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2014 Calendar

GREC Brokerage Course & Trust Accounts Class

Dates:

- March 26-27, 2014
Greater Rome BOR
www.grbor.com/
- May 7-8, 2014
Middle Georgia BOR
<http://www.mgar.org/>

GREFPAC Conference
March 5, 2014
Atlanta/ Cobb
Galleria

<http://www.grefpac.org/>

Online Services Login

[Link to the
Georgia Real
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Georgia Real Estate Infobase

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2013 Year in Review

Rule or legislative changes that came into effect in 2013 are summarized below.

- [Rule 520-1-.04](#) and [Rule 520-1-.05](#) were amended to include email.
- “Each Commission approved form may require the email address of an applicant and his or her affiliated firm (s), if an email address is maintained by such applicant or firm.” [Rule 520-1-.04](#)
- “Each licensee, approved school, or approved instructor must notify the Commission in writing within one month of any change in any such licensee’s, approved school’s, or approved instructor’s mailing address or residence address or email address if an email address is maintained by such licensee, approved school, or approved instructor.” [Rule 520-1-.05](#)
- Remember to enter or update your email address on the GREC web site; just go to [Online Services](#). GREC is currently sending license renewal reminders and notices to the email address on record with GREC.
- A modification to the Illegal Immigration Reform Act of 2011 limits the requirement of verification of lawful presence to the initial application for a Professional License, such as a real estate license, or to a license renewal occurring after January 1, 2012. Only one submission of lawful presence is now required and will not have to be repeated by an individual thereafter.
- Wording was adopted to clarify terminology regarding the use and definition of actions, sanctions, disciplinary actions.
- The web address for the GA RE InfoBase was updated to the following: <https://www.grec.state.ga.us/infobase/infobase.html>

Other Legislative Actions of Note to Real Estate for Professionals are listed page 2

...continued on page 2

2013 and Forward ⇔ The National Association of Realtors® recently published forecasts that anticipate significant growth in Home Sales and Gross Domestic Product. See page 3 for the full table of statistics. ⇔

10th Annual GREFPAC Education Conference March 5, 2014 Cobb Galleria Centre

The Georgia Real Estate Fraud Prevention and Awareness Coalition (GREFPAC) is comprised of professionals from all aspects of the real estate industry, working together and with federal, state and local regulators, law enforcement agencies, and concerned individuals to create environments that promote honesty, openness and fairness in real estate transactions.

<http://www.grefpac.org/>

GREC Online CE Courses

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

Other Legislative Actions

A complete list and link to all the Bills Signed by the Governor in 2013, including many unrelated to real estate, can be viewed at <http://gov.georgia.gov/bills-signed/2013>

The following are only brief titles or descriptions of a particular act. To view the exact wording of the law, click the PDF links provided for each law, and seek legal counsel as needed to gain an understanding of the law relative to your particular circumstances.

Handling of short sales...

[HB 83 Effective Date – July 1, 2013 Mortgage broker licensing requirements](#)

To exempt licensed real estate brokers and salespersons assisting in a short sale real estate transaction from the mortgage broker licensing requirements.

http://gov.georgia.gov/sites/gov.georgia.gov/files/related_files/document/HB%2083.pdf

Regarding definitions and registries of vacant and foreclosed properties...

[HB 160 Effective Date – May 6, 2013](#)

To revise provisions relating to vacant and foreclosed real property registries; to prohibit a fee for a future conveyance except under limited circumstances; to provide definitions; and related matters.

http://gov.georgia.gov/sites/gov.georgia.gov/files/related_files/document/HB%20160.pdf

Relating to zoning and development issues...

[HB 517 Effective Date – July 1, 2013](#)

To provide for local control of distance requirements for grocery stores and other licensees for the retail sale of wine and malt beverages for consumption off the premises only such that grocery stores and other licensees shall be allowed to open in locations near college campuses such as downtown areas, if so permitted by the local governing authority.

http://gov.georgia.gov/sites/gov.georgia.gov/files/related_files/document/HB%20517.pdf

Sources to keep current on changes in the License Laws, Rules, and Regulations:

