

2014 Calendar

GREC Brokerage Course & Trust Accounts Class

Dates:

- July 9-10, 2014
Savannah GAR
www.savannahboardofrealtors.com
- September 24-25, 2014
Athens Area AOR
www.realtorsathens.com

Common Violations Class

Dates:

- June 19, 2014
Tucker, GA
- June 26, 2014
GA MLS
770-493-9000

[Link to the Georgia Real Estate License Laws, Rules, and Regulations](#)

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New Advertising Rules In Effect.

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Notice to All Georgia Real Estate Licensees Changes to Advertising Rule Effective May 1, 2014

This article summarizes the salient points of the Advertising rule change. However, the entire wording of the Rule can be viewed and printed from the Commission web site at [Rule 520-1-.09 Advertising](#).

Advertising – This Rule change primarily addresses the use of the Internet to advertise real estate. In response to a pattern of repeated violations related to advertising, particularly involving the internet, it became clear that the Rule needed to be updated to take into consideration the many methods now utilized for advertising real estate including internet, wireless, texting, messaging, digital, and various other types of technology. The revised Rule applies to all forms of media as detailed in the definition. To understand the advertising Rule, it is critical to understand the definition of media and the definition of advertising. It is also important to understand that the advertising Rule is limited to the advertisement of specific real estate, not services

- **Media.** For the purposes of this Rule, the term “media” includes, but is not limited to, print, photographs, broadcast, and the Internet including, but not limited to, such examples as newspapers, magazines, flyers, posters, business cards, billboards, radio, videos, television, signs (including office, directional, “for sale,” “for lease,” “sold,” or vehicle signs), newsletters, voicemail, email, facsimile transmissions, Internet websites, blogs, video blogs, property listing database services, email farming, news groups, discussion lists, bulletin boards, social networking/social media, instant text messages, multimedia advertising, banner ads, pop-ups, and similar media.
- **Advertising” or “advertisement”** means any manner, method, or activity by which a licensee through the use of any media makes known to the general public real estate for sale, rent, lease, or exchange.”

Advertising on the Internet.

- **Any advertising on the Internet by a licensee of real estate for sale, rent, lease, or exchange shall disclose the name and telephone number of the licensee's firm on every viewable web page of a website....with some exceptions**
 - Some forms of internet advertising have very limited space or a limited number of characters that can be displayed. When it is not possible to include the firm

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Commission**
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229 Peachtree Street NE
Atlanta, GA 30303-1605
Phone 404-656-3916

Changes to Advertising Rule

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name and telephone number on every page, the Rule offers a method to be in compliance by including a **direct link** (needing only one-click) to a web page that can comply with this Rule and provide the needed information.

- Examples of situations that require a direct link to a display that contains this information include:
 - Electronic messages of limited information or characters (such as texts, tweets, instant messaging, etc.)
 - Advertising on an internet website not owned or controlled by the licensee or firm and that website's terms of use limit the licensee's ability to comply with this paragraph, such as not allowing the inclusion of the listing firm name, firm phone number and in the correct font size, etc.

➤ **The long standing rule that the licensee's name and phone number cannot be any larger or more prevalent than the firm name and main phone number still holds true.**

- The name of the firm advertising the real estate for sale, rent, or exchange and the firm's telephone number must appear in equal or greater size, prominence, and frequency than the name or names of any affiliated licensees or groups of licensees; and the phone number must be a number at which the public can reach a broker or a manager of the firm.

Maintenance and Updating of Data

➤ **Advertising real estate on a website or internet posting etc. that is outdated shall be updated or removed from the website within thirty (30) days of the information becoming outdated.**

- The requirements of this Rule apply to advertising and information on a website that is within the licensee's ownership or direct control.
- Many brokers hire independent firms or consultants to maintain the firm or individual's web site and use various listing services to advertise real estate. If a licensee's website is maintained by an authorized third party (other than its firm or its franchisor's webmaster), the licensee shall provide to the third party, a timely written notice, by mail, fax, or electronic means, of any updates to outdated information or information to be removed from the website, so that such updates or information removal may be accomplished in accordance with this Rule.
- Prior to this Rule change, a broker or firm had 10 days to remove outdated internet advertising. This revision increases the time period to remove or correct information to 30 days as opposed to the 10 days previously stated in the rules.
- A licensee who provides such timely notice to the authorized third party shall not be in violation of this Rule if the third party fails to effect an information change as notified.
- A broker should establish policies and procedures to maintain records of the notice provided to the authorized third party.

