

Kimball, Tirey & St. John LLP

DRE Compliance Resources for California Property Managers

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California property management companies must comply with California law. Generally, a real estate license is necessary to rent, lease, or manage property or solicit tenants, if done for others, for compensation or in expectation of compensation. (*B & P § 10130 and 10131(b).*) See Kimball, Tirey & St. John LLP's article, *Property Management Company Licensing in California*, for more information about California licensing requirements.

The California Department of Real Estate (DRE) audits California real estate licensees for compliance with applicable laws. Audits may occur as a result of complaints made to the DRE (investigative audits), or licensees may be randomly selected for audits (routine audits) and subsequent follow-up audits. Many audits reveal violations, which may result in formal citations or corrective action letters by the DRE.

The DRE offers resources to licensees to help ensure compliance with applicable laws. Proactive property management companies can utilize these resources to avoid unintentional violations of California law.

If time is limited, a review of the following four resources may help quickly identify potential areas of concern:

- [Ten Most Common Violations Found in DRE Audits](#)
- [Most Common Enforcement Violations](#)
- [Broker Compliance Evaluation Manual](#)
- [Broker Self-Evaluation \(RE 540\)](#)

When more time is available, these additional resources can be reviewed:

- [Trust Funds](#)
- [Licensee Alerts and Advisories](#)
- [Real Estate Business Resources](#)

Additional Resources:

- [DRE License Disclosure Requirements for Advertising](#)
- [Property Management Company Licensing in California](#)
- [Is CalBRE Increasing Enforcement for Property Management Activity in California?](#)
- [Proactive Audit Services for DRE Compliance](#)
- [DRE Services offered by KTS](#)

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