

Real Estate in the Time of Coronavirus

CCCBA - March 26th 2021

Harold Deblander - Divorce Real Estate Expert

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Topics Covered

- Real Estate Market Update
- Update on SIP Selling Process
- Mortgage & Finance Update
- Orders with Clear Instructions
- Title Considerations
- Looking Ahead...

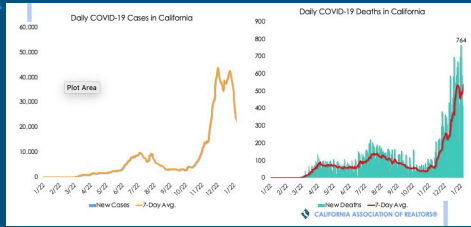
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Market Update

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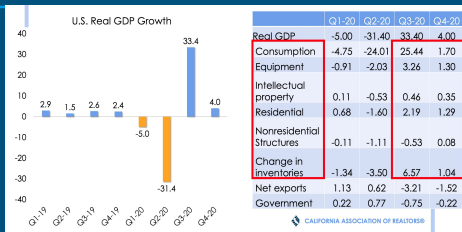
Daily CA Covid-19 Trends



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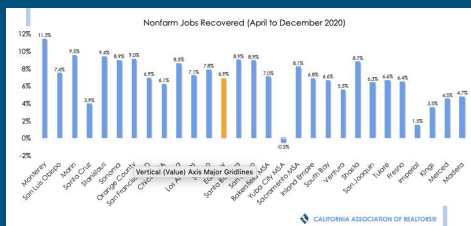
Broader Economy Continues to Recover



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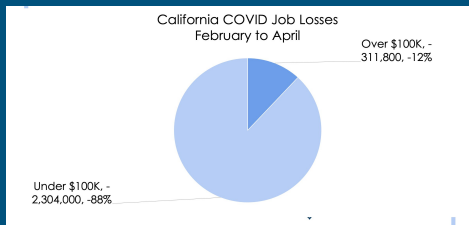
California Labor Market



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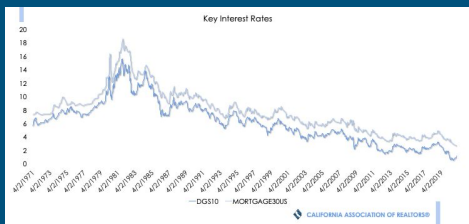
Why is Housing Strong During Recession?



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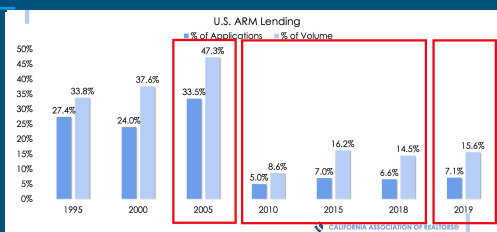
Rates Historic Low



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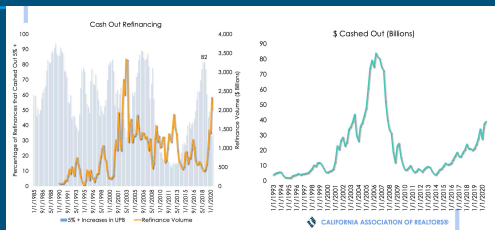
Market Fundamentals - Ninja Loans



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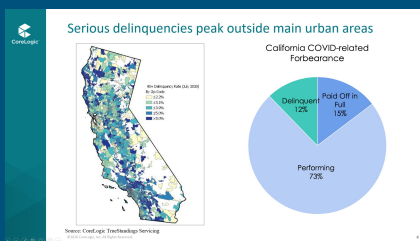
Market Fundamentals - "Skin in the Game"



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Market Fundamentals - Forbearance



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Mortgage Applications



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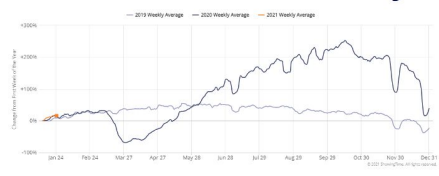
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Showings Up 12%

