



# California Real Estate Principles

Chapter 1: Introduction to  
Real Estate



# I. California's Real Estate Market

(캘리포니아 부동산 시장)

# A. California Department of Real Estate (DRE)

- In California, real estate licensing laws are regulated by the California Department of Real Estate (DRE) (캘리포니아 부동산 라이선스 관련 법률은 미 캘리포니아 부동산부 (California Department of Real Estate) 에서 관리하고 있다)
- The DRE is headed by the Real Estate Commissioner (미 캘리포니아 부동산부는 Real Estate Commissioner이 이끌고 있다)
  - [www.dre.ca.gov](http://www.dre.ca.gov) (California DRE website)

# B. DRE Salesperson Exam Content (부동산시험 내용)

Figure 1-1

When changes in the law occur or changes in the practice of real estate take place, new subject matter is added to one or more of the major categories. Thus, the categories are revised and brought up-to-date on a regular basis. There is no assurance that a specific test will cover all subject areas listed, because the test merely samples the broad field of real estate. Because there are differences in the level and amount of knowledge required of salespersons and brokers, the exams differ in their emphasis and difficulty. The following lists of examination topics are for informational purposes and should not be considered totally comprehensive:

EXAMINATION SUBJECT AREAS	SALESPERSON EXAM (APPROX.)	BROKER EXAM (APPROX.)
<b>1. Property Ownership and Land Use Controls and Regulations</b> Classes of property; Property characteristics; Encumbrances; Types of ownership; Descriptions of property; Government rights in land; Public controls; Environmental hazards and regulations; Private controls; Water rights; Special categories of land	15% ← CHPS 1, 2, 3,12	15%
<b>2. Laws of Agency and Fiduciary Duties</b> Law, definition, and nature of agency relationships, types of agencies, and agents; Creation of agency and agency agreements; Responsibilities of agent to seller/buyer as principal; Disclosure of agency; Disclosure of acting as principal or other interest; Termination of agency; Commission and fees; Responsibilities of agent to non-client third parties	17% ← CHP 4	17%
<b>3. Property Valuation and Financial Analysis</b> Value; Methods of estimating value; Financial analysis	14% ← CHPS 10,11	14%
<b>4. Financing</b> General concepts; Types of loans; Sources of financing; Government programs; Mortgages/deeds of trust/notes; Financing/credit laws; Loan brokerage; Types of loan originators	9% ← CHPS 8,9	9%
<b>5. Transfer of Property</b> Title insurance; Deeds; Escrow; Tax aspects; Special processes; Transfer through court supervision; Types of vesting	8% ← CHPS 2,7,13	8%
<b>6. Practice of Real Estate and Mandated Disclosures (includes Specialty Areas)</b> Trust account management; Fair housing laws; Truth in advertising; Record keeping requirements; Agent supervision; Permitted activities of unlicensed sales assistants; DRE jurisdiction and disciplinary actions; Licensing, continuing education requirements and procedures; California Real Estate Recovery Fund; General ethics; Technology; Property management; Commercial/industrial/income properties; Specialty areas; Transfer disclosure statement; Natural hazard disclosure statements; Disclosure of material facts affecting property value; Need for inspection and obtaining/verifying information; Reports; Servicing Diverse Populations	25% ← CHPS 4,5,6	25%
<b>7. Contracts</b> General; Listing agreements; Buyer broker agreements; Offers/purchase contracts; Agreements; Promissory notes/securities; Purchase/lease options; Advanced fee	12% ← CHPS 4,5	12%

Department of Real Estate  
% of Exam Questions  
Testing Emphasis

## C. The Rise of the Internet (인터넷 사용의 증가)

- Homebuyers have more knowledge and more options than ever before (과거의 그 어떤 때보다도 오늘날의 집 구매자들은 보다 많은 데이터와 옵션을 지니고 있다)
- Studies have shown that BOTH buyers and sellers begin their search online (리설치에 따르면 집 구매자와 판매자 모두 인터넷으로 조사를 시작한다고 한다)
- Two of the most popular 3rd party sites are: (사람들이 가장 많이 사용하는 집광고플랫폼은 아래와 같다)
  - Realtor.com
  - Zillow.com

