



DEPARTMENT OF BUSINESS AND INDUSTRY
REAL ESTATE DIVISION

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DIVISION:

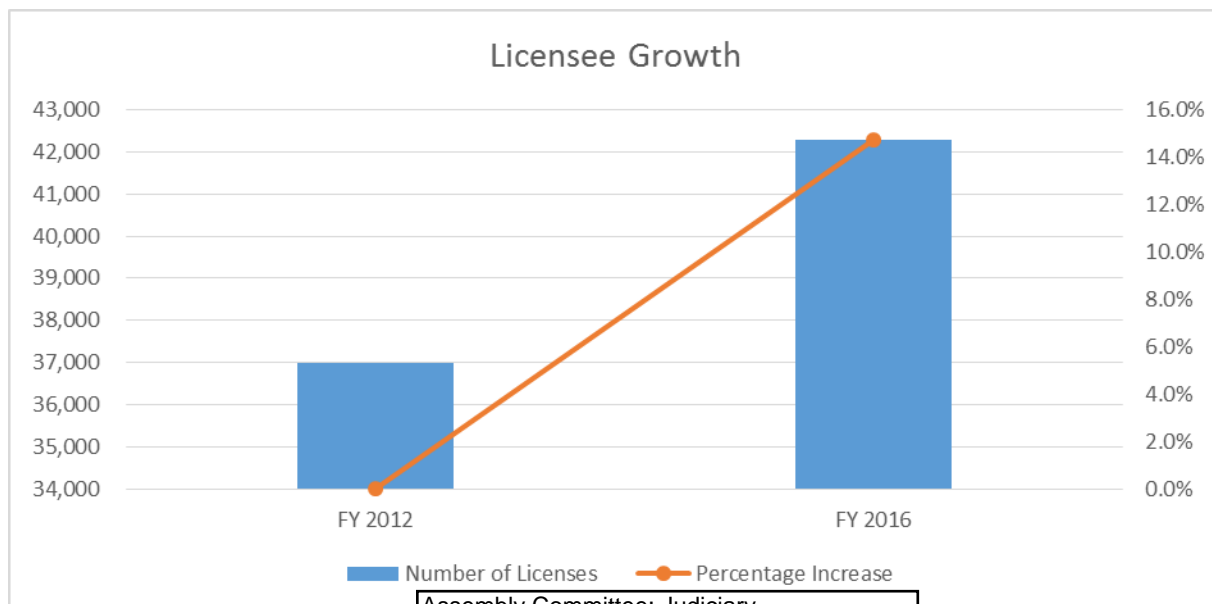
The Real Estate Division is responsible for regulatory oversight and enforcement of laws governing real estate licensees, homeowner's associations, their boards and related constituents. The Division also registers and regulates the sale of sub-divided land, timeshare development and sales, and membership campgrounds.

Broadly the Division is divided into two major components. Real Estate licensees and Common-Interest Communities (HOAs).

The Real Estate licensees section of the Division is funded by an appropriation through the General Fund and consists of 5 distinct sectors of the marketplace, each with varying licensees and sector concerns:

- | | |
|--|--------------------------------|
| 1. Real estate licensees | 2. Builders/ Developers |
| a. <i>Salespersons</i> | 3. Timeshare |
| b. <i>Broker-Salesperson</i> | 4. Appraisers |
| c. <i>Broker</i> | 5. Energy Auditors |
| d. <i>Property Manager enhancement</i> | |

In 2012 the Division oversaw 36,983 licensees and now in 2016 we have 42,264 licensees. This is a 14.3% increase in the volume of licensees that the Division manages.




Assembly Committee: Judiciary
Exhibit: D Page 1 of 4 Date: 02/15/2017
Submitted by: Sharath Chandra

DESCRIPTION OF PROGRAMS:

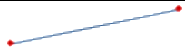

Real Estate -

Real estate licensees consist of sales agents, broker-agents and brokers who primarily engage in the practice of representing buyers and sellers of real estate. A Property Management enhancement to the primary licenses allows licensees to engage in property management activities for owners and lessors of real estate. A Business Broker enhancement allows licensees to broker the sale of business-occupied real estate as well. The Division investigates consumer complaints and regulates the licensing, education, performance and disciplinary standards for licensees.

Licensees	FY 2012	FY 2016	TREAND / % INCREASE
Real Estate	23,940	26,527	
Property Managers	3,054	3,694	
Total	26,994	30,221	12%

Timeshare –


Registered timeshare companies are regulated by the Division while engaged in sales of “right to use and occupy” properties, intended for use on a recurrent periodic basis according to an arrangement allocating this right among various owners. The time share act requires full and fair disclosure to purchasers and prospective purchasers of time-share plans. We have seen a massive growth in this industry and almost a 50% increase in licenses and permits issued

Licensees	FY 2012	FY 2016	TREAND / % INCREASE
Timeshare Salespersons	4,397	6,417	
Timeshare Permits	100	287	
Total	4,497	6,704	49%

Builders/ Developers –

The Division registers sub-divided lands that are offered, or advertised by a common community name for residential use, or as a part of a common promotional plan of advertising and sale for residential use. We have seen huge growth in this area with over 300% increase in volume

