the day can be transformed into picturesque, interesting homes at night with low cost, low voltage exterior lighting. Highlight pools, gardens, trees, walkways and entryways. And be sure to make the backyard and deck visible from the

house. Safety is an added bonus.

Now is not the time to cut back on marketing

This is not to say spend money when you're not making any. Marketing is the process or technique of promoting, selling, and distributing a product or service. There are many ways to market yourself and your properties -- and not all of them cost money.

Networking should be part of everybody's marketing and/or business plan, especially if you've got listings that aren't selling. The market is simply not producing enough buyers for the inventory we have. So get out there and find buyers. It's not easy and the results may not be instantaneous, but networking is effective long term and costs little or nothing in most cases.

Talk to people about the market, about a couple great homes you have listed/know of, about the dip in interest rates and, most importantly, that now is a great time to buy.

Remember, not everyone is up to date on market statistics (see page 4) and the local real estate news. So chances are you can tell them something they don't know. They may share your information with someone else, etc. etc.

Keep in mind, networking works if you meet people that you can follow

up with later and potentially start a relationship that you can either get business from or get referred business from. Don't show up at your daughter's game passing out business cards. Collect business cards instead (so follow up is in your court). Find a couple people to have coffee/lunch with later in the week. They might not need your services right now, but they might know somebody who does.

E-mail is free. Use it wisely to make contact with your potential client list. Send them updates on the market, articles of interest, reasons to look at buying a home right now. However, be careful with spamming them. You want to appear as an expert in the field, not a pest.

With regard to actual marketing/advertising expenses, these times are the reason you put aside funds when the market was good. Cutting back on your regular advertising will make it that much harder to 'catch up' later.

There are many other ways to make the most of a slow market. SCAOR is hosting the Accredited Buyer's Representative Course on November 1-2 from 9-5 pm. This is a N.A.R. Designation course and is being held at SCAOR. By focusing on buyers in the current market, you can expand your

knowledge and expertise as a buyer's representative reaping in business that you currently may not be focusing on.

Feedback

Providing feedback after a showing is a courtesy that all REALTORS® should extend to one another. But feedback is especially important now as homes are taking longer to sell so sellers are even more anxious than usual. They want to know why their home is not selling.

Comments you share may allow them to make improvements that could make the difference with the next buyer.

In summary...

The high number of listings on the market today makes this one of the most challenging markets Santa Cruz County has seen in some time. The good news is... It will change (it always does.)

In the meantime, this is your opportunity to shine! It's a tough market which means they need you now more than ever. You've got the contacts. You've got the means. You've got the MLS. You know what to do to ready a home, to market a home, to negotiate, to sell, to close. Take advantage of this great opportunity and show 'em what you've got!

Mortgage Lending for Realtors ... What you need to know

What you will learn:

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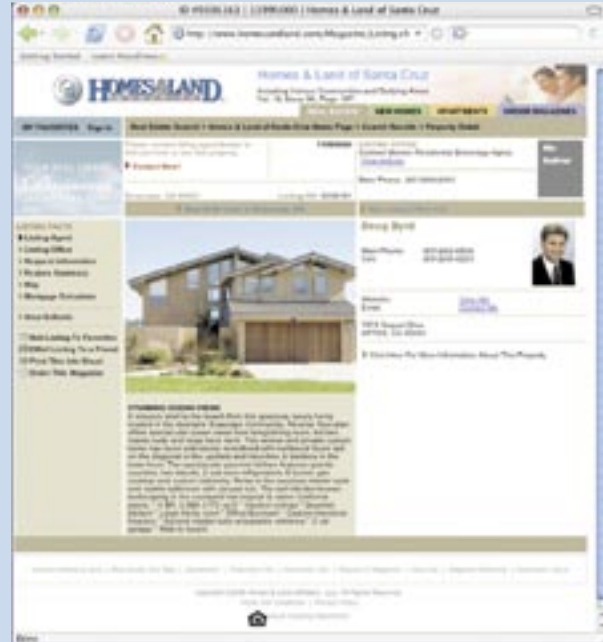
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2nd Annual