## C. The Rise of the Internet (인터넷 사용의 증가)

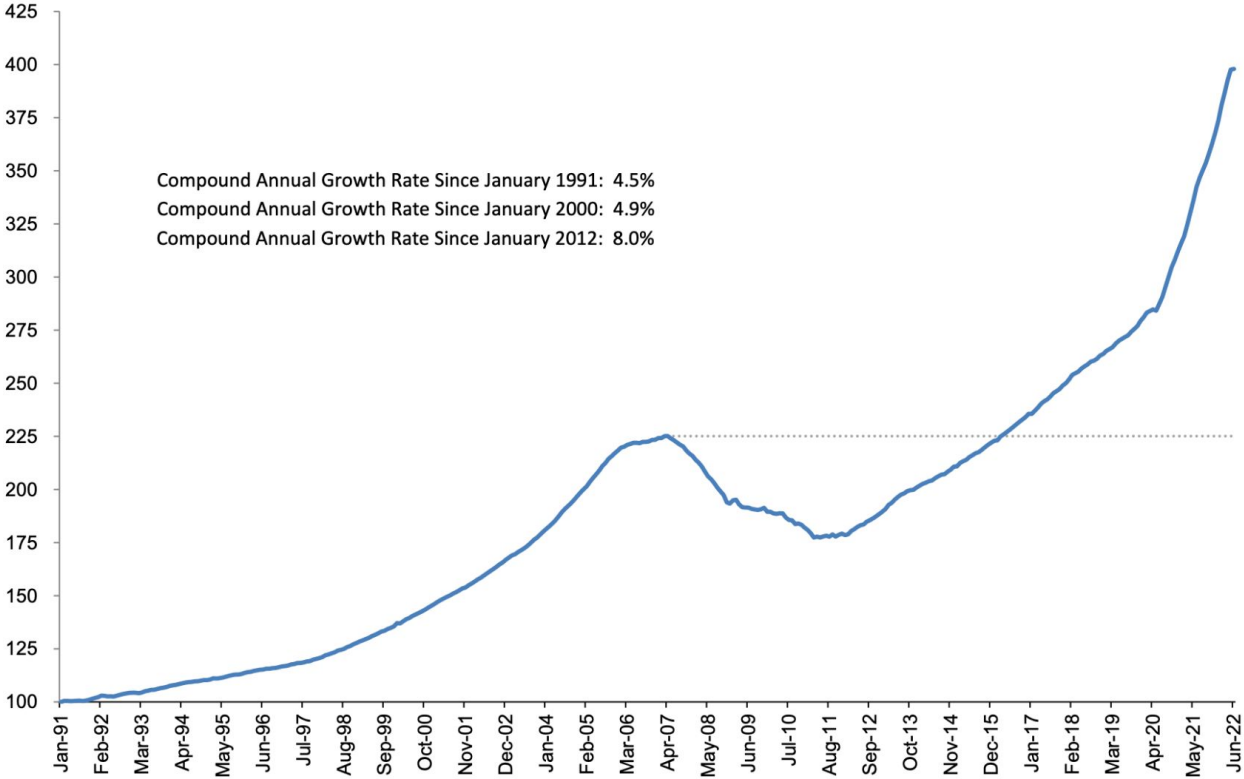
- Pros of Advertising on 3rd party listing sites (집광고플랫폼의 장점):
  - Gives more exposure to potential buyers (보다 많은 집 구매자에게 노출 가능)
  - No cost to list properties (비용이 들지 않음)
  - Find buyers faster (보다 빠르게 집 구매자를 찾을 수 있음)
- Cons of Advertising listings on 3rd party listing sites (집광고플랫폼의 단점):
  - Lag between updates in MLS and 3rd party sites (MLS에 비해 업데이트가 느리다)
  - Inaccurate data (부정확성)

# D. High Cost of California Real Estate

## (캘리포니아 부동산 가격의 증가)

- California's real estate values were reduced unevenly due to the Financial Crisis and the Great Recession (2007년 경제대공황 이후 캘리포니아 부동산 가격은 불균형하게 하락했다)
- However, after a few years, housing prices started to climb back up (하지만 몇년 후 부동산 가격은 다시 상승하기 시작했다)