Impact of COVID-19 to Real Estate Showings in California

Weekly showings normalized to the first calendar week of January. 7-day moving average. Data through January 23, 2021

ShowingTime®



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Sales Rebound - Highest in 15 Years



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California - Housing Market



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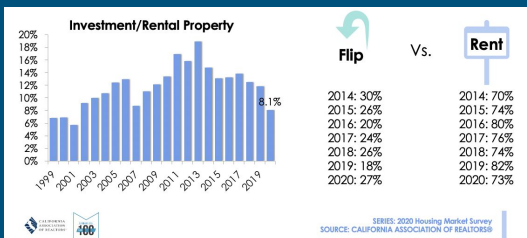
Robust Higher Price Segments



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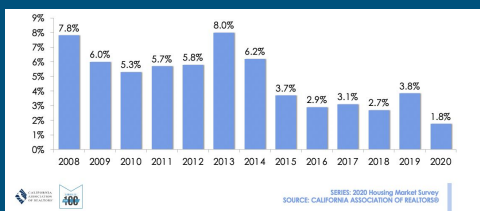
Who is Buying What - Investors



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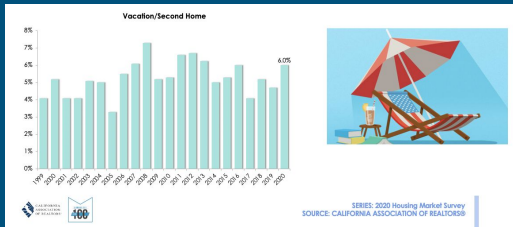
Who is Buying What - International



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Who is Buying What - Vacation Homes



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Who is Buying What - 1st Time Buyers



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Who is Buying What - 1st Time Buyers

	2004	2017	2018	2019	2020
% of buyers with 20% or more down payment	23.9%	26.2%	27.2%	33.3%	33.1%
Median Downpayment (% to Price)	2.4%	7.4%	9.2%	9.8%	10.0%
% of buyers with zero down payment	40.9%	10.2%	9.2%	17.5%	10.6%
% of cash buyers	3.3%	6.7%	7.0%	9.3%	5.5%
% of home buyers with a second mortgage	62.8%	5.9%	6.6%	6.2%	4.0%
% of buyer with ARM	38.1%	4.4%	4.0%	3.7%	2.3%

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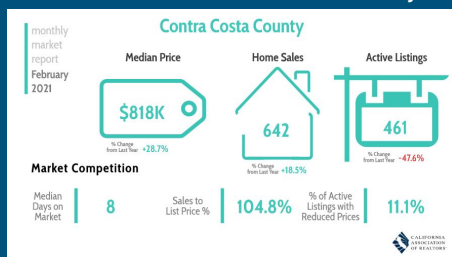
Covid Trends in the Bay Area

- Be wary of blanket statements in the press
- Remote work
- Exodus from high price, high density markets
- Disconnect between buyer and sellers expectations
- Women out of the workforce - Impact on FL

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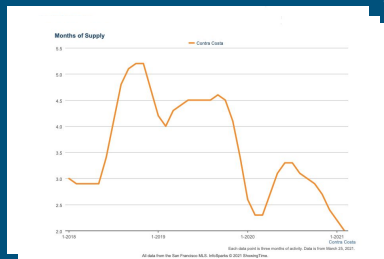
Local Numbers: Contra Costa County



