



# **REAL ESTATE TRANSACTIONS IN A SAFER AT HOME ENVIRONMENT (COVID-19)**

# STAY AT HOME ORDER

- Californians under stay at home order due to COVID-19 (March 19, 2020)
- Includes real estate practitioners and their clients
- Limited real estate activities still permitted
- Priority #1, stay healthy!

Visit <https://www.carcovidupdates.org> for detailed information.



# HANDLING ACTIVE LISTINGS?

- Have an honest conversation with your client :
  - Likely extended time to sell
  - Purchase price may be effected
  - Changes to the marketing plan
- Discuss extending the listing term
- Manage expectations for possible longer contingency/escrow periods
- Document your discussion and give a copy to the seller

# MARKETING DURING THIS PERIOD

- REALTORS® should cease all face-to-face marketing or sales activities including:
  - Showings
  - Listing Appointments
  - Open Houses
  - Property Inspections
- Look to technology tools to perform tasks virtually





# WHAT IF MY SELLER WANTS TO CEASE ALL MARKETING?

- The broker and seller can *mutually* agree to postpone marketing.
- Seek to extend the listing to allow time to effectively market the property



CALIFORNIA  
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OF REALTORS®

## MODIFICATION OF LISTING, BUYER REPRESENTATION OR OTHER AGREEMENT BETWEEN PRINCIPAL AND BROKER (C.A.R. Form MT, Revised 6/19)

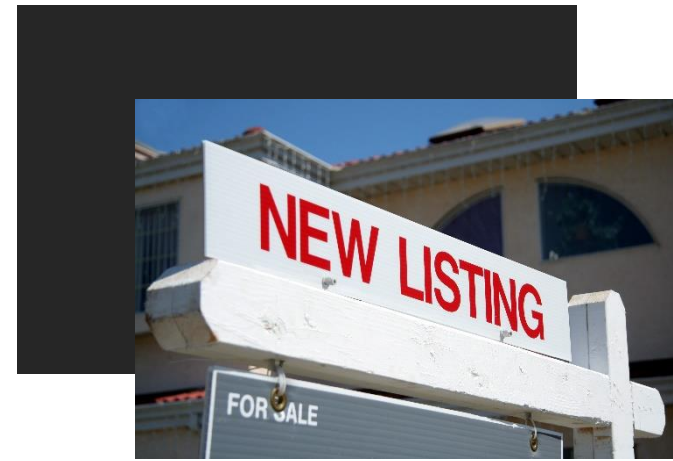
The ☐ Listing Agreement ☐ Buyer Representation Agreement, (or, if checked,) ☐ Other \_\_\_\_\_  
dated \_\_\_\_\_, between \_\_\_\_\_ ("Broker")  
and \_\_\_\_\_ ("Principal"), regarding the real  
property, manufactured home or business described as \_\_\_\_\_  
\_\_\_\_\_ is modified as follows:

**PRICE:** The listing price, price range, lease or rental amount shall be changed to: \_\_\_\_\_  
Dollars (\$ \_\_\_\_\_)

**EXPIRATION DATE:** The expiration date is changed to: \_\_\_\_\_

# NEW LISTINGS

- New listings are permitted!
- Postpone marketing or effective date as options
- Adjust agreement starting dates with Seller's permission later (CAR Form MT) as needed
- Check local MLS rules and inform seller of any timing requirements for submission of listing to MLS
- Use this time to:
  - Preparing the home for sale
  - Complete disclosure forms (digitally)
  - Performance of repairs (permitted as essential services)

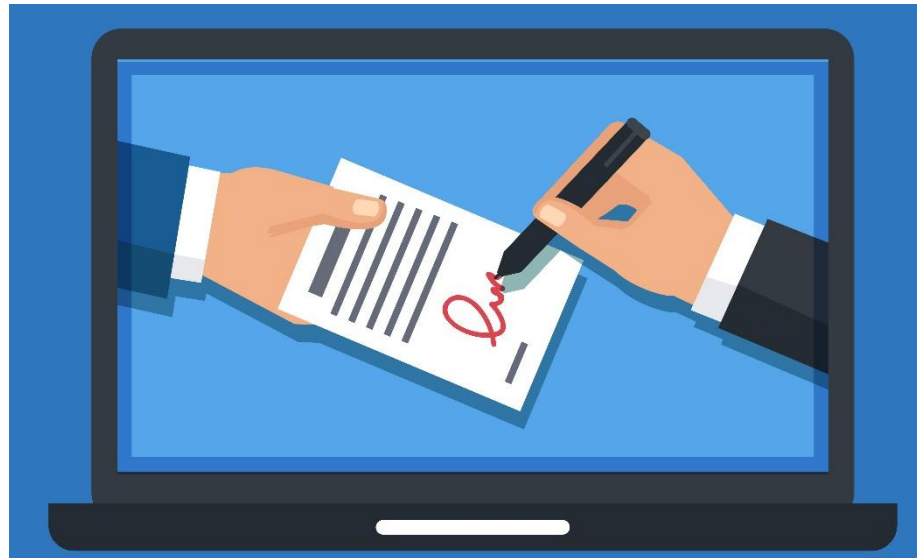




# PRESENTING OFFERS



- No problem. Any transaction with a willing buyer and seller can proceed
- All contractual requirements can be reviewed and signed digitally utilizing Digital Ink within zipForm



# CLOSING CONCERNS AND DELAYS DUE TO COVID-19

- Use C.A.R. Form CVA and NUCC\* to:
  - Postpone closing
  - Provide a right to cancel if the loan is unable to fund
  - Mutually terminate the agreement
  - Identify some other mutually acceptable result

\*Form NUCC will be available within zipForm beginning 3-30-20



## CORONAVIRUS ADDENDUM/AMENDMENT (C.A.R. Form CVA, 3/20)

The following terms and conditions are hereby incorporated in and made a part of or, as applicable, an amendment to, the Purchase Agreement or ☐ Other \_\_\_\_\_ dated \_\_\_\_\_ (the "Agreement") on property known as \_\_\_\_\_ ("Property") in which \_\_\_\_\_ is referred to as Buyer and \_\_\_\_\_ is referred to as Seller.

From time to time, events overtake the ability of the parties to a contract to allocate the risk of nonperformance. Such events are often addressed by a "Force Majeure Clause" allowing a party to suspend or terminate performance when circumstances which the parties could not have anticipated, or which are beyond their control make performance of the contract impossible or impracticable.

The current world-wide Coronavirus (COVID-19) pandemic has had unprecedented impacts on real estate transactions, including, but not limited to, travel restrictions, self-imposed and governmentally required isolations, and closures of both governmental and private offices required to fund, close and record real estate transactions.



# INSPECTION ISSUES

- Home inspection service providers and agent required visual inspections (AVIDs) are not exempt from COVID-19 restrictions
- Parties should only waive these after written documentation of the risks
- For buyers, use C.A.R. Forms BIW and CR to remove the contingency





## CLOSE AND RECORD

- Financial services are exempt from COVID-19 restrictions
- Notarization in CA is still required in person
- Talk to your lender or title officer about how they are handling signings
- Most County Records Offices are still open for electronic recordings
  - If unavailable in your county, ask your lender about gap insurance to cover any delay in recording

# Additional Resources

- <https://www.carcovidupdates.org>
- [COVID-19 Landlord Issues](#)
- [Quick Guide – Real Estate Transactions in a Safer at Home Environment \(COVID-19\)](#)
- [Quick Guide – Guidance on Visual Inspection Disclosures](#)