A Taste of Santa Cruz



A community event to help bridge the gap to homeownership

Thursday, November 2, 2006

6:00 - 9:00 pm

Cocoanut Grove

Grand Ballroom & Bayview Room

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Cuisine from more than 34 local restaurants & wineries

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Broker Forum...

continued from page 1

Karen also communicated the benefits of C.A.R.'s Legal Division that include tools such as the Legal Hotline; an extensive legal Q&A section online; and the Strategic Defense Program which provides a powerful assembly of experienced and seasoned attorneys that have joined together to focus on improving the current litigation climate in California, as well as addressing the Errors and Omission Insurance dilemma in the state.

Association legal counsel, Lloyd Williams gave an extensive presentation on residential properties in foreclosure, federal and state law changes such as additions to the Opt-in/Opt-out law; disclosures for condominium and other Common Interest Developments. Lloyd also provided beneficial insight into

dealing with unlicensed activity and how it can affect licensed real estate professionals. Finally, he shared some of the ethical issues that could emerge in this type of real estate market.

The new Supra™ infrared iBox was introduced by 2006 SCAOR President Bobbie Nelson. Bobbie gave a quick demonstration on just some the features and benefits of using the Supra iBox system. In addition, Bill Love from Supra provided two live instructional seminars at SCAOR the following day.

Barbara Palmer, current chairperson of the Association's Local Government Relations Committee (LGR), gave an update on the issues that are currently being hotly debated at the federal, state and local levels such as banks in real estate, document recording fees, pool and spa barriers, and county signage. She also implored attendees to register for C.A.R.'s Red Alert Program which

keeps REALTORS® informed about the issues of the day in Sacramento and Washington, D.C.

Chairperson of the SCAOR Housing Foundation Allocations and Distributions (Programs) Committee, Janée Del Colletti, and SCAOR's new Director of Marketing, Julie Ziemelis (see the article introducing Julie on page 4) gave a rousing presentation on the SCAOR Housing Foundation's new Escrow Contribution Program.

The Escrow Contribution Program provides REALTORS® with an easy way to donate to the Foundation at the close of escrow and provide much needed funds to help low income families attain homeownership and give REALTORS® a vehicle to give back to the community in which they serve. To learn more about the SCAORHF Escrow Contribution Program, see the article on page 11 or go to the

Housing Foundation's website at www.scaorhf.org.

The Association would like to again thank the owners, brokers and managers who attended this mid-year Broker Forum. We strive to communicate important issues affecting your business. If you have any questions about what was discussed at the Broker Forum, please contact Karen Kirwan at (831) 464-2000 or karen@scaor.org.

Save the date!

**The next Broker's Forum
is scheduled for Monday,
January 29, 2007.**



Bobbie Nelson
Longacre Realty



Barbara Palmer
Bailey Properties



Philip Tedesco
SCAOR



Karen Kirwan
SCAOR



Janée Del Colletti
Santa Cruz Mortgage

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Escrow Contribution Program Debuts

The Trustees of the Santa Cruz Association of REALTORS® Housing Foundation are proud to announce the creation of the Escrow Contribution Program, a new fundraising mechanism for the Santa Cruz Association of REALTORS® Housing Foundation.

The Escrow Contribution Program will allow REALTORS® to make a donation directly to the Housing Foundation during the close of escrow from either side of a transaction. They can either choose to make a straight dollar amount donation or a percentage of their commission which the title

company will withdraw directly from their commission check.

The Escrow Contribution program provides REALTORS® with an opportunity to provide much needed funds to help low-income families attain homeownership and have a vehicle to give back to the community in which they serve.

The SCAOR Housing Foundation is a local, non-profit organization focused on bridging the gap to homeownership for low-income individuals and families in Santa Cruz County. The Escrow Contribution donations will go directly towards assisting low income families realize the dream of homeownership in Santa Cruz County by providing education and financial assistance.