### Monthly House Price Index for U.S. from January 1991 - Present Purchase-Only FHFA HPI® (Seasonally Adjusted, Nominal)



Source: FHFA

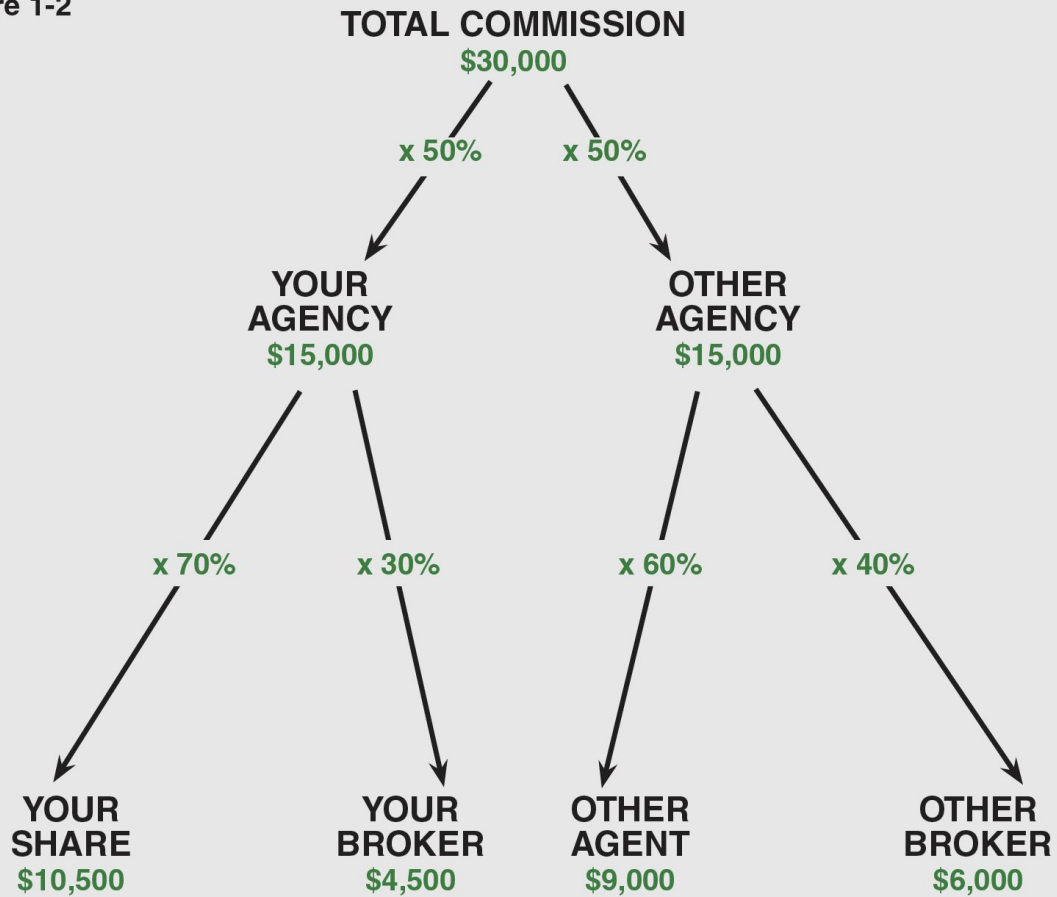


# E. Real Estate: A Profitable Profession


(부동산 에이전트: 수익성 높은 직업군)

- With the high cost of real estate comes the potential for high profits (높은 부동산 가격은 많은 돈을 벌 수 있는 기회를 제공한다)
- A **commission** is an amount paid, usually as percentage of the selling price, to a broker for services (커미션은 부동산 판매가격의 일정 %로 책정된다)
- The commission that can be charged by a real estate broker in the sale of a 1-to-4 unit property is **negotiable** between the principal and broker (1-to-4 유닛 부동산에 대한 커미션은 판매자와 에이전트의 합의 하에 결정된다)
- **Commission is always paid by the seller** (커미션은 항상 판매자가 지불한다)