- The GREC Schools web site provides a [Recent Law Updates](#) tab that lists summaries and links to recent legislation that is related to the practice of real estate. (www.jmre.com/GREC)
- Each year, the **February** issue of the **GREC RENEWS** contains a recap of the law and rule changes from the previous year. Archives of past issues are accessible from the GREC home page.
- Adopted legislative or rule changes affecting real estate licensees are posted on the GREC web site at <http://www.grec.state.ga.us/about/readopted.html>
- Pending changes legislative or rule changes are also posted <http://www.grec.state.ga.us/about/repending.html>
- Proposed changes are posted as well. <http://www.grec.state.ga.us/about/reproposed.html>

Proposed Rule Change: Advertising

The Commission is proposing changes to the Advertising Rule. The purpose of these changes is to address the use of the Internet to advertise real property. You can review and comment on the proposed Rule changes by going to <http://www.grec.state.ga.us/about/reproposed.html>. Then click on the link to view proposed Rule 520-1-.09 Advertising.

Any party wishing to express opinions or views on the proposed Rules listed above may do so by contacting or writing Commissioner William Rogers or Deputy Commissioner Craig Coffee at the Georgia Real Estate Commission, Suite 1000 - International Tower, 229 Peachtree Street, N. E., Atlanta, Georgia 30303-1605, no later than April 1, 2014.

2014 Forecasts

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**Georgia Real Estate
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	2013	2014	2015
Forecast			
GDP growth	1.8%	2.5%	2.7%
Existing-home sales (millions)	5.11	5.14	5.40
New-home sales (units)	433,000	522,000	680,000
Housing starts (units)	917,000	1,126,000	1,450,000
Home price (median)	\$196,700	\$207,200	\$215,000
Fed funds rate	0.1%	0.1%	1.5%
30-year mortgage	4.0%	5.1%	5.8%
Commercial			
Office			
Vacancy rate	15.7%	15.5%	15.4%
Net absorption (sq. ft.)	32,197	46,144	49,634
Completions (sq. ft.)	27,314	35,613	42,065
Rent growth	2.4%	2.5%	3.0%
Industrial			
Vacancy rate	9.3%	8.8%	8.4%
Net absorption (sq. ft.)	97,027	104,913	107,469
Completions (sq. ft.)	48,996	67,061	68,507
Rent growth	2.4%	2.5%	3.0%
Retail			
Vacancy rate	10.5%	10.1%	9.9%
Net absorption (sq. ft.)	10,968	18,093	22,683
Completions (sq. ft.)	6,008	13,409	17,526
Rent growth	1.4%	2.2%	2.3%
Multifamily			
Vacancy rate	4.1%	4.0%	4.2%
Net absorption (units)	239,443	211,325	102,343
Completions (units)	123,518	163,924	114,697
Rent growth	4.0%	4.3%	3.5%

Link to REALTOR® Magazine Online: <http://realtomag.realtor.org>

Link to Specific Article titled "Economy Heats Up": <http://realtomag.realtor.org/news-and-commentary/market-pulse/article/2014/01/economy-heats-up>



The Appraisers Page

Georgia Real Estate Appraisers Board

February 2014

Useful Links:

[GREAB
Web Site](#)

[Appraisal Act](#)

[GREAB
Disciplinary
Sanctions](#)

Georgia Real Estate Market in 2014

By: D. Scott Murphy, SRA

Are values recovering in Georgia? Well, it depends who you ask and exactly where you are talking about. The answer is very complicated. But in general the worst appears to be behind us and many areas and price points are seeing steady appreciation since the beginning of last year. We have seen days on the market decrease, sales price to list price ratios increase and multiple offers on properties. This is due in part to the fact that many parts of Georgia are seeing some of the lowest levels of inventory of homes for sale in many years. This is occurring in areas all around the state, generally in areas where foreclosure and short sale rates have shown a steady rate of decline.

Last week I spoke at the Atlanta Business Chronicle Real Estate Summit. I was invited as a panelist to discuss the state of the real estate market from the prospective of an appraiser. There was a realtor on the panel, a representative from the home builders association and a commercial real estate consultant and college professor. While the general tone was positive, there were many comments which pointed out the irregularities in the market, the unique circumstances of last year and the challenges ahead. All who participated indicated values would increase in 2014. One panelist said "values will go up, then down and then up – just not in that order". Another stated with humor, he had consulted a medium and then offered his prediction for the year.