Escrow Contribution Demand Forms can be downloaded from the Housing Foundation website at www.scaorhf.org/pdf/demandform.pdf.

Please contact Julie Ziemelis, Director of Marketing, (831) 464-2000, or Julie@scaor.org to learn more about this exciting new program.



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A Taste of Santa Cruz

Thursday, Nov. 2, 2006

6:00-9:00pm

Cocoanut Grove
Grand Ballroom and Bayview Room

831.464.2000

www.scaorhf.org



Santa Cruz Association of REALTORS®
HOUSING FOUNDATION
Bridging the Gap to Homeownership

SCAORHF Escrow Contribution Program Frequently Asked Questions:

Q: Who is responsible for initiating the Close of Escrow Contribution Program?

A: The REALTORS® can either download a Demand Form from the website <http://www.scaor.org/hf/pdf/demandform.pdf> or ask their brokers for a copy of the form. They then submit the form to the escrow officer sometime during the escrow period. Then the escrow officer simply removes the requested amount of the donation from the commission check and sends it to the Santa Cruz Association of REALTORS® Housing Foundation.

Q: Do the title companies have the Demand Forms at their offices?

A: The title companies MAY have the forms, however it is the REALTORS® responsibility to obtain a copy before the final closing process to ensure the funds are removed in a timely manner.

Q: How will I know when my client receives the confirmation that I have contributed the donation in their name?

A: When the Santa Cruz Association of REALTORS® Housing Foundation receives the contribution check from the title company, a thank you letter will be sent to the REALTOR® and at the same time a letter will be sent to the seller/buyer.

Q: Will I receive a receipt for my contribution?

A: The thank you letter the REALTOR® receives will include the amount of the contribution along with the

tax ID number of the Santa Cruz Association of REALTORS® Housing Foundation. This letter will serve as your receipt that can be given to your tax accountant at the end of the year.



REIL Discontinues Relisting

The REIL Board of Directors voted August 25 to discontinue the practice of "re-listing" actively marketed properties, effective October, 2006. The assignment of a new MLS number to a property being marketed by the same broker (without a continuous 30-day absence off of the MLS) will not be allowed after the policy officially goes into effect in October.

Relisting was originally intended as a tool that allowed sellers to respond to market feedback. For example, if a feature of a property appeared to discourage buyers, the property could be temporarily removed from the market to make adjustments, then returned to active status. In many cases, such adjustments would substantively change the potential buyers' perceptions of the property, prompting the seller to position it as a new listing (and to create a new MLS number).

However, more recently, relisting has been viewed by segments of the real estate community, including the California Association of REALTORS®, as potentially confusing to all parties involved (consumers and real estate professionals).

The Debate

In light of this trend, the brokers and agents that comprise REIL leadership (board members and Rules committee members) evaluated a spectrum of

alternatives to relisting with the objective of creating a policy that would be fair, consistent, and easily understood by real estate professionals and consumers alike.

The original solution selected in June 2006 was one that permitted relisting under well-defined circumstances and that also required the display of both Continuous Days on Market (CDOM) as well as Days on Market (DOM) on each listing. An amended fee structure, designed to encourage thoughtful use of the relisting option, was announced at the same time.

When the up-dated policy was communicated to the REIL community, reaction from subscribers was swift and varied. Reviewing this response, the board decided that the new policy did not provide the desired clarity required.

Accordingly, in keeping with the primary objectives of fairness, consistency, and clarity, REIL leadership voted in late August to eliminate relisting altogether as an accepted business practice. This decision is not reversible and will be implemented in October, 2006.

