

The Probate & Trust *Home Guide*

A clear, step-by-step guide to managing and selling an inherited home in San Luis Obispo County.



Prepared by a C.A.R. Certified
Probate & Trust Specialist

The Schwaegerle Real Estate Team

Owen & Camille Schwaegerle

805-716-6653

A NOTE FROM US

You don't have to figure this out alone.

If you're holding this guide, you've likely lost someone you love. We're sorry. The house is often the biggest and most confusing part of what comes next.

This guide walks through how probate and trust home sales work in San Luis Obispo County, so the next step feels clearer.

We're real estate professionals, not attorneys. We handle the property side so your attorney can focus on the legal side.

Owen & Camille Schwaegerle

Your first 30 days

CHECKLIST

- 1 Secure the home.** Change the locks and check doors and windows.
- 2 Call the insurance company.** Tell them the home is vacant. Many policies limit coverage for empty homes.
- 3 Keep the basics running.** Utilities on, yard maintained, mail forwarded.
- 4 Stay current on bills.** Watch for property tax, mortgage and HOA statements.
- 5 Find the documents.** The will, any trust, and the deed showing how the home is titled.
- 6 Order death certificates.** Get several certified copies. Title and banks will ask.
- 7 Leave belongings in place** until you know who has authority to distribute them.
- 8 Talk to an estate attorney** before signing anything to sell or transfer the home.

STEP ONE

Does the house have to go through probate?

Not always. It depends on how the home was titled. Find the deed, then find your path below.

Held in a living trust

The successor trustee manages and sells the home under the trust's terms.

No probate

Joint tenancy or survivorship

The surviving owner records an affidavit of death.

No probate

Primary residence, \$750,000 or less

May qualify for a Petition to Determine Succession, a shorter court process.

Shorter process

Will only, or no will, above the limits

Full probate through the San Luis Obispo County Superior Court.

Full probate

Two numbers to know

\$208,850

Personal property (bank accounts, vehicles) at or under this amount can usually be collected with a small estate affidavit. Deaths on or after April 1, 2025.

