

2012 Calendar

GREC Brokerage Course & Trust Accounts Class

Dates:

- May 23 & 24, 2012
Valdosta Board
www.valdostaboardofrealtors.com
- June 26 & 27, 2012
DeKalb Association
www.dekalbrealtors.com
- July 11 & 12, 2012
Dublin Board
www.dublingarealestate.com

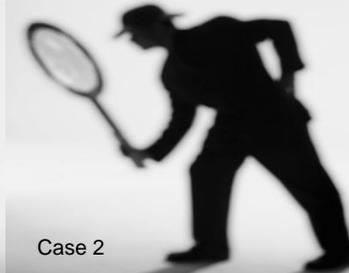
Common Violations Class

Dates:

- June 5, 2012
GAMLS Training Morrow
770-493-9000
- June 12, 2012
Greater Augusta Board
706-736-0429
- June 19, 2012
Golden Isle Assoc.
912-264-2915
- June 21, 2012
Greater Rome Board
706-295-1727

[Click here to see GREC Disciplinary Sanctions](#)

Georgia Real Estate Commission
Suite 1000
International Tower
229 Peachtree Street NE
Atlanta, GA 30303-1605
Phone 404-656-3916



This Issue:

- Using Unlicensed Assistants **P.1**
- Georgia in Top 5 for Business **P.1**
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The Case of the Unlicensed Assistant

Case #1: Broker Abby was investigated as a result of an investigation of a Salesperson affiliated with her firm. The Salesperson had allowed her unlicensed assistant to show properties to buyers. Broker Abby had received two complaints regarding the brokerage activity conducted by the unlicensed assistant. Abby subsequently gave a copy of the permitted and prohibited activities for unlicensed support personnel to the Salesperson. However, Broker Abby did not report this activity to GREC. A Broker is responsible for any licensee affiliated with the Firm and must notify the Commission of any violation of the License Law, Rules, and Regulations.

Broker Abby was issued a Citation of \$400 and required to take several education courses as a result of the following violations:

- There was no written agreement between the firm and the unlicensed assistant.
- The Salesperson did not have a written agreement with the unlicensed assistant.
- By failing to notify the Commission of known violations the Broker ratified those actions.

[Reference 520-1-.07\(2\) \(b\) & \(6\) \(a\) & \(d\)](#)

The case with Broker Abby and resulting Citation was separate and in addition to the case and Citation issued to the Salesperson, and the case requiring the assistant to sign a Cease and Desist Order.

One Type of Violation Resulted in Three Investigative Cases !

See Page 2 for Case #2 ...

Georgia Ranked No. 2 for Doing Business

Georgia Real Estate Licensees are well positioned to take advantage of an improving market. Some publications refer to the recent economic environment as the Great Recession, but the good news is that most of them are referring to it in past tense. Several indicators support that theory. In fact, Georgia ranks as number 2 as one of the [2011 Top States for Doing Business](#). In a survey of leading site consultants Georgia's rank was primarily based on labor availability and work force development programs.

In light of the survey, Governor Nathan Deal stated, *"I'm not surprised Georgia is ranked highly for its infrastructure and global access. Assets such as the fastest-growing seaport and busiest airport in the country give us a built-in advantage over our competition," he says. "But we're also very aware that we need to keep our competitive edge, so I've launched a Georgia Competitiveness Initiative to ensure our state stays as business-friendly as possible.... Our goal is to be the best of the best."*

[Source: www.areadevelopment.com](http://www.areadevelopment.com)

1. Texas
2. Georgia
3. Alabama
4. South Carolina
5. Indiana
6. Louisiana
7. North Carolina
8. Tennessee
9. Mississippi
10. California

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Unlicensed Assistants...

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Case #2: A Salesperson, Sarah, was trying to find a suitable house for her client to rent. She found an unlisted property, but the owner would not work with her. So, her unlicensed assistant, Tom (who happened to be her husband), called the owner directly and negotiated a deal to lease the property to the client. Tom emailed an invoice to the owner for \$650 with the fee to be made payable to Tom. Unlicensed assistant Tom collected an \$800 cash Security Deposit from the tenant, kept \$60 cash as part of his fee, and sent the owner \$740. The \$590 commission check was made payable to the unlicensed assistant Tom and endorsed over to Salesperson Sarah.

An investigation was actually initiated based on information that was coincidental to another investigation. During the investigation, Salesperson Sarah said she knew what her husband Tom had been doing, but she thought it was alright to collect the fee because the property was not listed. Tom explained that since the property was unlisted, he did not see why the Broker should receive 40% of the commission. Numerous violations occurred:

- The Salesperson failed to properly account for the \$800 cash Security Deposit, failed to remit funds to her broker, and failed to deposit and maintain the funds in a Trust Account.
- The Salesperson commingled funds by taking \$60 of the cash deposit as a partial commission payment.
- The Salesperson is responsible for the actions of her unlicensed assistant and she allowed him to negotiate a commission, permitted him to collect trust funds, and did not give the \$590 commission check to her Broker.

Salesperson Sarah received a Citation, was required to pay \$1,000, and was required to complete a Brokerage and Trust Account class. The unlicensed assistant signed a Consent Cease and Desist Order.

Although both Sarah and the firm had the required written agreements for Sarah to have an unlicensed assistant, they did not comply with those tasks that an unlicensed assistant can and cannot perform as listed in the Rules and Regulations. A list of those tasks can be printed by clicking the following links: [Tasks Unlicensed Assistants Can Perform](#) and [Tasks Unlicensed Assistants Cannot Perform](#). Reference [Rule 520-1-.07](#)

Tips for Finding Leads

A real estate licensee needs to be aware of new developments and transactions in his/her market, whether he/she is a commercial or residential practitioner or a property manager. For example, commercial practitioners can gain leads for tenants, relocations, retail site selection, and general market insight by keeping abreast of real estate activity.

There are published lists of recently issued Building Permits for Commercial and Residential properties. These lists state where the property is located and the party issued the permit. There are even lists of recent sales transactions. In the Atlanta Metro area, the **Atlanta Business Chronicle** (<http://www.bizjournals.com/atlanta/>) collects the information from Metro area courthouses. In other areas, local papers often publish information similar to the following that can provide leads for future business.

- Type of Real Estate Transactions Completed: Commercial or Residential
- Property location, Parcel Identification Number (PIN)
- Seller and Buyer, Price paid, Date closed



Focus on Terminology: “HABU”

HABU is an acronym for “Highest and Best Use”. Although this term is used as a critical concept in appraisal analysis, it is also used as a layman’s term in the real estate brokerage industry. At the time the evaluation is done, HABU is the reasonable use of the property that will most likely bring the highest market value, whether it is vacant or improved. Market value is the most likely price a property should bring in a competitive and fair market. When marketing a listing, first determine its HABU!