NRS 119 BUILDERS: PERMITS ISSUED BY YEAR – *Builder’s Subdivision - exemptions, owner-developer, preliminary registration filings processed. New Registration (includes amendments/enlargements/preliminary).*

Permits	FY 2012	FY 2016	TREAND / % INCREASE
Builder Permits	156	706	
Total	156	706	353%

Appraisers –

Appraisers certified by the Division engage in inspection and reporting of opinion relating to the nature, quality or value of real estate. The Division investigates consumer complaints and regulates the licensing, education, performance and disciplinary standards for licensees. The Division is audited by the federal regulatory agencies that enforce these standards. The Appraisal industry was severely affected by the downturn and also the use of Broker Price Opinions (BPO) in lieu of appraisals and the reforms from the Dodd Frank act, use of has affected the industry

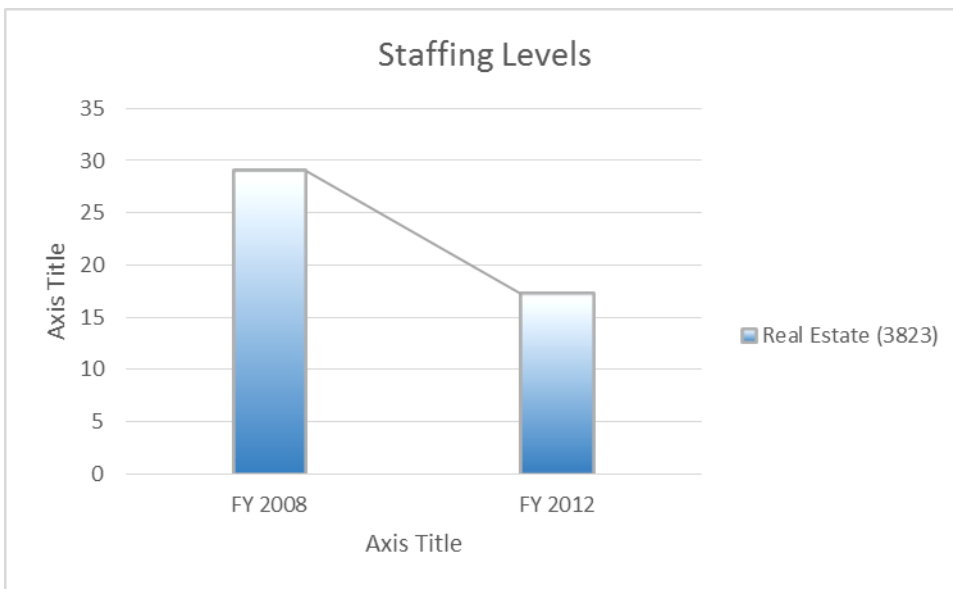
Inspector of Structures/ Energy Auditors –

Licensed IOS/ Energy Auditors conduct physical examinations of the mechanical, electrical or plumbing systems of a structure or of the structural components of a structure for the purposes of improving the energy efficiency of a home, in accordance with state regulations. The Division investigates consumer complaints and regulates the licensing, education, performance and disciplinary standards for licensees in accordance with state guidelines.

STAFFING LEVELS:

Real Estate licensees section is funded by an appropriation through the General Fund. This section in 2008/09 had 29 FTE’s and with the subsequent General Fund reductions the staffing was cut down to 17.2 FTE’s Resulting in a 41% decrease in personnel.

STAFFING LEVELS	FY 2008	FY 2012	% CHANGE
Real Estate (3823)	29	17.2	-40.7%



Subsequently due to the efforts of the Director’s office and temporary funding from the AG’s office 5.4 FTE’s were funded. The funding for these positions is slated to end in 2016. This would result in a 31% overall reduction in staff levels from 2008 even as our licenses and permits have grown well over pre-recession highs.



Common-Interest Communities –




The Division registers and regulates homeowners associations, advises and trains boards, homeowners and community manager licensees, provides a program for resolving disputes between parties, and investigates allegations of misconduct.

Nearly half of all Nevadans live in HOA communities and are subject to the governing documents (CC&Rs) of their communities. The Division plays an important role in holding exclusive jurisdiction over resolving disputes between homeowners and their HOA boards, and protecting homeowners by investigating misconduct of board members and licensed community managers.

Funding for the CIC is self-funding and revenue coming from new and existing HOA’s and a per door fee along with revenue collected from licensing community managers.

Common-Interest Communities (HOAs)

- a. Homeowners
- b. HOA board members
- c. Licensed Community Managers

Licensees	FY 2012	FY 2016	TREAND / % INCREASE
Registered HOAs	2,984	3,164	
Community Mgrs (CAMs)	675	731	
HOA units	498,926	523,757	
Total	502,585	527,652	5%

OVERSIGHT:

Three governor-appointed commissions share authority with the Division. The commissions adjudicate and order Division-recommended discipline, approve statutory and regulation changes, as well as hold other authorities to regulate the real estate marketplace. The three commissions consist of:

1. Real Estate Commission
2. Common Interest Community and Condominium-Hotel Commission (HOAs)
3. Commission of Appraisers of Real Estate