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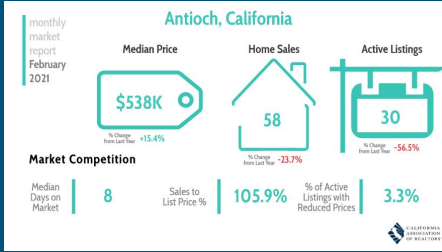
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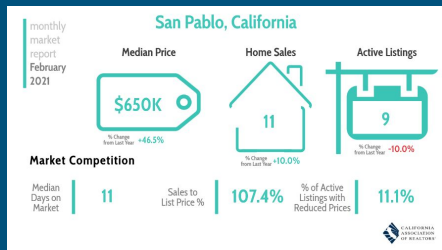
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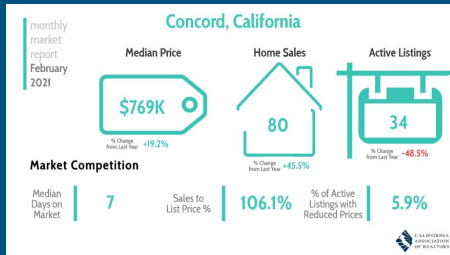
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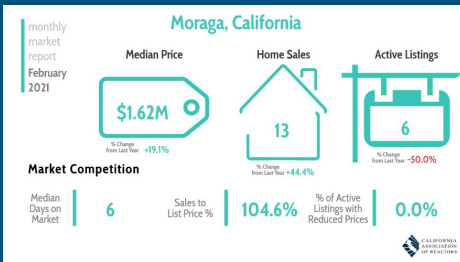
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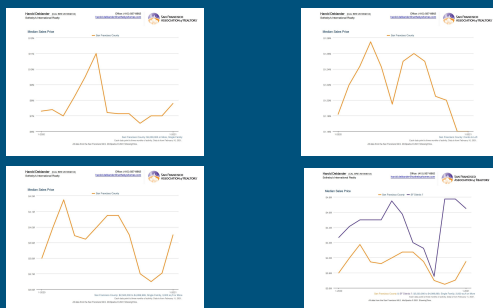


Local Numbers: Contra Costa County



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"Real Estate'ing" with Shelter in Place

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Selling Process w/ Shelter in Place

CDPH & Cal/OSHA Guidelines for Showings *

- Appointments and other residential viewings must occur virtually when possible
- Or, if a virtual viewing is not feasible, by appointment with no more than two visitors at a time residing within the same household or living unit and one individual showing the unit;
- Very stringent rules on how to safely show a property
 - No open houses, no broker tour

* <https://files.covid19.ca.gov/pdf/guidance-real-estate-en.pdf>

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Selling Process w/ Shelter in Place

ALL VISITORS TO THE PROPERTY MUST ABIDE BY THE FOLLOWING RULES

 **Wear a protective face mask**

 **Wash your hands with soap and water or use hand sanitizer**

 **Practice social distancing by keeping at least 6 feet between yourself and others. Do not gather in groups.**

 **Do not touch surfaces. All persons on property for in-person showings should avoid touching knobs, switches, countertops, light switches, and other such items.**

 **After viewing, discard any disposable gloves, mask, or shoe coverings worn during the visit.**

IF YOU ARE CURRENTLY AFFLICTED WITH, OR WITHIN THE LAST 14 DAYS, HAVE BEEN IN CONTACT WITH SOMEONE AFFLICTED WITH COVID-19, OR HAVE ANY SYMPTOMS SUCH AS FEVER, COUGH OR DIFFICULTY BREATHING, PLEASE DO NOT ENTER THE PROPERTY.

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CALIFORNIA
COVID-19
ADVISORY AND DECLARATION - VISITOR

PLEASE READ THIS DOCUMENT CAREFULLY. IT CONTAINS IMPORTANT INFORMATION THAT YOU MUST FOLLOW TO PROTECT YOURSELF AND OTHERS FROM THE RISK OF COVID-19 INFECTION.

1. PURPOSE AND SCOPE: This document is intended to provide visitors to the property with information regarding the risks of COVID-19 infection and the measures that must be taken to minimize those risks. It is intended to be read and understood by all visitors to the property.

2. COVID-19 IS A SERIOUS DISEASE: COVID-19 is a new coronavirus that can cause illness and, in some cases, death. It is spread from person to person through respiratory droplets that are released when an infected person coughs, sneezes, or talks. It can also be spread by touching surfaces or objects that have been contaminated by the virus.

