

Standard Subdivisions, Maintaining Exclusive Common Area, and BRE News!

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Standard Subdivisions - Why BRE?

If you are developing a standard subdivision located entirely within an incorporated City, you may be exempt from filing with the Bureau of Real Estate (BRE). The exemption is granted if a single family home is built on every single lot in the subdivision. ***Lacking a completed home on every lot, the Subdivider must make application to the BRE for a Final Public Report.***

If, however, you want the option to sell some lots vacant, or market the subdivision to custom home builders, then a Preliminary (pink) Public Report should be obtained before commencing your sales program. A Conditional (Yellow) Report will allow you to enter into binding contracts and to open escrows before your final map is recorded. The Final (white) Public Report is issued only after the map and CC&Rs record. Click [HERE](#) for more on the types of public reports.

On a positive note, the Public Report can and



BRE News

The BRE presented statistics at the recent PCBC meeting that reveal a whopping 17.5% increase in filings statewide. The big increases are with common interest subdivisions, and in particular, in Southern California. To counter this increase, the BRE has added two staff members in Sacramento with more to follow, and two new hires are in

area, and unusual restrictions or limitations on rights of use. It can also explain conditions of purchase, and the documents involved in a purchase transaction. The disclosures included in a public report may well be a positive addition to your sales portfolio of documents.

Maintaining Exclusive Common Areas

In condominium subdivisions where the dwelling units are attached, there are often parts of the building that are considered "exclusive" to specified units. For example, if you purchase a condominium on the second floor of a building, your balcony might not be a part of the airspace "UNIT," but an "exclusive use area" that is assigned to your Unit. You still have exclusive use and ownership of the balcony. In recent years, the maintenance obligation of exclusive use areas has come under fire, and been the subject of litigation: "Who must maintain the exclusive use areas?"

New Default Provision: Starting January 1, 2017 a new default provision goes into effect. Unless your CC&Rs state otherwise, owners continue to be responsible for maintaining their exclusive use areas but the association will be responsible for repairing and replacing them long-term. ([Civ. Code §4775\(a\)\(3\)](#).) By separating repairs from maintenance, the legislature created a bit of a confusing situation.

When creating a condominium development, it is important not to overlook provisions for the maintenance and long term repairs of these exclusive use areas. Other examples to consider are: fences; balcony railings, skylights, decking

still under-staffed to handle the recovering housing market. As we've covered in many of our Newswires over the past year, the BRE continues to fall behind on review timeframes, as outlined in the [SPRAG](#). BRE management has conceded that they are attempting to cure that problem. We continue to encourage our clients to file as early as possible in an effort to avoid delays due to BRE's inability to meet mandated timeframes and the resulting delays in getting your projects into the market.

Industry News

The National Association of Homebuilders (NAHB) published an [article](#) recently that the national impact of building 1,000 average single family homes generates almost 3,000 jobs in the trades and various industry, and \$111 million in tax dollars and government fees. Bringing that information home to California, the impact of the BRE's 3,000 filings in this fiscal year-to-date on the State's economy is over 10,000 jobs and \$300 million in taxes and governmental fees (assuming an average of 10 lots per filing).

address the responsibility for maintenance as well as long term repairs. Considerations of whether the HOA should be responsible might be the visibility factor and impact on the overall building aesthetic if the areas are maintained individually versus the impact on dues if the HOA maintains them.



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