➤ **No licensee shall be responsible for any information taken from the licensee's website, or other advertising, if placed on a website, or in other advertising outside the licensee's ownership and/or direct control and without the licensee's consent.**

Most of the advertising rules have not changed, such as the requirements regarding:

1. Written permission from the owner to advertise real estate – in any media.
2. Broker supervision of all advertising by affiliates (associate brokers, salespersons, and community association managers), (including advertising the licensee's own property).
3. Prohibition of discriminatory advertising.
4. Prohibition of misleading advertising.
5. Restrictions and requirements regarding licensees disclosure when advertising as principals (and including GA R.E. License #)
6. The use of Trade Names and franchise names.
7. Advertising approved schools or courses.

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Changes to Advertising Rule

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Every broker and every other licensee can benefit by a review of the entire advertising Rules and Regulations accessible from the Commission website.

In addition to the updated advertising Rule, a licensee must comply with the [Unfair Trade Practices found in O.C.G.A. §43-40-25 \(b\) \(1\), \(2\), \(11\), \(12\) and \(21\)](#) which address misleading advertising regarding services, not just specific real estate. Representation, disclosure, and other practices are addressed as well.

The Commission approved the advertising Rule change to further protect the public interest and insure that any advertisement of real estate is in compliance with the License Laws, Rules, and Regulations. The update Rule also states that a licensee shall make every reasonable attempt in advertising to assure the public knows that they are being contacted by a licensee.

Key Points: In Effect May 1, 2014

- The definition of Media is very broad, including, internet, texting, etc., etc., etc.
- The broker is responsible for all advertising of real estate in any media done by the firm or its affiliates. It must include the firm name and phone number unless space is limited, and then it must have a direct link to a webpage(s) each citing the firm name and phone number.
- Advertising of real estate in any media must be updated or removed within 30 days of becoming outdated.

New Commission Member Appointed to the Georgia Real Estate Commission

Jerry D. Warshaw is the chief executive officer and founder of Warshaw Properties, Inc. He currently serves on the board of the Georgia Apartment Industry Education Foundation, and LenBrook, a CCRC Community. In addition to having served on the Georgia Real Estate Commission in the past, he has served in various capacities in professional associations, including chairman of the National Apartment Association, where he was inducted into the Hall of Fame in 2012. He was the president of PH'96, the official sanctioned Private Housing coordinator for the 1996 Olympic Games. Warshaw earned a bachelor's degree from Georgia Tech. He and his wife, Susie, have three children and five grandchildren. They reside in Sandy Springs.

Notice: Increase in CE Hours beginning in 2015 **UPDATE!**

Maintaining a License – As of July 1, 2015, a new Rule change increases continuing education hours from 24 to 36 for the 4 year license renewal period. Also, as of July 1, 2016, the 36 required hours of continuing education shall include 3 mandatory hours on the topic of License Law. A more detailed article addressing the new rules on CE is included in the April issue of the [GREC RENews](#). or [Rule 520-1-.05 Maintaining a License](#).



Focus on Terminology: "Signage"

A sign is a method of advertising. The advertising rule applies to the advertisement of real estate using any media, including signage. Signs must comply with local ordinances, federal regulations and the Georgia Real Estate License Laws, Rules and Regulations. The owner must give written consent before a sign is placed on his/her property as well as written permission to advertise in any media...including the internet. If a licensee publishes any type of media that offers real estate for sale, rent, lease, or exchange, the advertisement must be in compliance with the advertising Rule and include the name and telephone number of the firm so that a broker can be contacted. A broker must take steps to manage and control the advertising of the firm and its affiliates.

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Suite 1000
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229 Peachtree Street NE
Atlanta, GA 30303-1605
Phone 404-656-3916



The Appraisers Page

Useful Links:

[GREAB Web Site](#)

[Appraisal Act](#)

[GREAB Disciplinary Sanctions](#)

Gross Living Area (GLA)

By: D. Scott Murphy, SRA

Probably one of the most important elements of a home, in terms of value, is the overall living space or gross living area (GLA). It is probably one of the most misunderstood elements as well. There are a number of standards for calculating GLA but the one that is used by appraisers is the "ANSI" – American National Standard Institute.