CDOM and DOM Calculations

Generally, CDOM (Continuous Days on Market) tracks the days that a property is actively marketed on the MLS, including any breaks of 30 days or less. CDOM will continue to accrue on a listing for as long

as a listing is active, unless the listing is removed from active status for more than 30 days. DOM (Days on Market) tracks the life of the MLS number assigned to a given property. It resets whenever a new MLS number is assigned. The attached Frequently Asked Questions document (FAQs) further addresses how this policy affects the calculation of CDOM and DOM (Days on Market) and also describes the circumstances under which a property can be assigned a new MLS number.

If you wish to state your views on this topic, please send an e-mail to relist@reil.com. All emails will be reviewed and forwarded to REIL leadership. A personal response will not always be possible. However, if an email contains a specific question about how to modify a listing or create a new one, the question will be forwarded to Customer Support for a response.

Frequently Asked Questions

Q: In what scenarios can a new listing be created (and a new MLS number assigned) for a property that was recently being actively marketed?

A: A new listing (with a new MLS number) can be created:

- when a listing contract has expired and a new contract has been signed by the seller
- when a listing contract is cancelled and a new contract has been signed by the seller

Q: How is DOM and CDOM affected in the scenarios above?

A: Listing contract has expired and a new contract signed:

- If the property is off-market for 30 days or less, DOM will reset with the new listing but CDOM will continue to accrue
- If the property is off-market for more than 30 days, DOM and CDOM will reset to 0 with the new listing.
- Listing contract is cancelled and a new contract signed:
- If the property is off-market for 30 days or less, DOM will reset with the new listing but CDOM will continue to accrue
- If the property is off-market for more than 30 days, DOM and CDOM will reset to 0.

Q: Can I still get a relist if I pay a fee?

A: No, there is no relist option, and there are no fees associated with creating a new listing.

Q: If a listing "changes hands" (i.e. new broker), what happens to the listing and the DOM/CDOM?

A: A new listing is created and a new MLS number is assigned. However, if there is not a 30-day off-market period, the CDOM is not reset with the new listing; CDOM continues to accrue from the date of the original listing.



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Calendar

October 2006

Sun	Mon	Tues	Wed	Thur	Fri	Sat	
1	2	3	4 "ATASTE OF SANTA CRUZ" PLANNING 8:30A.M. EDUCATION COMMITTEE 9:00A.M. HF MARKETING & PR 1:00P.M.	5	6 BOARD OF DIRECTORS 8:45A.M.	7	
8	9	10 HF FUNDRAISING Wells Fargo Home Mortgage 3:30P.M.	11 AFFILIATE COMMITTEE 8:30A.M. HF PROGRAMS 10:00A.M.	12	13 GRI 112 8:00A.M.-5:00P.M.	14	
15	16 SCAOR HF TRUSTEES 3:00P.M.	17	18 GRIEVANCE COMMITTEE 2:30P.M. October 18-21 – C.A.R. Meetings in Long Beach, CA	19	20	21	
22	23	24	25 NEW MEMBER ORIENTATION DAY 1 8:30A.M.	26	27 NEW MEMBER ORIENTATION DAY 2 8:30A.M. LGR 8:30A.M.	28	
29	30 RE INFOLINK CLASSES 9:00A.M. OFFICE LIAISON COMMITTEE 2:00P.M.	31	MONTHLY EVENTS: Board of Directors – 1 st Friday @ 8:30A.M. LGR – 3 rd Friday @ 8:30A.M. Affiliates – 2 nd Wednesday @ 8:30A.M. Grievance – 3 rd Wednesday @ 2:30P.M. Professional Stnds. – As needed Housing Foundation – 3 rd Wednesday @ 2:30P.M. EVERY OTHER MONTH EVENTS: Strategic Planning – Last Wednesday @ 8:30A.M. Budget & Finance – 3 rd Wednesday @ 9:00A.M. Education – 1 st Wednesday @ 9:00A.M.			HF = HOUSING FOUNDATION	

Save The Date!

