



Things to prepare for in 2016

As a result of changes in review standards, there are a few things to keep in mind for next year's new projects:

- The BRE will be looking for large scale site plans and landscape plans on all common interest filings
- If the development has been operating for more than 1 year, the BRE will require a reserve study be done to verify HOA budgeting standards
- Cost standards have increased so budgeted assessments will be higher on average.
- Water letters are being required to verify availability.

BRE News

As 2015 draws to a close, the Bureau of Real Estate is gearing up for another year of transition. With an unusually high number of retirements and employees on medical leave, the New Year looks to be a better one! File transfers from South to North have halted, bringing a certain level of normalcy to filing life.

2016 also brings the promise of "E-filings," for public report applications, which we are still told will happen. Stay tuned for more information about how and when the e-filing system will be up and running. CBS has volunteered for the beta test of the e-filing process.

2015 in Review

2015 has been a year full of mixed blessings. The fifth year of drought has left many developments dormant due to the lack of plentiful water. The promise of an unusually strong "El Nino" rain season has encouraged most to hang on, including conservative water providers.

New filings throughout 2015 were higher by 15% over 2014 and the makeup of filings changed. The average number of lots/units per phase increased from 10 to 14 in 2015, which indicates a steady increase in absorption rates. Regionally, the number of new filings increased to 35% in Northern California, with 65% of new filings in Southern California.

Condominium developments represented the largest filing segment, at 52% of overall filings. Planned developments are second, at 47%, and single family (county and vacant lot) filings make up 1%. Pink Report applications, which indicate new projects entering the market, made up 12-15% of filings.

2015 was also a year that saw an increase in Master Planned Community filings. While this may indicate a return to normal, it also reflects the pent-up demand for new housing developments in both Northern and Southern California.

New filings for "range of assessments" or "flexible phasing" has also increased, since the BRE reduced the project size limit from 300 to 150 lots/units.

An interview with Assistant Commissioner Chris Neri revealed that the BRE highlights of 2015 were the staffing issues. Between retirements and medical leave absences, the BRE lost 16 employees statewide. 2016 will begin with staff levels almost back to normal with the last three vacancies filled in January. Mr. Neri anticipates that the additional staff will be adequate to enable the Special Investigators both in Subdivisions and Budget Review to respond timely to new application filings, however there may be some timeframe overrun in the first quarter due to the time involved in training.

Merry Christmas!

From everyone at California Builder Services, we hope your holidays will be filled with joy and laughter through the New Year.