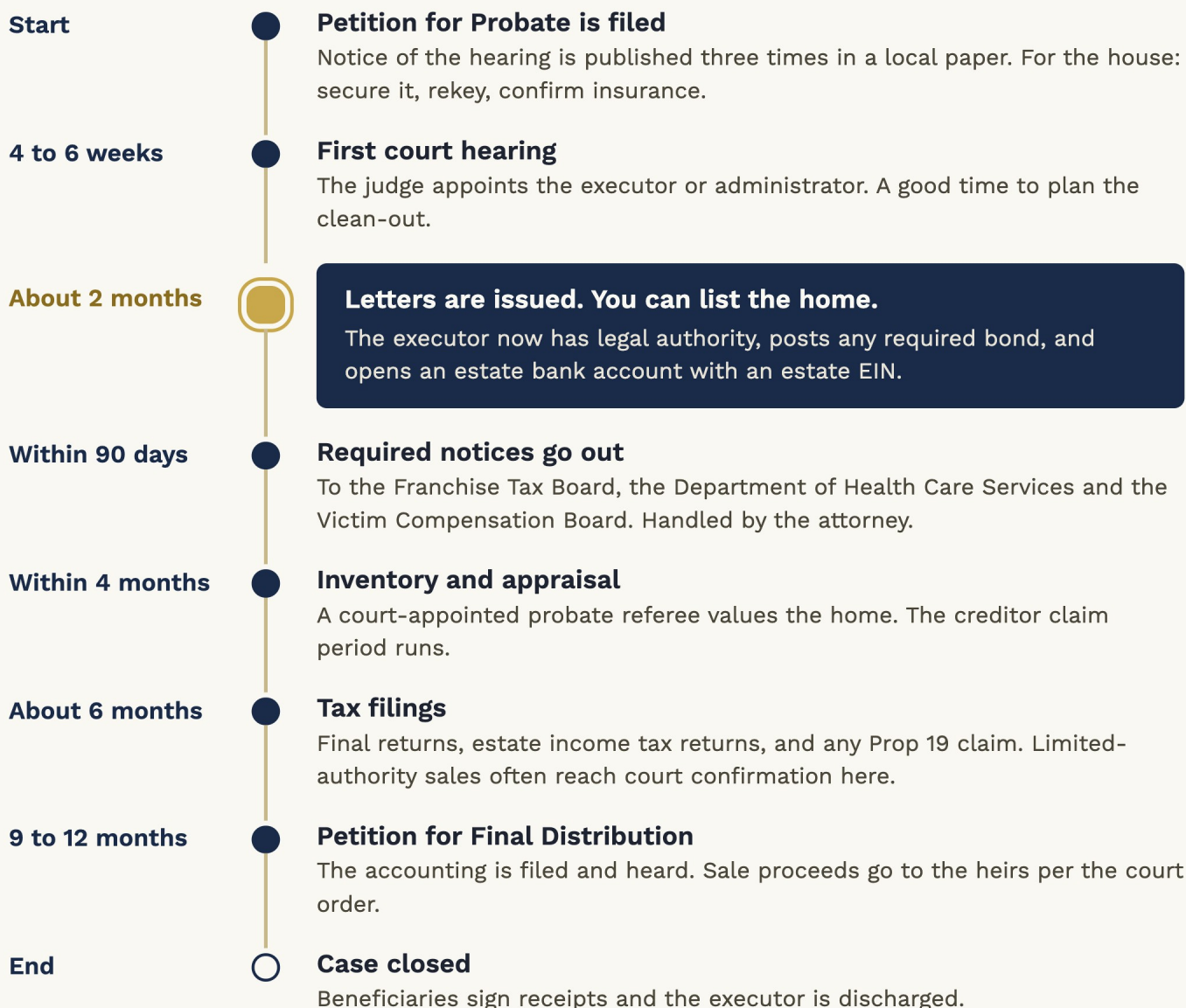
\$750,000

A primary residence at or under this value may use the shorter petition under AB 2016. Many SLO County homes are worth more, so full probate is still common here.

PROBATE IN SLO COUNTY

About 12 months, start to finish

Contested or complicated estates can take two years or more. The good news: you can usually list the home around month two.



THE DETAIL THAT CHANGES EVERYTHING

Full or limited authority?

The court's Letters grant the executor one of two levels of authority under California's Independent Administration of Estates Act (IAEA). It decides whether the sale feels like a normal one or a court auction.

Full authority

COURT APPROVAL

Not needed. Heirs get a Notice of Proposed Action and have 15 days to object.

MINIMUM PRICE

None by law, but heirs can object to a low price.

OVERBIDDING

None.

CONTINGENCIES

Standard inspection, appraisal and loan contingencies work.

TYPICAL ESCROW

30 to 45 days

Limited authority

COURT APPROVAL

Required. The sale is confirmed at a court hearing.

MINIMUM PRICE

At least 90% of the probate referee's appraised value.

OVERBIDDING

Other buyers can outbid the accepted offer in the courtroom.

CONTINGENCIES

Buyers generally must close without contingencies once confirmed.

TYPICAL TIMELINE

60 to 90+ days

How a courtroom overbid works

The first overbid must beat the accepted price by 10% of the first \$10,000 plus 5% of the rest (Probate Code 10311).

Accepted offer \$900,000

+ \$44,500

+ \$1,000 (10% of the first \$10,000) + \$44,500 (5% of the remaining \$890,000)

Minimum first overbid: \$945,500

Overbidders usually bring a cashier's check for 10% of their bid to the hearing.

IF THE HOME IS IN A TRUST

No court. More privacy. A faster finish.

	Probate	Living trust
Court involved	Yes, from filing to final distribution	No
When you can list	After Letters, about 2 months in	Often within weeks
Public record	Yes, court filings are public	Largely private
Overbidding	Possible with limited authority	No
Proceeds to family	After the court orders final distribution	Per the trust, often soon after closing

The successor trustee's path

- 1 Confirm the home is in the trust.** Pull the current deed. If it was never transferred in, the house may still need probate or a court petition.
- 2 Notify beneficiaries and heirs within 60 days** of taking over (Probate Code 16061.7). They generally have 120 days to contest.
- 3 Gather proof of authority.** A death certificate, a certification of trust, and often an affidavit of death of trustee recorded with the SLO County Clerk-Recorder.
- 4 Price with documentation.** Trustees owe beneficiaries a fair market sale, and a written pricing analysis protects you.
- 5 List, sell and distribute** under the trust's terms, with guidance from the trust's attorney and CPA.

WHAT HEIRS SHOULD KNOW

Property tax is where the real decision sits

Most SLO County families owe no estate tax, and many owe little or no capital gains tax on an inherited home.

Property tax: Proposition 19

DEATHS ON OR AFTER FEB. 16, 2021

Prop 19 replaced Props 58 and 193. A child can keep a parent's low property tax base only when both of these are true:

✓ It was the parent's primary residence.

✓ The child makes it their primary residence within one year.

+ **\$1,044,586**

Protected above the parent's taxable value, for transfers Feb. 16, 2025 through Feb. 15, 2027.

Reassessed

Rentals, second homes and vacation homes go to market value. That often turns "keep it" into "sell it" or "1031 it."