November 1 & 2 – 8:00AM – ABR Class
November 2 – 6:00PM – "A Taste of Santa Cruz" at the Coconut Grove
November 3 – 8:00AM – Innovative Marketing (ABR Elective)
November 3 – 8:45AM – Board of Directors Meeting
November 8 – 8:30AM – Affiliate Committee Meeting
November 8 – 2:00PM – Planned Giving Seminar
November 8-13 – NAR Annual Governance Meetings – New Orleans, LA

November 10 – 8:00AM – GRI 113
November 13 – OFFICE CLOSED – Veterans' Day
November 10-13 – NAR REALTORS® Conference and Expo
November 14 – 3:30PM – Housing Foundation Fundraising at Wells Fargo Home Mortgage
November 15 – 8:30AM – Budget & Finance Committee Meeting
November 15 – 2:30PM – Grievance Committee Meeting

November 17 – 8:30AM – LGR Committee November Meeting
November 16 & 17 – 8:00AM – SRES
November 20 – 3:00PM – SCAOR Housing Foundation Meeting
November 23 & 24 – Office Closed – Thanksgiving Holiday
November 29 – 8:30AM – Strategic Planning
November 29 – 9:00AM-12:00PM – Intro to Homeworks Class
November 29 – 1:00PM-4:00PM – Advanced Homeworks Class

November 29 – 4:00PM-6:00PM – Holiday Open House
December 1 – 8:45AM – Board of Directors Meeting
December 6 – 9:00AM – Education Committee
December 6 – 4:00PM – SCAOR Holiday Open House
December 8 – 8:00AM – GRI 114
December 13 – 8:30AM – Affiliate Committee
December 25 – OFFICE CLOSED – Christmas Day

Upcoming Educational Opportunities

Accredited Buyer Representative (ABR®) Designation

November 1st & 2nd – 9AM-5PM (8:30AM registration first day) Cost: \$325. Instructor: Adorna Carroll.

This 2-day designation course focuses entirely on the buyer's side of the transaction. Client-Level versus Customer-Level Service, Fiduciary Duties of representation, needs assessment, property selection, offering process, negotiation strategies and protecting the buyer's interests are explored in great deal. Great focus is

placed on the buyer counseling session and setting the client's expectation level for a smooth transaction to retain the client for life. Marketing and Prospecting techniques are highlighted. Course fee includes the first year's dues.

This course is offered in cooperation with the Women's Council of REALTORS®, Santa Cruz Chapter.

Innovative Marketing Techniques for Buyer's Reps

November 3rd 9AM-5PM (8:30AM registration). Cost: \$179.

This course has been designed to increase awareness of how significantly the home buying process has changed. Learn how to develop useful strategies for marketing your services to any home buyer. This course explores the buyer counseling session in great detail and looks at marketing opportunities and points of differentiation. This course counts as one elective course to be applied towards the ABR® designation.

This course is offered in cooperation with the Women's Council of REALTORS®, Santa Cruz Chapter.

Register for both the 2-day ABR® Designation Course & the "Innovative Marketing Techniques for the Buyer's Reps" ABR® Elective Course and pay only \$399. That's over 20% Savings off the Regular Price!

SRES SRES® is the only designation and marketing program specifically designed to serve senior property owners. SRES® designees demonstrate requisite knowledge and expertise to counsel senior clients through the major financial and lifestyle transitions involved in relocating, refinancing, or selling a home.

Graduate REALTOR® Institute (GRI)

The education you receive in the GRI program is considered by many as the most comprehensive training program available today to REALTORS® in the nation. The GRI program is designed to enhance REALTORS®' knowledge of real estate marketing and hone skills that will set you apart from the competition.

To register for a GRI Course, simply go to www.edesignations.com or call toll free 888-785-4800.

Seniors Real Estate Specialist (SRES®) Designation

November 16th & 17th 8:30AM-4PM (8AM registration first day). Cost: \$399. Instructor: Debbie Rodgers, ABR, ABRM, CRB, GRI, LTG, PMN,

For more information on these or future classes being offered, contact Karen Kirwan, Director of Education at (831) 464-2000 or visit the SCAOR website at www.scaor.org.

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