Figure 1-2



**TOTAL COMMISSION: \$10,500 + \$4,500 + \$9,000 + \$6,000 = \$30,000**

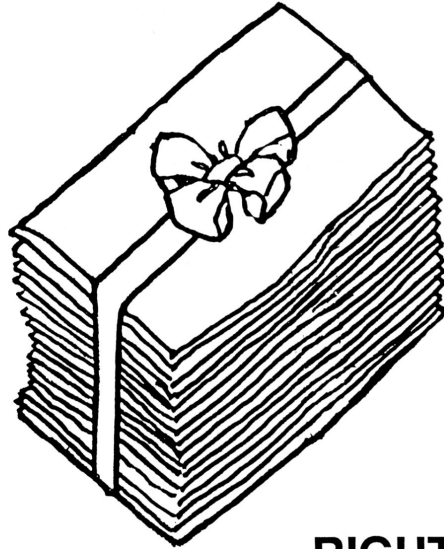


## II. Real Property & Personal Property

(부동산 & 동산)



# **BUNDLE OF RIGHTS**



**RIGHT TO POSSESSION**

**RIGHT TO ENJOY**

**RIGHT TO CONTROL**

**RIGHT TO DISPOSITION**

# A. Ownership is about a **Bundle of Rights**

(소유권 = 권리꾸러미)

1. **Possession:** the right to occupy, rent, or keep others out (거주하고, 렌트를 주고, 다른사람들은 들어오지 못하게 하는 "소유"의 권리)
2. **Enjoyment:** the right to "peace and quiet" without interference from others (평화롭고 조용하게 지낼 수 있는 "즐김"의 권리)
3. **Control:** the right to physically change or keep the property the way you like it (원하는 방식으로 소유부동산을 고치거나 그대로 둘 수 있는 "통제"의 권리)
4. **Disposition:** the right to transfer all or part of your property to others as you see fit (소유부동산을 양도할 수 있는 "양도"의 권리)

## B. Real Property (부동산)

- **Real Property** is the right or interest that a person has in the land or anything attached to the land (부동산이란 한 사람이 땅 또는 땅에 박혀있는 정착물에 지닌 권리 또는 지분을 뜻한다)
  1. Land: including **littoral** and **riparian** rights, mineral, oil and gas rights, and airspace (땅은 부동산에 속한다. 여기서 땅에 포함되는 물에 대한 **littoral** and **riparian** 권리, 미네랄, 석유, 가스, 영공에 대한 권리 또한 부동산에 포함한다)
    - \* **Littoral right**: the right of a landowner to the reasonable usage of a non-flowing body of water (고여있는 물을 사용할 권리 (ex. lake))
    - \* **Riparian right**: the right of a landowner to the reasonable use of moving, free flowing water on and adjacent to his/her land (흐르는 물을 사용할 권리 (ex. river))
    - \* When things like mineral, gas, and oil are excavated, they are considered personal properties (미네랄, 석유, 가스 등 땅 아래 묻혀 있을 경우 부동산으로 취급되지만, 발굴 된 후에는 동산으로 취급한다)

## B. Real Property (부동산) (cont.)

2. Anything permanently attached or affixed to the land such as building, fences, walls are known as **improvements** (땅에 박혀있는 빌딩, 펜스, 벽과 같은 정착물은 부동산으로 취급하며 improvement라 칭한다)

3. Anything incidental or appurtenant to the land. Examples include shares of stock in water company, **easement**, etc. (땅에 부수적이거나 종속적인 것들은 모두 부동산으로 취급한다. 예로는 수도회사주식과 **easement** 등이 있다)

\* **easement**: 지역권 (남의 토지를 특정 목적으로 사용할 수 있는 권리)

## B. Real Property (부동산) (cont.)

4. Things that are immovable by law such as vegetation are considered real property (법으로 옮길 수 없게 되어있는 것들은 부동산으로 취급한다. 예로 나무 따위를 들 수 있다)



