

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2025-2026 Regular Session

SB 1090 (Pérez)
Version: March 25, 2026
Hearing Date: April 28, 2026
Fiscal: No
Urgency: No
ID

SUBJECT

Offers of purchase: real property damaged by wildfire disaster

DIGEST

This bill prohibits unsolicited offers to purchase real property in areas affected by a wildfire disaster by an institutional investor, as defined, for five years after the proclamation of the disaster.

EXECUTIVE SUMMARY

In early January 2025, extremely dry conditions and high winds in Los Angeles resulted in two of the worst wildfires in state history: the Palisades and Eaton fires. The fires burned 37,469 acres and damaged or destroyed almost 18,000 structures and resulted in 29 fatalities. Many homeowners were significantly affected by the wildfires, because their properties were covered by hazardous debris and ash, significantly damaged, or completely destroyed by the blazes. For those whose homes were damaged and destroyed, the process of rebuilding will be a long and arduous one. In the aftermath of this tragedy, there have been reports of predatory buyers contacting property owners affected by the fires to make unsolicited offers to purchase their properties, often at prices much lower than the property's fair market value. SB 1090 would prohibit an institutional investor, defined as a person or entity that owns 75 or more single-family properties, from making an unsolicited offer to purchase real property in an area affected by a wildfire disaster for five years after the disaster, as specified.

SB 1090 is author-sponsored, and is supported by the Coalition for Humane Immigrant Rights and Public Counsel. It is opposed by the California Apartment Association and the California Business Properties Association.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Prohibits unfair, fraudulent, and deceptive practices in contracting, including for real estate transactions. (Civ. Code §§ 1573, 1709, 1710.)
- 2) Specifies that a person defrauded in the purchase, sale, or exchange of property is entitled to recover damages from the fraud, as specified. (Civ. Code § 3343.)
- 3) Protects homeowners from certain predatory practices when the homeowner is being foreclosed upon. (Civ. Code §§ 2945 et seq.)
- 4) Places specific duties upon real estate brokers or salespersons, and requires various disclosures and verifications for certain real estate transactions. (Civ. Code §§ 20179 et seq.; Civ. Code §§ 1102 et seq.; Gov. Code §§ 27201 et seq.)
- 5) Establishes the Real Estate Law to provide for the licensure and regulation of real estate brokers and realtors and prohibits fraudulent, dishonest, or misleading conduct in real estate transactions. (Bus. & Prof. Code §§ 10000 et seq.)
- 6) Prohibits a person from making an unsolicited offer to purchase residential real property in specified ZIP codes in Los Angeles and Ventura counties, until January 1, 2027, and provides various enforcement mechanism for this prohibition. (Civ. Code § 2079.26.)

This bill:

- 1) Prohibits an institutional investor from making an unsolicited offer to purchase real property, including but not limited to, any lot, parcel, or home, that is located in an area affected by a wildfire disaster for which a state of emergency was proclaimed by the Governor or the President of the United States.
- 2) Applies this prohibition for five years from the date that the state of emergency is proclaimed.
- 3) Defines, for its provisions, “institutional investor” to mean, with respect to any taxable year, any individual or entity that owns, directly or indirectly, 75 or more single-family properties.

COMMENTS

1. Author's statement

According to the author:

In January 2025, the Eaton and Palisades Fire ravaged Los Angeles County. Among the challenges that emerged in the aftermath was the increased presence of large-scale investors aggressively pursuing properties at below market prices from devastated wildfire survivors. This dynamic is often described as “disaster capitalism,” and has occurred in several post disaster communities. After the 2023 Maui Fires, impacted residents reported being aggressively approached with offers to purchase their properties well below market value. In response to these post disaster threats, local governments and officials adopted executive orders to establish temporary protections. In that same spirit, Governor Newsom signed Executive Order N-7-25 on January 14, 2025 to temporarily prohibit predatory real estate speculators from offering less than fair market value for property interest within the disaster impact area until July 1, 2025.

Unfortunately, executive order N-7-25 provided temporary protections that may not have achieved its full intended effect. As residents continue to navigate the rebuilding process, reports indicate that investor representatives have approached Altadena residents affected by the fire with unsolicited and quick low cash offers for their properties. Accounts describe investor representatives attempting to dissuade residents from rebuilding, while urging them to instead accept these low cash offers. Local constituents have also reported investor representatives seeking out survivors at FEMA recovery workshops. Predatory real estate speculation can have a ripple effect on the fabric of impacted communities, driving up housing costs, permanently displacing fire victims, and destabilizing communities through gentrification. In Altadena, concerns about predatory real estate speculation have led to community advocacy, particularly among residents worried about potential displacement of the area's historic Black community.