CAPITAL GAINS

The step-up in basis

Inherited property usually gets a new tax basis equal to its value on the date of death. Sell soon after, and there is often little or no taxable gain. Community property may get a step-up on both halves.

ESTATE TAX

\$15 million per person

California has no estate or inheritance tax. The 2026 federal exemption is \$15 million per person, so a Form 706 return only applies to the largest estates or a spouse electing portability.

WHAT PROBATE COSTS

Fees are set by law, on the full value

California Probate Code 10810 sets the attorney's fee and the executor's fee. Each is figured on the gross value of the probate estate, not the equity.

Portion of estate	Each fee
First \$100,000	4%
Next \$100,000	3%
Next \$800,000	2%
Next \$9,000,000	1%
Next \$15,000,000	0.5%

Attorney and executor fees combined

\$500,000 estate



\$950,000 estate



\$1,500,000 estate



Before court fees, publication, the referee's fee and bond premiums. Family members serving as executor may choose to waive their fee.

\$950K

A \$950,000 home with a \$500,000 mortgage still calculates fees on the full \$950,000. That's one of the biggest reasons many SLO County homeowners set up a living trust.

Don't forget holding costs

An empty house still costs money every month, and it all comes out of what the family receives.

Property taxes

Due twice a year

Insurance

Vacant-home coverage

Utilities

Power, water, trash

Upkeep

Yard, repairs, HOA

Two families. Great results.

Very different waits.

PROBATE, MANAGED FROM 2,500 MILES AWAY

A client who had lost his wife was handling probate alone from Virginia. He hadn't seen the house in 15 years, and it came with a tenant, deferred maintenance, and cockroaches and fleas. We coordinated the tenant's move-out through the proper legal channels, arranged pest treatment, and prepared and marketed the home.

16

offers

7

days on market

\$90K

over asking

6 to 8

months more to wait for
proceeds

A TRUST, SETTLED QUICKLY

Another family's father held his properties in a living trust. With no court involved, we listed and sold all three soon after his passing, and the family received proceeds the day each sale closed.

3

properties sold

2

months from passing

Day 1

proceeds at each closing

What we handle for you

- ✓ Coordinate with your attorney on authority, notices and court filings
- ✓ Manage clean-out and prep with trusted local vendors
- ✓ Market for the process, so buyers understand overbids and as-is terms
- ✓ Protect the property: rekeying, utilities, insurance, regular checks
- ✓ Price with documentation so the sale is clearly fair
- ✓ Run the numbers on keeping, renting or a 1031 exchange

BRING THIS TO YOUR FIRST MEETING

Questions to ask your estate attorney

- ☐ Does this estate need full probate, or is there a shorter option?
- ☐ Will we request full authority under the IAEA?
- ☐ Is a bond required, or can the heirs waive it?
- ☐ When do you expect Letters to be issued, so we can plan the listing?
- ☐ When will the probate referee appraise the home?
- ☐ Should we sell during probate, or distribute the home to the heirs?
- ☐ How should we handle a tenant or belongings still in the home?

Words you'll hear

Letters

The court document that gives the executor legal authority to act.

IAEA

The Independent Administration of Estates Act, which sets full or limited authority.

Probate referee

A court-appointed appraiser who values the estate's property.

Successor trustee

The person who takes over managing a trust after the trustmaker passes.

Executor or administrator

The person managing the estate. An executor is named in a will; an administrator is appointed when there isn't one.

Notice of Proposed Action

Notice to heirs before a full-authority sale. They have 15 days to object.

Overbid

A higher offer made in court at a limited-authority confirmation hearing.

Proposition 19

The California law that limits when a child can keep a parent's property tax base.

WHEN YOU'RE READY

We're here to *help you through it.*

Whether you're an executor, a trustee or a family member trying to understand the options, we're happy to talk it through. No pressure and no obligation. We can also connect you with trusted local estate attorneys and CPAs.

TEXT OR CALL

805-716-6653

Website

schwaegerleteam.com

Certified

**C.A.R. Probate & Trust
Specialist**

The Schwaegerle Real Estate Team

Owen Schwaegerle, Broker and Co-Owner · DRE #02040597

Camille Schwaegerle, Co-Owner · DRE #02107467

This guide is general information about California probate and trust real estate and is not legal or tax advice. Probate and trust administration involve legal requirements that depend on your specific facts. Please consult a California estate attorney and a CPA before making decisions. Figures are current as of October 2026 and are adjusted periodically. Sources: California Probate Code sections 10311, 10580 to 10592, 10810, 13100, 13151 and 16061.7; Superior Court of California, County of San Luis Obispo; California State Board of Equalization; Internal Revenue Code section 1014.