

DISASTER RELIEF STUDY GROUP FINAL REPORT

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Introduction

Responding to a request from members affected by Hurricane Hugo and the northern California earthquake, NAR President, Norman Flynn appointed a study group to determine the effects of natural disasters on the real estate industry, to identify the appropriate Association response to such events, and to develop and distribute guidelines, designed to assist Boards and States with both pre and post disaster planning. To that end, a report entitled, "The Impact and Response to Natural Disasters," along with pertinent articles and guidelines will be distributed, through the EO Update newsletter, to all Boards and States.

Methodology

At the direction of Max L. Hill, Jr., Charleston, South Carolina and Leo Saunders, Walnut Creek, California, Co-Chairmen, focus group sessions were conducted in the communities of Charleston, South Carolina, San Francisco, California and Santa Cruz, California. These communities were selected because they experienced natural disasters during September (Hurricane Hugo) and October (northern California earthquake) in 1989. The individuals participating were invited by Mr. Hill and Mr. Saunders, and were representatives of REALTOR® firms and allied professions.

The basic format for all meetings were similar: questionnaires were filled out by attendees at the start of the session, following which discussions were held to delve into topics covered in these questionnaires. The intention was to gather independent impressions, followed by a group consensus of the significance of the disaster. The discussions were focused on personal observations and experiences of those interviewed as a result of the disaster, its effects on the real estate industry, and on conclusions that might be drawn from the event and the aftermath.

SUMMARY

This report summarizes the focus groups' discussions and suggests the role that could be adopted by each level of the National Association.

All the focus groups agreed that local Boards, because of their strategic positions in their respective communities, are the most knowledgeable about local problems, and are in the best position to

recommend and implement disaster relief solutions. It was determined that the higher the level of the collective Association the more removed it typically will be from a disaster. The National Association will not know local conditions, and it cannot effectively speak for a local area. The State Association while more directly involved than National, is also working at a disadvantage since it, too, must rely on second hand knowledge of actual conditions. Despite these limitations, the National Association, the States and the local Boards can do a number of things to assist the membership in affected areas.

HOW BOARD MEMBERS CAN ASSIST THEIR COMMUNITY

REALTORS®, since they have the closest and most direct association with individual property owners and tenants, often have a unique knowledge of their community and its housing stock. Therefore, the advice of REALTORS® will often be solicited by community leaders, the media and individuals. To the extent that REALTORS® are prepared to respond to such questions, they can help their communities and friends in times of need. Their actions will not only improve their image, but speed recovery as well. REALTORS® should, therefore, be prepared to respond to calls for assistance in the following areas:

- Advice to residents on how to handle emergency situations, and simple preventative advice (e.g., how to shut off power and water, danger signs to be aware of, etc.,).
- Advice to owners on finding repair personnel.
- Advice on insurance claims and settlement.
- Advice on selling damaged property.
- Actions to protect and secure property.
- Identification of available housing.
- Identification of local areas most likely to be affected by certain types of disaster.
- Monitoring of information on areas experiencing special problems.

Most of this information and advice will be conveyed by a number of organized groups in the wake of a disaster. It is, however, possible in some communities for the REALTOR® Association to assist in meaningful disaster planning.

HOW LOCAL BOARDS CAN ASSIST THEIR COMMUNITIES

The local Board allows members to speak with a single voice and at the same time bring together many ideas, minds and experiences. It allows the real estate professionals to interact formally with representatives of allied professions. Because of its strategic position as the representative of the local real estate industry, the Board can and does play a critical role in disasters. As an institution it probably is most knowledgeable about local real estate problems, and it may be in the best position to recommend and implement solutions.

The activities of Boards should begin with pre-disaster activities. If REALTORS® are to engage in disaster planning, it can be coordinated best by the Boards. Boards located in areas that are disaster prone should consider conducting seminars on the following subjects:

- Insurance planning.
- Planning for specific types of disasters.
- Planning for the disruption of office activities.
- Legal issues relating to disasters (and especially, liability issues).
- Mock disaster drills (similar to mock drills of medical personnel).

Once a disaster strikes, the Board can take on other responsibilities, which can be summarized as representation and coordination. The essence of the representation function is the Board speaking for the real estate community. The coordination function is slightly more complicated as it can involve actions taken by the Board and achieve an end, as well as simply providing a place for members to meet and exchange ideas and common experiences.