SB 1090 provides long term protections for disaster-impacted residents throughout the rebuilding period by establishing a five year prohibition on any individual or entity that owns 75 or more single-family properties from making unsolicited offers to purchase real property in areas affected by a wildfire disaster where an emergency has been declared. The purpose of this prohibition is to give disaster-impacted survivors the assurance and stability they need to focus on rebuilding their lives without being pressured or hassled to sell their property at an inopportune or inappropriate time.

2. The Palisades and Eaton fires

In early January 2025, extremely dry conditions and high winds in Los Angeles resulted in two of the most destructive wildfires in state history. The Palisades fire, which started on January 7th, burned a total of 23,448 acres and damaged or destroyed almost 8,000 structures in the Pacific Palisades and Topanga State Park area of West Los Angeles.¹ That same day, another major fire also broke out in the greater Los Angeles area: the Eaton fire. The Eaton fire consumed 14,021 acres and damaged or destroyed more than 10,000 structures, including significant portions of the city of Altadena.² About half of all properties in the Pacific Palisades and Altadena were destroyed by the Palisades and Eaton fires, and both fires together tragically took the lives of 29 civilians and injured a dozen firefighters. Real estate losses have been estimated to be as high as \$30 billion, and just under 13,000 households were displaced by the Palisades and Eaton fires.³ An estimated 9,592 single family homes and condominiums, 678 apartment units, 2,210 duplex and bungalow courts, and 373 mobilehomes were either heavily damaged or destroyed. All told, the January wildfires in Los Angeles were some of the most tragic and destructive wildfires in state history.

Many homeowners were significantly affected by the wildfires. Many had their properties covered by hazardous debris and ash, significantly damaged, or completely destroyed by the blazes. The wildfires also interrupted numerous businesses and many people's jobs. Homeowners whose homes were damaged or destroyed found themselves searching for temporary housing as they worked to rebuild or clean up their properties, all while still having mortgage payments due and possibly also experiencing interruptions in their employment or income. For homeowners who were uninsured or underinsured, the financial strain of the fires has been even more significant.

3. The predatory, unsolicited offers to buy disaster victims' property after disaster

In the aftermath of this tragedy, affected property owners are incredibly vulnerable to further victimization and harm. This is the exact vulnerability that some have attempted to capitalize upon. Residents within the affected areas of the fires – particularly in Altadena – have reported being solicited almost immediately after the fires to sell their properties.⁴ Sometimes, these solicitors try to entice wildfire victims by offering cash for

¹ CalFire, "Palisades Fire," (3/27/2025) <https://www.fire.ca.gov/incidents/2025/1/7/palisades-fire>.

² CalFire, "Eaton Fire," (3/04/2025) <https://www.fire.ca.gov/incidents/2025/1/7/eaton-fire>.

³ Doug Smith and Sandhya Kambhampati, "Real Estate losses from fires may top \$30 billion, from old mobile homes to \$23-million mansions," Los Angeles Times (Feb. 21, 2025)

<https://www.latimes.com/california/story/2025-02-21/real-estate-losses-from-palisades-and-eaton-fires-top-30-billion#:~:text=Los%20Angeles%20Housing%20Department%20records,the%20city's%20rent%20stabilization%20ordinance>.

⁴ Amanda Del Cid Lugo, "Altadena residents sift through calls to sell – but the soul is not for sale," Los Angeles Public Press (Feb. 12, 2025), <https://lapublicpress.org/2025/02/altadena-real-estate-not-for-sale-eaton-property/>.

their property, warning that home values will only go down due to the fires or that they will be unable to obtain insurance, or by offering to buy the property in any condition. However, these enticements come with a trade-off: the offers are often far below the market value of the property. Vulnerable homeowners facing the daunting task of rebuilding and additional financial strains from the wildfires may be easily convinced to take these unscrupulous buyers' offers for the promise of a quick solution or quick cash. When they do, they may lose out on a significant amount of accumulated equity in their homes and the fair market value of the property, and they may be forced ultimately to move out of the community.

