



2022 NC REALTORS® LEGISLATIVE AGENDA

Housing Affordability and Availability

Potential homebuyers across NC are facing a decline in the housing market inventory, increased home prices, and a highly competitive market favoring those migrating to NC and outbidding residents. To exacerbate the problem, the increase in home prices has led to a steady increase in rental pricing.

Issue & Cause

- Accelerating US housing inflation
- House price appreciation has significantly increased since early 2020
 - Monthly payments for typical homes have increased by 40% from a year ago
 - 20% increase in home prices & 20% increase in higher mortgage rates
- Rapid decline in workforce housing
- Zoning barriers
- Supply shortage & low inventory

Impact

- Fewer people own homes
- First-time homebuyers are being priced out
- Rapid decline in available workforce housing
- Incomes are not increasing at the rate that home prices are rising
- Rising rental rates
- Increased commute times adding burdens on aging infrastructure as residents move further out to seek housing

Solutions

- Relax zoning and development rules
- Recognize that rural solutions will differ from urban ones
- Allow for accessory dwelling units as a way to increase affordable housing
- Incentivize new construction of workforce and affordable housing

The dream of homeownership is quickly becoming out of reach for many North Carolinians. Our current housing crisis calls for immediate attention and action, which require our policymakers to intervene.



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NC REALTORS® Priority Issues

Rental Property Protection

Property owners should not face restrictions on renting their property and local governments should not be allowed to regulate or place restrictions on how owners choose to rent their property, whether short term or long-term .. The ability to generate housing income is vital to so many families as well as the many local North Carolina economies that rely on tourism.

- Repeal the inadvertent change that occurred in the law in 2019.
- Zoning Authority has never allowed, nor should it allow, local governments to dictate how property owners may rent their properties.
- This was a significant policy change made without consideration or debate as it was slipped into the bill combining city and county zoning statutes that was not supposed to make any substantive changes to the law.
- The regulations imposed by local governments have and will continue to have a devastating impact on the financial lives of many North Carolinians who relied in good faith on a long-standing law that is now reversed.

Pass H829 and return GS 160D-1207(c) to the NCGA's previous policy and help North Carolinians who need rental income to pay their mortgages and other expenses. This is a necessary safeguard for homeowners and protects property rights.

Remote Online Notarization (RON)

The shift in the mortgage industry from an in-person, paper heavy process to a streamlined, consumer-friendly technology based one has already occurred in NC and around the world. NC has one obstacle to making this complete – passing RON. Thirty-nine other states already use RON. Remote Online Notarization allows the consumer, attorney, and/or notary to be in different locations and safely sign documents electronically. RON is not a replacement to the current process but provides the consumer with another option, which also includes accepting paper and eNotarization.

- Security – RON is secure and incorporates multi-factor identification to protect the consumer.
- Consumer Demand – Consumers are used to a modern world where you can be anywhere and do almost anything. We are seeing this in every area of business, including the real estate market.
- Attorney Presence – RON does not eliminate the attorney presence in the closing process. In fact, the stakeholder version reinforces the requirement to have an attorney involved for real estate transactions.
- Trusted Technology – RON has been in use in the US for a decade. Virginia passed RON in 2012 since that time 38 states have followed.

Please support the stakeholder version of H776, Remote Online Notarization; it is a consumer friendly, easy, convenient, and safe way to notarize documents in real estate transactions. It mitigates risk of fraud because of digital identification verification, and provides an easier trail for auditing.

Uniform Partition of Heirs Property Act (UPHPA)

UPHPA helps preserve family wealth passed to the next generation in the form of real property. If a landowner dies without having a will, the real estate passes to the landowner's heirs as tenants-in-common. Inheriting land in this manner could potentially leave any co-tenant heir vulnerable to a forced sale that is below market value. UPHPA helps protect vulnerable families losing their most valuable asset.

- Protects all parties in a transaction involving heirs' property
- Preserves the right of a co-tenant to sell his or her interest in inherited real estate
- Provides co-tenants the necessary due process in a partition action - notice, appraisal, right of first refusal
- Protects families lacking the financial funds to hire an attorney or estate planner
- Prevents a forced sale well below fair market value resulting in lost wealth
- If a sale is required, it ensures a court supervised commercially reasonable process to ensure all parties receive their fair share of the proceeds

At least 20 states have recognized the need to preserve property rights of tenants in common and enacted legislation, including all of our neighboring states. North Carolina has a tremendous opportunity to help protect vulnerable families - approximately 500 in North Carolina each year - from losing their tenancy in common property involuntarily from a harmful process that has been in place for well over 125 years. Please protect families by supporting the Uniform Partition of Heirs Property Act.