I found it particularly interesting to listen to the keynote speaker, Dr. Rajeev Dhawan, director of the Economic Forecasting Center – J. Mack College of Business. He reminded us that the real estate market is impacted by so many factors. The panel had presented before Dr. Dhawan and we were keenly aware that he was to speak after us and that he might contradict our particular predictions. We spoke to the low inventory of homes, the pace of new construction, the number of apartments being built and scheduled to be built, the potential for a rise in interest rates, the effects of foreclosures and the fact that many who were foreclosed upon may soon be re-entering the market. All were very valid insights and certainly factors which will shape the real estate market in 2014.

But Dr. Dhawan got up and first addressed interest rates. While many buyers may be influenced and motivated by a rise or threat of a rise in interest rates, that factor will have very little overall impact on sales volume. "When interest rates were 15% buyers still bought homes, that was because they were betting on the future". They knew that home values would rise and interest rates would come down and that their money was better invested in real estate at that time.

He is a contributing economist for Zillow and Case Schiller. He was asked last year for a predication on the rate of appreciation over the next five years. As you can imagine there was a wide range of predictions from the many qualified economist included in this poll. His predication was 53%. I was a little surprised with his predication. He admitted he was the highest of those economists included in the poll. He went on to explain his rationale. This year the real estate market rose 19%, next year (2014) I believe he said 5-6%, the next year 15-16% and went on from there. His predications were based on detailed analysis of the real estate market but also the national economy, international economy, the value of the dollar and other currencies, the current and projected political environment, population growth, jobs market and on and on he went.

My point is we often latch on to one or two factors when considering the movement of the market. We also narrow our research to one or two sources without fully exploring the definitions of those findings or verifying any information for ourselves. I know we are all not economists and must work with what is available to us. But it is critical that you know and understand the data you are reviewing and accurately relay that to your clients.

My belief I have is that statistical data is always wrong. What I mean is one can always twist the data to make a point.

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Georgia Real Estate Market in 2014

By: D. Scott Murphy, SRA

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For example, in completing my research for this article I wanted to see what some of the online data sites had to say about the real estate market. I first consulted Trulia.

Trulia

“The median sales price for homes in Atlanta GA for Oct 13 to Jan 14 was \$244,950. This represents an increase of 3%, or \$7,200, compared to the prior quarter and an increase of 19.5% compared to the prior year. Sales prices have appreciated 51.1% over the last 5 years in Atlanta. The average listing price for Atlanta homes for sale on Trulia was \$452,280 for the week ending Jan 29, which represents a decline of 2.2%, or \$9,967, compared to the prior week and an increase of 1.3%, or \$6,014, compared to the week ending Jan 08. Average price per square foot for Atlanta GA was \$180, an increase of 25.9% compared to the same period last year.”

***Trulia.com on 2/05/2014

Let’s dissect this statement. Median is often used in statistical analysis because it eliminates the outliers – the extreme highs and extreme lows but can be misleading depending on the size of the

dataset and terms to extract the data. Also notice it says “Atlanta, GA” – what does that mean exactly. Is it the city limits of Atlanta, certain counties or the general metro Atlanta area? One must also question where are they getting their data? Is Trulia getting their data from courthouse records, MLS or their own database? That question may be confirmed by the next sentence which says “the average listing price for Atlanta homes for sale ON TRULIA was...”

Next I went to Zillow

Zillow

“The median home value in Atlanta is \$143,200. Atlanta home values have gone up 16.3% over the past year and Zillow predicts they will rise 8.1% within the next year. The median list price per square foot in Atlanta is \$142, which is higher than the Atlanta Metro average of \$89. The median price of homes currently listed in Atlanta is \$179,000 while the median price of homes that sold is \$231,250. The median rent price in Atlanta is \$1,188, which is higher than the Atlanta Metro median of \$1,050.

Buyers Market/ Sellers Market: Atlanta now deemed **buyers** market.” How many of you feel the market is a buyers market?

Forecast: Atlanta Market Overview - Data through Dec 31, 2013

- \$179,000 Median listing price
- \$231,250 Median sale price
- 8.1% 1-yr forecast (Dec 31, 2014)

***Zillow.com – 2/5/2014

You might wonder why is median list price so much lower than median sales price? Median list price data is based on public listing data. This does not include for sale by owner & most new construction properties. Median sales price is based on recorded sales, which would include for sale by owner and all new construction properties, which have sold.

Notice, Zillow refers to Atlanta and Atlanta Metro. You need to dig deeper to determine their definition of these terms.

The bottom line is that you must be very careful when you research and quote data.