For the city of Altadena, a historically African American and working-class city with a strong sense of community, the effects of these predatory property sales may significantly change the community's identity and result in the displacement of families that have resided in Altadena for generations. These concerns caused some in Altadena to start a movement after the wildfires, the "Altadena Not for Sale" movement, to advocate against the predatory buying up of properties in the city that were impacted by the Eaton fire.⁵

In light of these concerns, the Department of Real Estate issued a consumer alert warning homeowners affected by the wildfires of the risks of predatory buyers.⁶ In addition, Governor Newsom issued an Executive Order prohibiting unsolicited offers to buy the property of victims of the wildfires.⁷ The Governor's order prohibits unsolicited offers to purchase property for below the property's fair market value in zip codes affected by the Los Angeles fires for a period of three months from the order's issuance. The Governor extended this order to include additional zip codes on February 4th, and in April the timeline for the prohibition was extended to July 1, 2025.⁸ In support of his Executive Order, Governor Newsom stated:

[...] as families mourn, the last thing they need is greedy speculators taking advantage of their pain. I have heard first-hand from community members and victims who have received unsolicited and predatory offers from speculators offering cash far below market value – some while their homes were burning. We will not allow greedy developers to rip off these working-class communities at a time when they need more support than ever before.⁹

⁵ *Id.*

⁶ Cal. Dept. of Real Estate, "Public Notice: Los Angeles property owners near wildfires urged to report unsolicited offers to buy their properties under fair market value," (Jan. 17, 2025), https://www.dre.ca.gov/Consumers/PublicNotice_01172025_LA_Wildfires.html#:~:text=An%20unsolicited%20offer%20is%20an,%2C%20phone%20call%2C%20or%20mail.

⁷ Governor Gavin Newsom, Executive Order N-7-25 (Jan. 14, 2025).

⁸ See Governor Gavin Newsom, Executive Order N-17-25 (Feb. 4, 2025); Governor Gavin Newsom, Executive Order N-26-25 (Apr. 14, 2025).

⁹ Office of the Governor, "Governor Newsom issues order to protect fire victims from predatory real estate speculators" (Jan. 14, 2025), <https://www.gov.ca.gov/2025/01/14/governor-newsom-issues-order-to-protect-fire-victims-from-predatory-real-estate-speculators/>.

Unsolicited offers have been part of a trend in Altadena and after other disasters in which corporate investors seek to capitalize upon the distress of homeowners after a disaster. Reports have suggested that at least 40 percent of the property purchases in Altadena since the Eaton fire have been made by investors, a significant increase from normal levels.¹⁰ This is what the author and others call “disaster capitalism,” in which investors engage in speculative property purchases following a disaster, often through aggressive tactics like making unsolicited offers below market value.¹¹ And this practice is not unique to the Eaton fire; similar reports of speculative property purchases by investors arose after the Maui fire in 2023, as well as other disasters like Hurricane Katrina in 2005 and the Nashville tornadoes in 2020.¹²

4. SB 1090 prohibits unsolicited offers by institutional investors after wildfires

SB 1090 aims to limit the most predatory actions of these investors in the wake of a wildfire disaster. It prohibits an institutional investor, defined as an individual or entity that owns 75 or more single-family properties, from making an unsolicited offer to purchase real property that is located in an area affected by a wildfire disaster for which a state of emergency has been proclaimed by the Governor. This prohibition lasts for five years after the proclamation of the emergency.

Last year, the Legislature enacted as an urgency measure AB 851 (McKinnor, Ch. 535, Stats. 2025). AB 851 also prohibited unsolicited offers to purchase property following the Eaton and Palisades fires. However, unlike this bill, AB 851 was specific to the zip codes affected by the Palisades and Eaton fires, and only provides its prohibition until 2027. Moreover, AB 851 included a specific definition of “unsolicited offer,” which was added through amendments taken when the bill was heard before this Committee, and included a requirement that parties to a residential real estate transaction record an attestation that the sale was not the result of an unsolicited offer. It also included various provisions for enforcement that: provided a buyer with a period of time to rescind a sale made through an unsolicited offer; provided civil penalties for a violation, made a violation of the prohibition a misdemeanor; and included consequences for a licensed real estate agent’s licensure if they violate the prohibition.

While SB 1090 need not adopt all of these provisions, it would be useful for the bill to include a definition of unsolicited offer, a clearer delineation of which properties fall within its scope, and an explicit enforcement mechanism. SB 1090 also may present some practice challenges not present in AB 851. Because it is focused on institutional investors, it does not outlaw *all* unsolicited offers. But determining whether a solicitor is

¹⁰ Terry Castleman, “Locals wanted to rebuild Pacific Palisades, Altadena. Then the big investors moved in,” Los Angeles Times (Jan. 8, 2026), <https://www.latimes.com/california/story/2026-01-08/locals-wanted-to-rebuild-pacific-palisades-altadena-then-big-investors-moved-in>.

¹¹ Strategic Actions for a Just Economy, *Confronting Disaster: Curbing Corporate Speculation in Post-Fire Altadena* (Aug. 2025), available at <https://www.saje.net/fighting-disaster-capitalism/>.