The ANSI standards define "finished area" as "an enclosed area in a house suitable for year-round use, embodying walls, floors, and ceilings that are similar to the rest of the house." Measurements must be taken to the nearest inch or tenth of a foot, and floor area must be reported to the nearest square foot. Garages are specifically excluded.

The way I explain it is that if you put your foot on the floor of any given level and any portion of that floor is below the grade of the ground, it is considered below grade space and CAN NOT be included in GLA. Another way to think of it is that if you could not put a door on any part of the perimeter than it is below grade space. This comes into play in parts of the country where there are homes with basements and other home styles such as split level and split foyer homes where some levels are below the grade of the ground.

The appraiser then will take the areas above grade and count the rooms. The appraiser will count the total number of rooms, then the number of bedrooms and then the number of bathrooms. The room count will only include rooms which are above grade; bedrooms and bathrooms below grade will not be included in the room count. Foyers, breakfast areas, laundry rooms and bathrooms are excluded from the total room count. So for example, we might have a typical two story traditional home. The first floor has a foyer, living room, dining room, family room, kitchen, breakfast area, laundry room and a half bathroom. The second floor might have four bedrooms and two full bathrooms. Our total room count is eight (living room, dining room, family room, kitchen and four bedrooms), our bedroom count is four and our bathroom count is two and a half (8-4-2.5).

Let's define a bedroom before we go any further. A bedroom is a room of "adequate size" – which is defined as no less than 100 square feet. It must have a closet, a window, a door; it must be heat/cooled and finished to the same quality as the rest of the house. It must be ABOVE GRADE to be counted as a bedroom. And the most forgotten or unknown factor in defining a bedroom is that it must have ready access to a FULL bathroom. A full bathroom is one which has a shower or a tub as well as sink and toilet. Think about it, if you have a bonus room finished up over a garage; it has a closet, window, door, heated/cooled and finished to the same quality as the rest of the house but you have to go down the stairs and across the house to use the bathroom – that does not function on a long-term basis as a bedroom. Another common scenario is that you might have four "bedrooms" on the second floor of a house. Three of the bedrooms have private baths. How is someone in the fourth bedroom supposed to get to the bathroom?





The Appraisers Page

Georgia Real Estate Appraisers Board

May 2014

Useful Links:

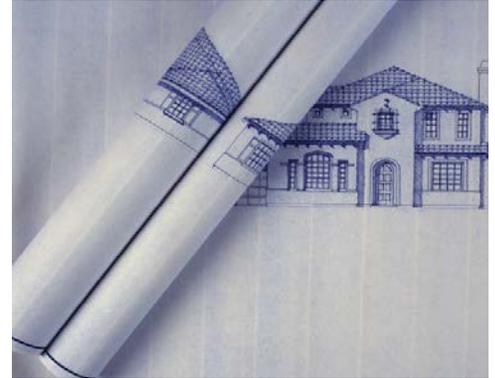
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If you answered “by going through one of the other bedrooms” you are incorrect. That does not function on a long-term basis as a bedroom. We would instead call it a den or office.

Probably the most common scenario is as follows: let's take a traditional two story house. On the first floor you have a living room, dining room, kitchen, one half bathroom, laundry and a “bedroom”. The problem here is that the “bedroom” is only serviced by a half bath. Again, this does not function on a long-term basis as a bedroom. Here is where it is valuable to have an appraiser as a consultant during or prior to the construction process of a new house.

Getting back to below grade space, let me stop right here and assure you that value is given to these “below grade” spaces, they just have to be handled separately. By creating and utilizing these measuring standards, appraisers are able to accurately compare and value homes. All appraisers use the same measure standards as a basis for determining GLA, however, there may be some local exceptions so it is important to check with a local certified appraiser. One example of a local exception is in lake front or mountain home communities. The homes are built on such a slope that often living areas are built into the hill and may span three or four levels. Many times the most upper level (the only part above grade) is just the entry area and great room. Kitchens, bedrooms and other living areas are below grade. The most important thing to remember here is consistency. As long as you are consistent on how you define the space and are sure your comparables are calculated the same as your subject, you will be fine. GLA is not as much an issue in parts of the country where all the homes are built on slab.

It is critical that you recognize these factors and determine gross living area correctly. This forms the foundation for the valuation of the entire property.