

PUBLIC RESPONSE TO MANDATED EARTHQUAKE  
HAZARD DISCLOSURE BY REAL ESTATE AGENTS

Risa Palm

Among the legislative responses to the damaging Sylmar earthquake in California (1971) was the Alquist-Priolo Special Studies Zone Act. In addition to requiring the delineation of zones encompassing potentially and recently active fault traces, an amendment to the act (1975) required that prospective buyers of property within the surface fault rupture zone be informed of this potential hazard. The responsibility for disclosure was placed on the real estate agent, unless the sale was consummated without an agent. The response of the California Association of Realtors (the professional and lobbying organization representing approximately half of the licensed real estate agents in California) was that the legislation would "not only insure that buyers and potential buyers of property are aware that their land may be subject to fault displacement, but also to actually reduce projected geologic losses" through the banning or modification of construction itself [Gillies, 1976, p. 2]. Few complaints of non-disclosure were registered with the Department of Real Estate which has the power to issue or revoke real estate licenses, [Liberator, 1979], and it was assumed that the legislation was transmitting "complex hydrologic, seismic, and other geological information...to real-estate buyers before the sale [Kockelman, 1980, p. 7]. In addition, analysis of house price trends in Los Angeles seemed to show that the legislation had "created a restructuring of demand for housing," resulting in a systematic drop in house prices within the zones [Brookshire and Schulze, 1980, p. 67].

What is interesting about this legislation to the non-Californian is the question of whether such practices are effective means of disseminating natural hazards information to the general public. The policy issue is whether legislation requiring disclosure by real estate agents of natural or human-made hazards associated with the residential environment should be adopted elsewhere. This question is of importance because of the interest shown in mandating disclosure by real estate agents in other states (such as efforts in Texas to disclose storm surge hazard areas) and by federal agencies (such as the current HUD regulations requiring the disclosure of proximity to a nuclear weapons plant). Such legislation may be considered or even adopted with only vague notions about the effects it does or does not have on the homebuying public.