¹² *Id.*

an institutional investor may be difficult, not only because a seller would need to know how many other homes the investor owns, but also because the investor's true assets may be hidden through a variety of ownership mechanisms or other corporate entities. Lastly, it is unclear how many investors or corporations would qualify under the bill's prohibition. There are likely many smaller investors who do not own 75 homes who may nonetheless be engaging in predatory practices and making unsolicited offers to survivors of wildfire disasters. If the author's goal is to prohibit these predatory practices and the purchasing of properties by investors after a disaster, it may be worth considering broadening the definition of institutional investors to which it applies.

5. Amendments

The author has agreed to accept amendments that define an unsolicited offer to mean any offer to purchase a property made by any person by text, email, phone call, mail, or other means of communication, unless there are public indications that the owner is willing to sell the property, as specified. A full mock-up of these amendments is attached at the end of this analysis.

6. Arguments in support

According to the Coalition for Humane Immigrant Rights, which supports SB 1090:

In January 2025, the Eaton and Palisades Fire ravaged the Los Angeles metropolitan region. Among the challenges that emerged in the aftermath was the increased presence of large-scale investors aggressively pursuing properties at below market prices from devastated wildfire survivors. This dynamic is often described as "disaster capitalism," and has occurred in several post disaster communities. Following Hurricane Katrina, for example, one investor group purchasing more than 600 homes. After the 2023 Maui Fires, impacted residents reported being aggressively approached with offers to purchase their properties well below market value.

In response to these post disaster threats, local governments and officials adopted executive orders to establish temporary protections including Hawaii after the 2023 Maui Fires, and Florida following Hurricane Ian. In that same spirit, Governor Newsom signed Executive Order N-7-25 on January 14, 2025 to temporarily prohibit predatory real estate speculators from offering less than fair market value for property interest within the disaster impact area until July 1, 2025.⁵ The order emphasized the need to protect those "especially vulnerable to exploitative practices of unscrupulous individuals who seek to profit from this disaster." It is also worth noting that recovery from large-scale fires that struck California between 2017-20 has proven to be a long and difficult process, lasting as much as seven years.

While Executive order N-7-25 provided protections, they were temporary but may not have achieved its full intended effect. As residents continue to navigate the rebuilding process, reports indicate that investor representatives have approached Altadena residents affected by the fire with unsolicited and quick low cash offers for their properties. Accounts describe investor representatives attempting to dissuade residents from rebuilding, while urging them to instead accept these low cash offers. Local constituents have also reported investor representatives seeking out survivors at FEMA recovery workshops.

Property purchase trends in Altadena before and after the Eaton Fire show an increased trend of investor activity following the disaster. Although investor ownership already existed in Altadena prior to the fire, investor lot purchases sky rocketed. One report found investors purchased close to 49% of properties from February to July 2025 when the executive order was in effect, compared to only about 10% during this same time span in 2024. Similar trends were observed in property sales in the Pacific Palisades and Malibu.

Predatory real estate speculation can have a ripple effect on the fabric of impacted communities, driving up housing costs, permanently displacing fire victims, and destabilizing communities through gentrification. As the community struggles to rebuild, long term protections against “disaster capitalism” are viewed by many as essential, especially as recovery from the Eaton fire is once again proving that rebuilding following a major fire is a slow and gradual process.

SB 1090 provides long term protections for disaster-impacted residents throughout the rebuilding period by establishing a five-year prohibition on any individual or entity that owns 75 or more single-family properties from making unsolicited offers to purchase real property in areas affected by a wildfire disaster where an emergency has been declared. This bill will provide disaster-impacted survivors the assurance and stability they need to focus on rebuilding their lives without being pressured or hassled to sell their property at an inopportune or inappropriate time.

7. Arguments in opposition

According to the California Business Industry Association and the California Apartment Association, which oppose SB 1090:

First, the bill restricts lawful communication and voluntary market activity between willing parties. By prohibiting certain buyers from even making an unsolicited offer, the measure interferes with a property owner’s fundamental right to receive offers in order to dispose of their property as they see fit. This restriction raises significant constitutional concerns, including violations of the

First Amendment (commercial speech) and the Fifth Amendment’s protections related to property rights.

Second, SB 1090 limits options for property owners at a time when flexibility is most needed. Following a wildfire disaster, many homeowners face financial uncertainty, insurance challenges, or displacement. Some may actively welcome offers that allow them to move forward quickly. This bill removes a category of potential buyers from the marketplace, reducing competition and directly disadvantaging the very homeowners the bill intends to protect.