## C. Personal Property (동산)

- **Personal Property** is any property that is movable and cannot be properly classified under the definition of real property (동산이란 옮길 수 있고, 부동산으로 취급될 수 없는 모든것을 뜻한다)
  1. **Emblements**: growing crops cultivated annually such as fruits and nuts (매년 경작하고 재배되는 과일, 견과류 같은 수확물을 **emblements**라 하고, 동산으로 취급한다)
  2. The ownership of personal property is transferred with a **Bill of Sale** (동산 양도시 **Bill of Sale**이라는 매도증서를 사용한다)

## D. Fixtures (정착물)

- **Fixtures** are items of personal property that are attached to, or incorporated into, the land in such a manner as to become real property (**Fixture**이란 땅에 정착되어진 동산을 뜻하며, 땅에 정착된 동산은 부동산으로 취급한다)

**Fixtures = Real Property**

# Tests of a Fixture (정착물 판별방법)

- When in dispute over a fixture, the courts use five tests (**MARIA**) to determine if it is a fixture or not (정착물로 취급되어야 하는지 아닌지 분쟁이 있을시 법원에서는 MARIA test를 사용한다)
- 5 Tests (**MARIA**):
  1. **M**ethod of attachment (부착성격)
  2. **A**daptability (특화성)
  3. **I**ntention (의도)
  4. **R**elationship of the parties (이해관계)
  5. **A**greement (사전합의)

## E. Trade Fixtures (개인사업에 사용되는 정착물)

- **Trade Fixtures** are personal property used in the normal course of business (개인사업에 사용되는 **Trade Fixtures**는 정착물이라 하더라도 항상 동산으로 취급된다)

**Trade Fixtures = Always Personal Property**

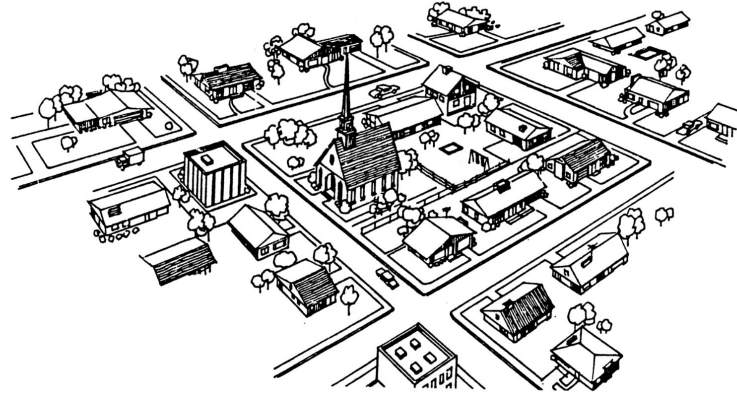
# III. Methods of Land Description

(땅 설명방법)

# Common Address

- Does not give enough information to property describe or locate a property (일반적으로 사용되는 집 주소는 땅 덩어리 경계선이나 부동산의 위치를 정확히 묘사하기에 부족하다)

