



CALIFORNIA ASSOCIATION OF REALTORS®

March 24, 2020

Dr. Sonia Y. Angell
California Department of Public Health Director & State Health Officer
PO Box 997377, MS 0500
Sacramento, CA 95899-7377

Dear Dr. Sonia Y. Angell:

On behalf of the 200,000 members of the California Association of REALTORS, we are requesting confirmation that real estate agents are “Essential Critical Infrastructure Workers” in the March 22, 2020 guidance provided by you in relation to the Governor’s Order.

Real estate transactional activity falls within the parameters of the Financial Services Sector of essential critical infrastructure sectors and therefore real estate agents as well as other services which assist in real estate transactions should fall under “Workers who are needed to process and maintain systems for processing financial transactions and services e.g., payment, clearing, and settlement; wholesale funding; insurance services; and capital markets activities.” The Financial Services Sector includes the servicing and issuing of mortgages and home equity lines of credit to maintain the functioning of the mortgage and financial markets. In order for the ongoing functioning of the financial and mortgage markets, parties must be allowed to enter into new transactions and complete ongoing real estate transactions.

That real estate agents and other services connected to real estate activity should be considered as part of the workers identified above has generally been uncontroversial as our members in Los Angeles County have been told by a County Supervisor who consulted with state authorities that they are essential workers. We are also aware of a County Counsel opinion and the orders of seven other states with statewide mandates that have included real estate agents and other services connected to real estate transactions as “essential” based on similar analyses.

Additionally, real estate brokerage services assisting the Financial Services Sector would also be included as essential critical infrastructure workers as providers of “Professional services,



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such as legal or accounting services, when necessary to assist in compliance with legally mandated activities and critical sector services.”

The provision of such real estate services to this sector has never more necessary than during this time of crisis. Many consumers are currently in the midst of selling or buying a home, typically the most important, emotional and financially significant transaction a consumer makes in their lifetime. The inability to complete these transactions could create additional financial hardship and stress during an already difficult time. Further, the ability for consumers to sell or move into a different home or rental at this time is extremely important, as many consumers are going to endure a change in their financial situation due to this unprecedented pandemic and will need to move. They will need the counsel and services of a skilled real estate professional to assist them in making the right decision to avoid compounding the hardship already created by the pandemic.

In addition to the Financial Services Sector, real estate agents provide an essential professional service critical to another sector. Under the Order, ongoing construction including housing construction are essential services, allowed to continue by the Order. Without professional real estate brokerage and the other real estate services for this sector, new construction projects could run into financial problems or be unable to continue as the ability to lease or sell the projects or units being constructed is a crucial part of allowing such construction to move toward completion. These are all services that require the use of professional real estate agents and other affiliated real estate industries.

Furthermore, the ability of real estate agents, in their capacity as property managers and as agents, to find buyers and renters for these newly constructed properties will help ensure that those who need housing can find it in this time of crisis. Many of these new projects also consist of affordable units which are going to be ever more important given the economic hardship created by the pandemic.

The guidance you have provided is based on the Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response. In the FAQ on that Memorandum, it states for businesses “the focus during this response is maintaining the businesses and services that enable continued economic and social vitality.”

The real estate industry is the epitome of both a business and a service which enables the “continued economic and social vitality” of the economy. As was made evident in the great recession, real estate activity is central to strong California economy. When the real estate market stumbles, let alone doesn’t function, the whole economy is severely affected. The last thing California needs, as it tries to maintain a viable economy through the pandemic and have a speedy recovery once the worst is over, is a real estate industry which slows down due to concerns about the full scope of what its practitioners can do.

To be clear, real estate agents will ensure that their business activity connected to real estate transactions will be done in compliance with social distancing and other mandates to reduce or eliminate risk of virus transmission. This does not require much adjustment for the industry, as the vast portion of a real estate transaction can now be done through electronic means, video and video conferencing. Where interaction is necessary, it will rarely involve more than a few persons, all of whom can easily maintain the requisite social distance. Many tasks done by agents, such as visual inspections, can be done with only one person present, and the work of ancillary industries often is done solo as well, such as appraisals or home inspections. The



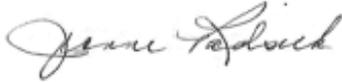
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industry will not be engaging in open houses, or in any forms of marketing or activity that would violate those mandates, put persons at risk, or result in large congregations of persons.

While we fall within the ambit of your guidance, we would welcome express confirmation so that there is no confusion on this issue. We request that you add to the section on the Financial Services Sector, "Workers who are involved in real estate and mortgage transactions and the transfer and recording of ownership of property and deeds of trust and anything incidental thereto;" The health of the state's economy, its recovery from the pandemic, and consumers' financial and housing, needs depend on the ongoing workings of this critical sector. We look forward to your opinion allowing us the security to continue to help the state of California endure and move forward from this crisis.

Sincerely,



Jeanne Radsick
President, California Association of REALTORS®

cc:

Legislative Affairs, California Department of Public Health
Legislative Affairs, Office of the Governor
Honorable Toni Atkins, Senate Pro Tem
Honorable Anthony Rendon, Assembly Speaker
Assembly Jobs, Economic Development, and the Economy Committee
Senate Business, Professions and Economic Development Committee



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