Third, the bill represents a clear example of government overreach. It assumes that property owners are unable to evaluate offers or act in their own best interests, effectively substituting the judgment of the state for that of individuals. Californians are fully capable of deciding whether to accept or reject an offer, particularly with the support of existing consumer protection laws and professional advisors. Imposing a blanket prohibition sends the message that individuals cannot be trusted to make their own financial decisions and invites unnecessary “big government” intrusion into private transactions.

Fourth, the bill imposes an arbitrary and overly broad five-year prohibition. Market conditions, recovery timelines, and individual circumstances vary widely after disasters. A one-size-fits-all, multi-year restriction does not reflect the realities of recovery and unnecessarily prolongs government intrusion into private transactions.

Finally, existing laws already address fraud, coercion, and unfair business practices. If the concern is predatory behavior, targeted enforcement of those laws – or narrowly tailored consumer protections – would be a more appropriate and effective approach than a sweeping ban on property offers.

SUPPORT

Coalition for Humane Immigrant Rights (CHIRLA)
Public Counsel

OPPOSITION

California Apartment Association
California Building Industry Association

RELATED LEGISLATION

Pending Legislation: None known.

Prior Legislation:

AB 851 (McKinnor, Ch. 535, Stats. 2025) prohibited a person from making an unsolicited offer to purchase residential real property within certain ZIP codes in Los Angeles and Ventura counties until January 1, 2027, and required a buyer and seller to execute a written attestation affirming compliance with this prohibition, as specified.

SB 641 (Ashby, 2025) would have authorized the Real Estate Commissioner to revoke the real estate license of any realtor who makes an unsolicited offer to an owner of real property to purchase the property for an amount less than the fair market value if the property is located in a declared disaster area, and would have made a violation of that provision a misdemeanor. SB 641 was vetoed by the Governor, stating that “the bill is overly broad, applying to all natural disasters even when housing is unaffected” and that it “also leaves an enforcement gap by regulating licensees only when acting for clients, not for themselves.”

SB 610 (Pérez, Ch. 547, Stats. 2025) required, among other things, that the Commissioner of the Department of Financial Protection and Innovation to coordinate with mortgage lenders and servicers operating in the state to facilitate and monitor the implementation and promotion of mortgage forbearance, foreclosure prevention, and loss mitigation programs available to borrowers who experience a material decrease in household income or an increase in household expenses due to a wildfire, upon the declaration of a state of emergency due to wildfire.

AB 238 (Harabedian, Ch. 128, Stats. 2025) authorized a borrower experiencing financial hardship due to the wildfire disasters in Los Angeles County in January 2025 to request forbearance on their residential mortgage loan, and required a mortgage servicer to offer mortgage payment forbearance of up to an initial 90 days, up to 12 months.

Mock-up of Proposed Amendments for 2025-2026 SB-1090 (Pérez)
(Amendments may be subject to technical changes required by Legislative Counsel)

Mock-up based on Version Number 98 - Amended Senate 3/25/26

The people of the State of California do enact as follows:

SECTION 1. Chapter 4 (commencing with Section 860) is added to Title 3 of Part 2 of Division 2 of the Civil Code, to read:

CHAPTER 4. Real Property Damaged by Wildfire Disaster

860. (a) For purposes of this section:

(1) "institutional investor" means, with respect to any taxable year, any individual or entity that owns, directly or indirectly, 75 or more single-family properties.

(2) "unsolicited offer to purchase" means an offer to purchase real property made by a person by text message, email, telephone call, mail, or other means of communication, unless there is a public indication that the owner is willing to sell the property at or before the time the offer is made, including the following:

(A) The property is listed for sale by the owner or their agent on a multiple listing service or on any publicly available marketing platform.

(B) The owner placed a "for sale" sign for the property.

(C) The owner advertised the property for sale in a print publication or a flyer posted in a public place.

(b) (1) Subject to paragraph (2), an institutional investor shall not make an unsolicited offer to purchase real property, including, but not limited to, any lot, parcel, or home, that is located in an area affected by a wildfire disaster for which a state of emergency has been proclaimed by the Governor pursuant to Section 8625 of the Government Code or by the President of the United States.

(2) The prohibition of paragraph (1) shall apply for five years commencing on the date that the state of emergency is proclaimed for the wildfire disaster.

~~(b) For purposes of this section, "institutional investor" means, with respect to any taxable year, any individual or entity that owns, directly or indirectly, 75 or more single-family properties.~~

(c) If any part of subdivision (a), or the application of the provision to any person or circumstances, is held invalid, the remainder of the subdivision to the extent it can be given effect, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, and to this end the provisions of this section are severable.