

Industry News, HOA Inspections, and Standard Subdivisions!

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Standard Subdivisions - WHEN BRE?

Single family lot-in-tract subdivisions, or "standard subdivisions," located in an unincorporated area of the County must always file with the Bureau of Real Estate (BRE) when the size of the project is five (5) lots or more. Regardless of whether the intention is to build a home on every lot, or to sell a mix of vacant lots alongside custom homes, the requirement is that every county subdivision must file for and receive a Public Report prior to advertising, or opening escrows.

Unlike the exemption for standard subdivisions located entirely within incorporated cities, there is no possibility that a county subdivision is exempt from BRE review. Things like sewer and water availability and fire protection services must be examined, as well as off-site improvements required by the County, to name a few. Likewise, if the standard subdivision is within a city, but selling



"We look for people who can quickly adapt to changes in the workplace."

Industry News

Home Prices Suggest Solid Housing Market -- No Boom, No Bust.

The Case-Shiller Home Price Index posted a 5.0% year-over-year increase in April, the same increase as in March, keeping home prices largely in-line with income growth, which has been running between 4.5-5%. This data point -- along

The good news is that standard subdivision filings can be processed in half the time it takes to gain approval of a common interest subdivision, and the process can be initiated as early as submittal of the tentative map application to the County.

Call our office today and we will be happy to guide you through it.

COMMON AREA INSPECTIONS and their impact on HOA Budgeting

There are two primary goals in creating start-up HOA budgets. First and foremost, the budget must be realistic. It must address all of the amenities and services that are to be operated and/or maintained by the HOA. Secondly, it must reflect costs and expenses that are as close as possible to what the HOA will actually experience.

One of the line items to be considered is the common area inspections, which are required to be performed in accordance with the CC&Rs for the development. While the HOA manager is required to perform "regular" site inspections, it behooves the HOA to retain an independent inspector, who is experienced in evaluating common area amenities and components.

The common area inspection should be done by an unbiased third party who is a professional in the field of landscape and/or building architecture, and is qualified to make evaluations on the condition and function of common area components. These inspections are done at the expense of the HOA, separate and in addition to reserve study inspections, and should be adequately represented in the start-up budget. The minimum cost is

construction released over the past month -- continues to suggest that housing is adding to gross domestic product (GDP) growth here in 2016, as it has since 2011.

New homes are growing size-wise.

The median square footage of new single family homes built in the United States in 2015 was 2,467 square feet, an increase of 547 square feet over the last 20 years. That's equivalent to a 23' x 23' addition to new homes today when compared to 1995 home construction (*source: Joint Center for Housing Studies of Harvard University*).

BRE News

Addressing the staffing crisis at BRE, two new Special Investigators have been hired for Sacramento office. Kitty Tulga and Linnette Hubbard are new staff members and are already being assigned new files. In addition to the two new hires, the Bureau has brought back a seasoned Investigator. Ty Matt retired 3-1/2 years ago and has opted to return to full-time work. Good news for industry; Ty has

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larger communities.

Findings of the common area inspections may result in additional maintenance or repair costs, which should be represented in the reserve study inspection which is performed at least every three years.

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