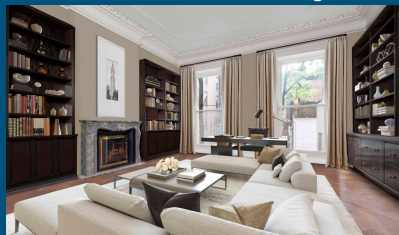
3. VISITORS MUST FOLLOW THE FOLLOWING RULES TO MINIMIZE THE RISK OF COVID-19 INFECTION:

- Wear a protective face mask at all times while on the property.
- Wash your hands with soap and water for at least 20 seconds, or use hand sanitizer.
- Practice social distancing by keeping at least 6 feet between yourself and others.
- Do not touch surfaces, including knobs, switches, countertops, light switches, and other such items.
- After viewing, discard any disposable gloves, mask, or shoe coverings worn during the visit.

4. IF YOU ARE CURRENTLY AFFLICTED WITH, OR WITHIN THE LAST 14 DAYS, HAVE BEEN IN CONTACT WITH SOMEONE AFFLICTED WITH COVID-19, OR HAVE ANY SYMPTOMS SUCH AS FEVER, COUGH OR DIFFICULTY BREATHING, PLEASE DO NOT ENTER THE PROPERTY.

5. THE PROPERTY OWNER AND REALTOR ASSUME NO LIABILITY FOR COVID-19 INFECTION OR DEATH RESULTING FROM VISITING THE PROPERTY.

Virtual Arsenal - Curating The Property



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Virtual Arsenal - Virtual Walk Through



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Mortgage & Financing Update

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Delays & Realistic Timelines

Service Provider Delays

- IRS
- Appraisal - Family Law /Lending
- Escrow
- County Recorders
- Courts Closed

Expect Daily Changes

- Long Term Closures will continue to push out delays
- Timing Is Critical - Orders Need to be Specific and Cover All Issues

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Impact on Mortgage Approvals

Reduction in Income, Workforce or Hours Worked

- A. Updated Documentation
- B. Ability to Verify Employment
- C. Unstable Rental Income Market (VRBO)
- D. Missed Child Support & Spousal Support Payments (6x36 Rule)

Potential Credit Issues

- A. Missed payments
- B. Increase in Debt

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Orders - The Importance of Clear Instructions

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Understanding Real Estate Red Tape

- Fiduciary responsibility (Civil Code Sections 2079.13 - 2079.24)
- Contractual guidelines
- Title Underwriting
- Lending Regulations
- MLS Rules and Regulations
- Neighborhood / City / County regulations

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Items to Include

- Appointment of Realtor
- Who is responsible for repairs
- Division and distribution of proceeds
- Personal property division and removal
- All names on title are to sign
- Include real estate expert in strategy, early in the process

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Items Not to Include

- Price
- Showing schedules
- Time Frames
- Which party gets to sign docs, make decisions
- Right of first refusal

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Title Considerations

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Title Considerations

- Title companies sell insurance
- Underwriting process varies
- quit claim deed or Interspousal deed transfer
- Red Flags - Fraudulent / Break in chain of title
- Final Judgement: H is awarded the property at 123 main st
 - very clear and specific

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In Summary...

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Cautiously Optimistic

- Not a huge crisis coming “a la 2008”
- Solid economic fundamentals
- Historically low interest rates
- Serious headwinds
 - Consumer confidence stumbles as covid roars
 - Unemployment up in January
 - Not yet recovered all jobs lost (almost at 50%)
- Still a lot of healing ahead
- Each case, each property is unique
- Include an neutral, unbiased expert early on

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RAISING THE BAR

CONTINUING LEGAL EDUCATION FOR
FAMILY LAW PROFESSIONALS

Monthly Family Law CLE

- monthly CLE webinar series
- 4th Wednesday / month - 12pm to 1:15pm
- Cost: \$55
- Use my promo code for free access: HaroldCDRE
- www.RTheBar.com

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Tools for Settlement

We're here to help!

- Fair Market Valuations
- Equity Calculations
- Title Searches
- Wording of Orders
- Zoom Meetings / Conference Calls to Explore Options & Reach Agreements

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Thank you for joining us....



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