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Representation could include:

- Offering general advice to property owners and residents on safety, repairs, dealing with repair people, dealing with possible speculators. This advice could take the form of publications or presentations, assisted by local media
- Representing the real estate industry in dealing with allied professions, such as recording offices, appraisers, financial institutions, attorneys and the insurance industry. This could

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also include working with allied professionals to respond in a unified way to particular problems, such as a combined statement on practical repair problems.

- Representing the real estate industry to local (and sometimes national) media. This might involve transmissions of factual information, or interpretation (how severe are damage problems, how difficult is it to find a contractor, etc.,) of conditions.
- Representing the local real estate industry to State and National, and to different levels of government (including disaster agencies).

Beyond the representation function, Boards can serve as organizers of activities, and opportunities for members to work collectively based on common experience. This type of coordination function would include:

- Development of positions meant to represent the local real estate community.
- Bringing members together to share experiences in the aftermath of a disaster, and to build on that experience to develop appropriate responses. This might include problems such as property managers dealing (and communicating) with owners or dealing abrogation of leases, how to deal with rent control ordinances, how to handle sales in process, what to do with insurance adjustments that seem out of line, and a multitude of other issues.
- Development of model documents designed for the specific occurrence. Not all disasters have the same effects, and not all areas will face the same problems following a disaster. Local conditions and circumstances can determine appropriate responses, and the Board is well situated to address local problems and devise appropriate solutions.
- To the extent that grants to members are received or necessitated, the Board can coordinate distribution, or identify those with greatest need.

HOW THE STATE ASSOCIATIONS AND THE NATIONAL ASSOCIATION  
CAN ASSIST THEIR MEMBERS

As previously stated, the higher the level of the collective Association, the more removed it typically will be from a disaster. Similarly, the higher the level the more general the perspective on the subject of natural disasters. The individual REALTOR® sees damaged

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property, deals that fall apart and the office with files destroyed. The Board sees disrupted communication networks, a need for additional housing in the community and the importance of getting correct information to the local TV reporters. The State Association sees the problems that are likely to occur with the scramble to get a sufficient number of adjustors to the area, and the need to inform local REALTORS® and Boards of what to expect and do. The National Association sees the situation from a communications perspective and views itself in an information central capacity before, during and after a disaster. Assistance at the State and National levels could include the following:

State Associations

- Provide training to local Boards and to REALTORS® on what the general effects of disasters are, and on planning for possible disasters.
- Provide technical advice and assistance. This advice can take the form of preparation of materials (text, audio and video tapes), as well as prepared technical assistance mechanisms (hot lines, personnel knowledgeable on physical damage matters, legal issues, accounting issues, etc.).

The National Association

- Provide local Boards and State Associations with a copy of the Disaster Relief Study Group "The Impact And Response To Natural Disasters".
- Have disaster related information available through the NATIONAL ASSOCIATION OF REALTORS® library and notify all Boards and States of its availability. . .
- Work with federal assistance agencies to develop a more efficient system of fund distribution.
- Make available a dedicated telephone number during times of crisis so that disaster relief efforts can be coordinated through a sole source.

State Associations and the National Association

- Public information. Just as a local Board is most effective in speaking for a local situation, to the extent that a disaster is multi-locality or even multi-state in its swath, a State Association or the National Association is a better spokesperson for the real estate industry. This is also true if more than one major natural disaster occurs in a short period of time.
- Moral support. A community experiencing disaster often feels very much alone. Financial assistance is always important in recovering from disaster, but recognition of the severity of the stress and damage can be more important. If the NATIONAL ASSOCIATION OF REALTORS® is more than just a collection of firms, it is appropriate for State Association and National Association leadership to give its full attention and emotional commitment to the affected area. This should include site visits by prominent and major representatives along with any offers of assistance.
- Grants-in-aid. The disaster relief agencies provide assistance to various victims of disasters (individuals and business). This assistance is often criticized and supplementation to a specific group of victims can be very helpful. It should be emphasized that this can be another important type of moral support, which may be more important than the dollars expended.

Conclusions

Disaster relief can, and should, be instituted at all levels of the Association; the majority of assistance emanating at the local Board level, with support from the State and National Association. While the focus group members affected by the disasters that occurred in 1989 felt that it was common to recommend that planning for disaster begin with a disaster plan, they reported that very few of them had disaster plans to turn to in these events. Further, the majority of focus group participants do not anticipate changing their plans, if they had one, or developing a disaster response plan, if they did not. Therefore, it is of the utmost importance that Boards, States and National be prepared to respond to a disaster, in order to assist those unable to help themselves when disaster strikes. It is also important to communicate to the membership what type of assistance is available at each level of the Association and what steps should be taken to access this assistance.