# THE THREE LEGAL TYPES OF LAND DESCRIPTION

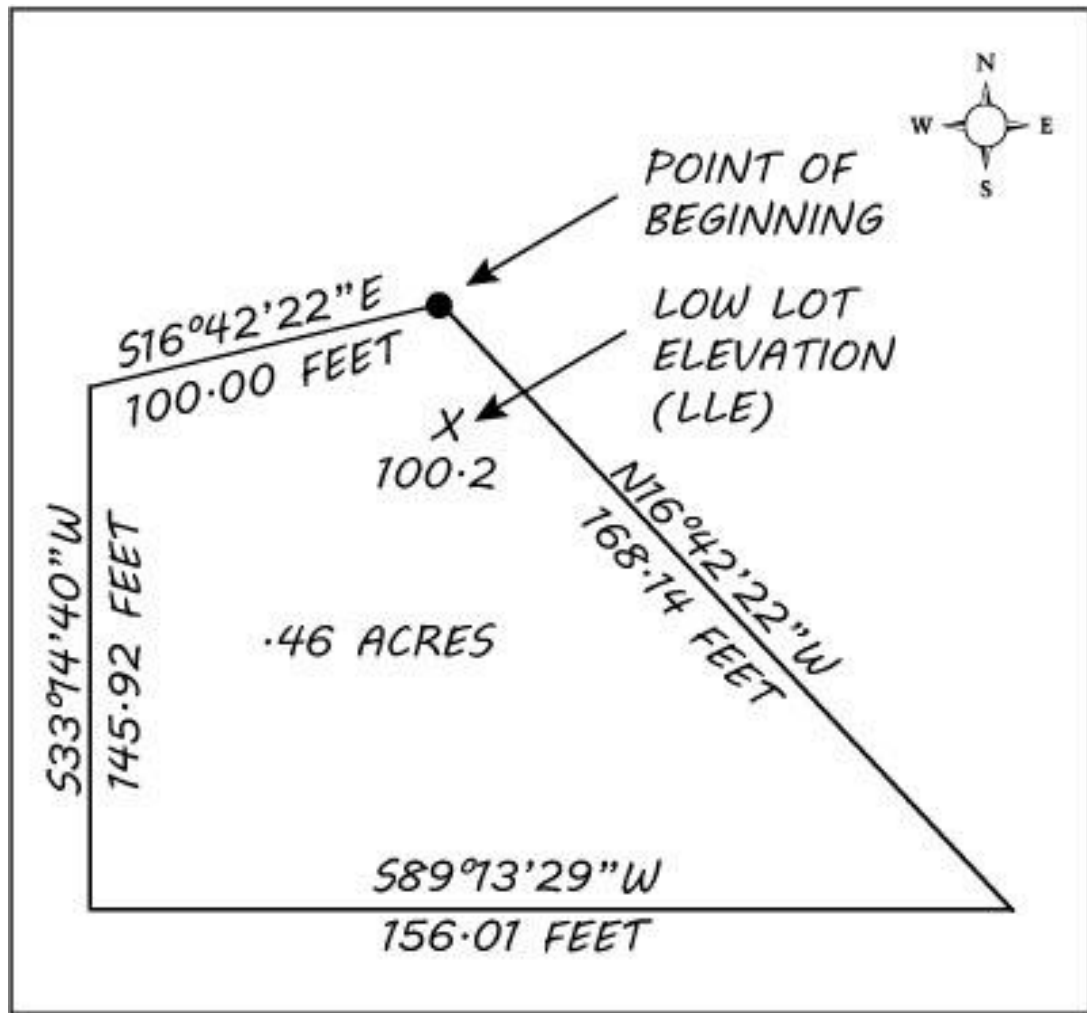


- 1. METES AND BOUNDS (SURVEYOR'S MAP)**
- 2. SECTIONS AND TOWNSHIPS (U.S. GOVERNMENT SURVEY)**
- 3. LOTS, BLOCKS AND TRACKS (RECORDED SUBDIVISION)**

# A. Metes and Bounds (Surveyor's Map)

- The method of identifying property in relationship to its boundaries, distances and angles from a given starting point (**Metes and Bounds**는 일정위치를 기준점 삼아 거리, 각도 등을 사용하여 땅의 경계선을 설명하는 방법이다)
- Complicated description that surveyors use (전문가들이 사용하는 복잡한 방법)
- The oldest and least reliable method (가장 오래됐지만 신뢰성이 부족한 방법)





