
Updated March 20, 2020

Managing Your Real Estate Business during COVID-19 Pandemic A Resource for Principal Brokers and Brokers-in-Charge

The coronavirus (COVID-19) situation is escalating quickly and many aspects of real estate might be affected. Our Legal Kokua program has provided information and resources for you as company's evaluate and adapt their business practice for property management, vacation rentals and sales. This situation is ever-changing, and staying informed with up-to-date information is critical.

Bureau of Conveyances

As of March 20, The BOC will continue to record documents normally until further notice and highly recommends [e-recording](#). REALTORS® may want to consult their title company for any recording questions. For updates, [refer to the main website](#).

Department of Commerce and Consumer Affairs, Real Estate Branch

The DCCA will close their building from March 20-April 3. Real Estate Commission meetings on March 27 and April 8 have been cancelled. Pending applications will be on hold until offices reopen as well. For updates, refer to [their main website](#).

Impact of Families First Coronavirus Response Act on REALTORS®

Congress has passed emergency legislation to provide support to families, workers, and businesses. This includes benefits to small business owners and self-employed individuals. [NAR has provided an overview on how this affects REALTORS®](#).

Property Management

1. **What can we do if a Tenant doesn't pay rent?** The Governor has put into place an [Emergency Proclamation](#) and a [Supplementary Proclamation](#) in response to COVID-19. Because of those proclamations, the Chief Justice of the Supreme Court of Hawai'i has [issued an order](#) which has effectively closed all the courts in the State. They are open for emergency hearings and matters such as a temporary restraining order, but almost all civil cases like evictions are being postponed until April 30, 2020 at the earliest. Because of the hardship being faced by everyone at this time, it may be best to try and work out alternative payment plans or other amicable solutions between the Owner, Tenant, and Property Manager.

2. **Is it legal to ask for online payment only?** Rent can be paid in whatever form is agreed upon in the rental agreement. It's best to provide multiple methods of payment to make things easier for your tenant to pay.
Hawaii Revised Statutes 521-21: "(a) The landlord and tenant may agree to any consideration, not otherwise prohibited by law, as rent. In the absence of such agreement, and subject to section 521-71(e) in the case of holdover tenants, the tenant shall pay to the landlord the fair rental value for the dwelling unit ... (b) Rents shall be payable at the time and place agreed to by the parties."
3. **What is the responsibility/liability for the performance of a scheduled annual inspection of occupied property?** Under Hawaii Revised Statutes Chapter 521, the Residential Landlord-Tenant Code, there's no obligation for a scheduled annual inspection of a property. So, it would fall under whatever is written in the rental agreement. If the rental agreement is silent, or you would like to change it, an amendment to the rental agreement may be appropriate.
4. **How can we "triage" maintenance calls and assess risk for maintenance staff?** The first priority should be issues that pose a threat to habitability of the property. This would be plumbing, electrical, and major structural issues. In terms of managing risk to maintenance staff, it also applies to managing risk to tenants. If maintenance can be scheduled during times when the tenant is not present in the property, it may minimize the risk both ways. Advising both the maintenance staff and the tenant to sanitize the property before and after using the [CDC's Environmental Cleaning and Disinfection Recommendations](#) would also help.
5. **What type of cleaning should we do if a tenant moves out in the midst of an outbreak?** Follow CDC's [Environmental Cleaning and Disinfection Recommendations](#). You can also contact professional cleaners to see what process they are following during these times.
6. **What about contract companies (e.g., plumbing, cleaning, handymen) who may have to pay employees hazard pay if called to an emergency in a high exposure risk situation?** That is something that will have to be dealt with on a case-by-case basis as it's hard to create a one size fits all solution. Having existing relationships with these contractors would be helpful to remind them that these contractors will have to work with you after this crisis is over.

Vacation Rentals

1. **How should we handle refunds?** For refunds, it will depend on the agreed upon contract with the vacation renter.
2. **Can the State limit the number of vacationers are taking advantage of cheap airfare to come here?** Airline travel is a Federally regulated form of transportation. Until the Federal government decides to shut down or limit airline travel, this may continue.

Sales

1. **How should we handle Sellers who decide they don't want their house shown?** The listing contract states that the "Seller shall allow access, as needed, during reasonable hours for showings, open houses, home inspections, and as may be required by law in the case of tenant occupancy." However, agents should try to work with Sellers to figure out a compromise that will allow them to still market the house while keeping the Seller and potential Buyers safe. [NAR has some tips available](#) for Realtors® here.
2. **How should we handle the high volume of Buyers coming in from the continental US because of cheap airfare?** Following the NAR's guide, it may be prudent to ask where a potential client is from or has recently traveled to, but make sure to ask all potential clients to avoid fair housing issues.
3. **How should we proceed with open houses and house showings?** Please see NAR's guide [here](#).
4. **How should we proceed with Caravans?** The CDC has recommendations for people organizing large gatherings of people [here](#) – while that is geared towards very large gatherings (250 people or more), many of the recommendations would apply for smaller gatherings.
5. **Will Hawai'i REALTORS® create a COVID-19/Coronavirus Addendum/Amendment?** At this time, Hawai'i REALTORS® feels that the Extension of Scheduled Closing Date as well as the Amendment form provide enough flexibility to allow for Buyers and Sellers to either postpone closing, modify contingencies, or mutually cancel the Purchase Contract as needed.
6. **What are the best business practices to incorporate at this time?** The CDC has [guidance for Business and Employers here](#) - how that applies to independent contracts is unclear and we may have to wait for more guidance.
 - **Online company meetings, client meetings.** There are numerous tools and apps available to assist with conducting business online, and it seems like they will only continue to expand with the ongoing pandemic. We do not recommend any specifically.
 - **Meeting in public places, clients in your personal vehicle.** [NAR's guide](#) has information on meeting clients in your personal vehicle.

General

1. **Are there any association Health insurance options?** This is something that Hawai'i REALTORS® is currently researching with the help of NAR, but we do not have any information at this time.

Disclaimer: This is not legal advice and should be construed as such. If you have any questions regarding legal issues, it is recommended that you contact your own attorney who can provide legal advice. The Legal Kokua Line provides legal guidance and information only. Additionally, the coronavirus situation is changing constantly and rapidly, so please note that any and all information in this may be out of date by the time you read this.