

BUREAU OF REAL ESTATE**Office of the Real Estate Commissioner**

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NEWS RELEASE

FOR IMMEDIATE RELEASE

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PRICE GOUGING IN WILDFIRE AREAS: CALIFORNIA REAL ESTATE COMMISSIONER WARNS AGAINST IT

Agency will investigate complaints against real estate licensees involved in unlawful housing rent price gouging.

SACRAMENTO, CA -- The California Bureau of Real Estate (CalBRE) issued a warning against price gouging on rental housing for wildfire victims.

California Real Estate Commissioner Wayne Bell said the practice is illegal in counties where a state of emergency has been proclaimed.

“The people who have suffered losses due to the horrific fires should never have to suffer further from rent price gouging,” Bell said.

CalBRE will be conducting an investigation as it has been informed that one or more real estate licensees may be involved in unlawful “price gouging” with respect to the rental of residential real property in one or more counties devastated by the recent wildfires and where a state of emergency has been declared.

California law states that upon and after the declaration of a state of emergency, including one resulting from fire, those persons who rent or lease, or offer to rent or lease, rental housing – for a term of less than one year – at a rate more than 10 percent above the rate immediately prior to the onset of the state of emergency, are committing a misdemeanor and engaged in an unlawful business practice. A greater price increase may be lawful, but only upon the offer of certain required proof from the service or goods provider.

The law on price gouging or taking unfair advantage of consumers also applies to hotel and motel rates, and to consumer food items and other goods and services.

Price gouging is a violation of the law and is punishable by imprisonment or a fine of not more than \$10,000, or by both the fine and imprisonment. Unlawful business practice actions can also be brought against licensees who violate the anti-price gouging law. According to the California Attorney General’s Office, local district attorneys and the Attorney General can enforce this law.

Bell said CalBRE will carefully investigate claims of price gouging by its licensees and will take appropriate disciplinary action.

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Bell also warns victims of the recent fires to only work with California licensed real estate agents and contractors. He noted, "Disasters are too often followed by unlicensed contractors and others who take undue advantage of consumers who are in desperate need of qualified assistance."

He also said consumers need to ask those who offer their professional services for proof of licensure, or any applicable exemptions, and for their qualifications."

To file a complaint with CalBRE against a real estate licensee or regarding unlicensed activity, go to the bureau's website at www.dre.ca.gov. To file a complaint with the Contractors State License Board, visit the board's website at www.cslb.ca.gov.

To view Penal Code 396, which addresses price gouging in disaster zones, go to:
<http://codes.findlaw.com/ca/penal-code/pen-sect-396.html>

The Department of Consumer Affairs (DCA) promotes and protects the interests of California Consumers. Consumers can file complaints against licensees by contacting DCA at (800) 952-5210. Consumers can also file a complaint online at www.dca.ca.gov.

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