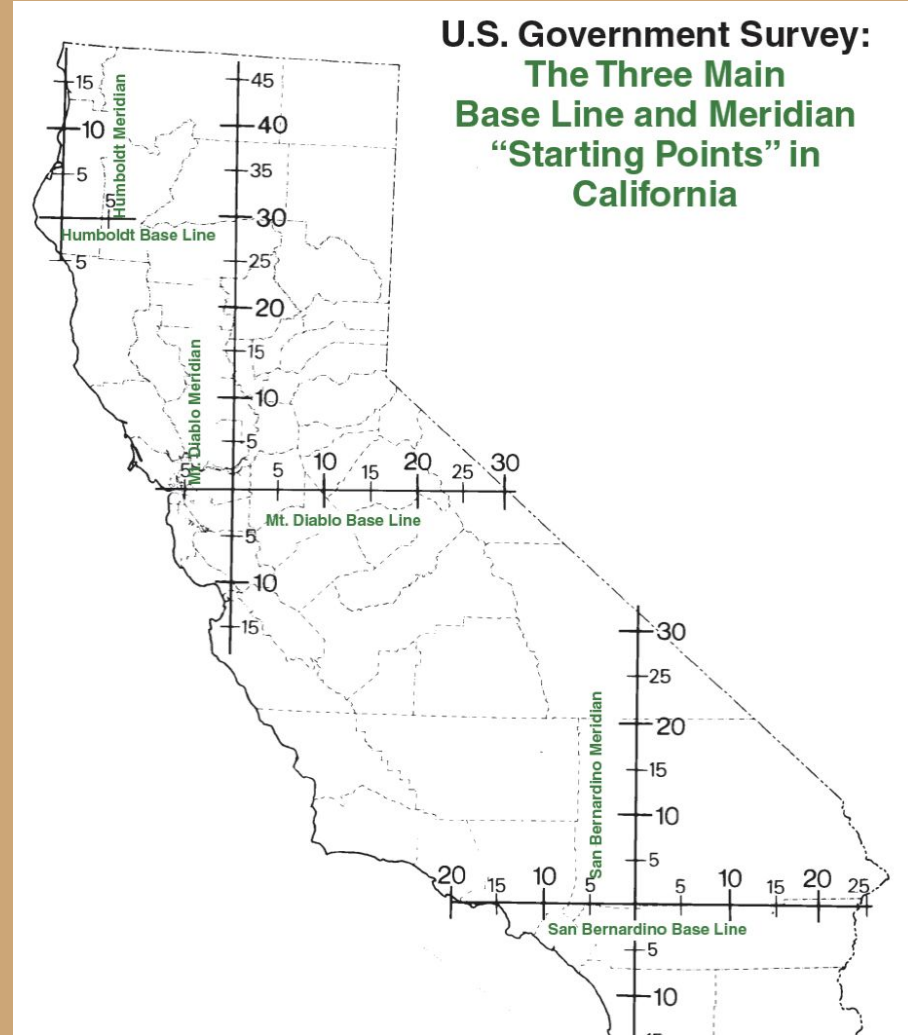
## B. Sections and Townships (U.S. Government Survey)

- Identifies land by using **sections** and **townships** arrived upon by dividing the state into base lines and meridian lines. (Base line (동서로 이어지는 선) 과 meridian line (남북으로 이어지는 선)을 기준으로 Section과 Township의 개념을 이용하여 땅의 위치를 설명하는 방법)

# The three starting points in California

(캘리포니아 3개의 기준점)

1. Humboldt Base and Meridian Line
2. Mt. Diablo Base and Meridian Line
3. San Bernardino Base and Meridian Line



# Tiers, Ranges, and Townships

## Tiers, Ranges, and Townships

				Fig. 1-7	Tier 4 North
	MERIDIAN LINE				Tier 3 North
		6 Miles x 6 Miles			Tier 2 North
					Tier 1 North
San Bernardino		BASE LINE			Tier 1 South
	Range 1 West	Range 1 East	Range 2 East	Range 3 East	Range 4 East



# Base Lines & Meridian Lines

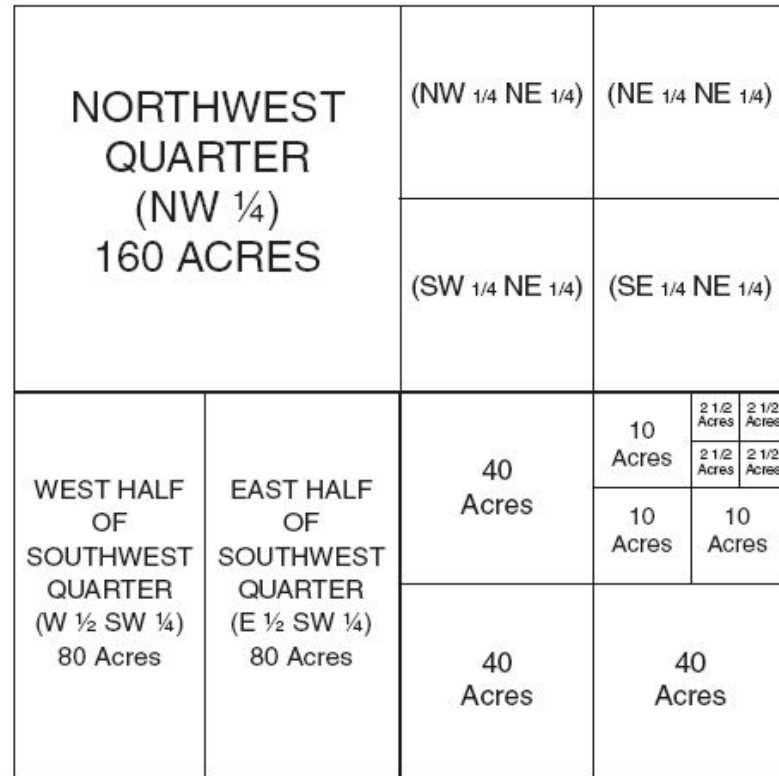
- **Base lines:** run east-west from a given starting point and are marked by six mile increments with **Tier lines**, running parallel to the base line. Space between each tier lines are called **Tiers** (Base line은 동서로 이어지며 6마일 간격으로 그려진 평행선들을 Tier lines라 부른다. 선과 선 사이 생성되는 구간을 Tier이라고 부른다)
- **Meridian lines:** run north-south from a given starting point and are marked by six mile increments with **Range lines**, running parallel to the meridian line. Space between each range lines are called **Range**. (Meridian line은 남북으로 이어지며 6마일 간격으로 그려진 평행선들을 Range lines라 부른다. 선과 선 사이에 생성되는 구간을 Range라고 부른다)

# Sections & Townships

- **Township:** The grid of squares resulting from the intersection of tiers and ranges. (Tier과 Range가 교차하며 생성되는 구간을 **township**이라 한다)
  - 1 township = 36 miles<sup>2</sup>
- **Section:** when a township is divided into equal 36 portions, each portion is called a **section** (**township**을 동일한 36개의 구간으로 나뉘었을 때 생성되는 각 구간을 **section**이라고 한다)
  - 36 sections = 1 township
  - 1 section = 1 mile<sup>2</sup>
  - Number sequence for sections starts in the upper right-hand corner of a township (모든 section은 넘버링이 되어있는데, township의 오른쪽 최상단부터 시작한다고 생각하면 된다)

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

A township divided into 36 sections



## C. Lots, Blocks, and Tracts (Recorded Subdivision)

- Describes a property according to an engineer's map which is approved by the Department of Real Estate and the local city or county (정부에서 제작한 subdivision 맵을 사용해서 위치를 묘사한다. Subdivision 맵이란 큰 땅덩어리를 판매, 렌트 목적 등으로 세분화 해놓은 지도를 뜻한다.)



## Short Line Beach Subdivision No. 2



*LOT 22 in BLOCK 21 of Short Line Beach Subdivision No. 2, as per map recorded in Book 4, Page 42 of Maps, in the office of the County Recorder of Los Angeles.*

## C. Lots, Blocks, and Tracts (Recorded Subdivision)

1. **Tract:** the name assigned to an individual subdivision map (Subdivision 맵은 도시별, 구역별로 만들어져 있다. 해당구역 subdivision 맵을 지칭하는 단어를 **Tract**라 한다)
2. **Blocks:** individually numbered sections of a tract separated by roads (Tract들은 **Blocks**로 이루어져 있다. 각 **Block**들은 넘버링이 되어있고 도로를 기준으로 나뉘어져 있다)
3. **Lots:** individually numbered sections of a block (**Lots**란 Block을 구성하는 유닛이라 생각하면 된다)

**Tract > Blocks > Lots**

# Units to Know (알아야하는 단위)

- 1 acres = 43,560 ft<sup>2</sup>
- 1 mile = 5,280 ft
- 640 acres = 1 mile<sup>2</sup>
- 1 section = 1 mile<sup>2</sup> = 640 acres
- 1 township = 36 sections = 36 mile<sup>2</sup>