

2015 Calendar

GREC Brokerage Course & Trust Accounts Class

Dates:

- April 29 & 30, 2015
Newnan-Coweta BOR
www.ncbor.net
- June 10 & 11, 2015
Carpet Capital AOR
www.usamlis.net/dalton

Common Violations Class

Dates:

- May 5, 2015
Athens Area AOR
706-353-1126
- May 19, 2015
Warner Robbins, GA
478-922-0099

GREEA Mid-Year Symposium & Instructor Training April 23, 2015

Click Here to Register

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Trends in Real Estate Licensing & Practice

Georgia Real Estate Commissioner Bill Rogers gave an update to the Education Advisory Committee at its meeting on March 26, 2015. Rogers noted some trends he sees that give insight into the real estate profession in Georgia. A summary follows:

1. As of March 1, 2015, there were approximately 82,000 real estate licensees in Georgia. 81% of the licensees have an active license. Of all licensees approximately 11,000 are real estate firms. There are still approximately 5,000 "grandfathered licensees."
2. In FY 2008 Georgia had approximately 105,000 real estate licensees. There has been a significant decline in the number of real estate licensees since 2008 though the decline is now slowing. However, beginning in FY 2012 there has been an increase in new licensees. While the overall licensee numbers are still negative, the increase in new licensees and reports of the increased activity in real estate prelicense courses show more people are getting into the real estate business for the first time which is good. Of the new licensees 78% come in as salespersons and the Commission is averaging 536 new licensees each month.
3. The Commission currently has 226 real estate investigative cases. Of these, 53 are with the Office of the Georgia Attorney General or its Specially Assigned Attorney General for action against licensees for the most serious violations. These cases typically end with a Consent Order between the Respondent and the Commission or a hearing before an Administrative Law Judge.

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[Click Here to See the Video that Describes the New Requirements for Continuing Education:](#)

1. On July 1, 2015: Required hours of Continuing Education increase from 24 to 36 hours.
2. On July 1, 2016: 3 of the 36 hours must cover specific topics of the License Law. The course must be identified as meeting this mandatory topic requirement.



This informative video was created by the Georgia Association of Realtors® and provides an interview with Craig Coffee, Deputy Commissioner of the Georgia Real Estate Commission, as he describes the rule changes and requirements in detail.

<https://www.youtube.com/user/GeorgiaREALTORS>

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

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4. Rogers notes that the Education, Research and Recovery Fund (Recovery Fund) income and balance have decreased significantly since FY 2008. Though the Commission still experienced a small net loss in the fund for FY 2014, it is anticipated that there will be a small increase in FY 2015 based on the number of new licensees getting into the real estate business. The Recovery Fund balance is down over \$1,100,000 from FY 2008 and by law the minimum balance in the fund cannot be under \$1,000,000. The Commission has been active in the last four years in trying to balance the decreasing income with the higher expenditures from the Recovery Fund by decreasing the size of its contracts for courses and workshops, etc. This balancing will hopefully arrive in FY 2015. The current balance in the Recover Fund through February 2015 is \$1,525,980.84.
5. The Commission has seen a significant increase in new investigative cases against brokers who represent buyers for submitting offers directly to sellers prior to or at the same time the offer is sent to the listing broker. The law is clear that this is a violation of the license law under O.C.G.A. §43-40-25 (b)(14) as the offer must first go to the listing broker. It is the obligation of the listing broker to submit the offer to it its seller. The rationale behind this statute is to give the listing broker time to review the offer, analyze it, and see if there are potential problems in it before forwarding it to the seller. However, there are two exceptions to the rule. If the listing broker has given the broker representing the buyer written permission to submit offers directly to the seller, then it is permitted. Another exception is that if the listing agreement states that the listing broker does not provide "negotiating services to the client," then the offer may be made directly from the broker representing the buyer to the seller. However, authority from a listing broker to a broker representing the buyer to talk directly with a seller is not the equivalent of permitting the offer to go to the seller before going to the listing broker. However, the law is not a one way street. There is also a legal obligation placed on the listing broker when the offer is received. The listing broker is required under Rule 520-1-.10 (1) to "promptly tender to any customer or client any signed offer to purchase . . ." Whether an offer has been promptly tendered is always a question of fact.

GREEA 2015 Mid-Year Symposium

Thursday, April 23, 2015, 9:00am-4:15pm
Atlanta REALTORS® Center
5784 Lake Forrest Drive, Atlanta 30328
[Click Here to Register](#)

Instructor Training CE

Includes License Law Topics CE
6 Hours Real Estate CE
7 Hours Appraiser CE



Focus on Terminology: "GREEA"

GREEA stand for the Georgia Real Estate Educators Association. It is a voluntary membership organization. Through a contract with the Georgia Real Estate Commission, GREEA creates, staffs, and hosts the GERC Annual School Meeting. As an organization, it provides networking events, education seminars for instructors and licensees, as well as resources for professional growth and development.
www.greea.org



How to Prepare for an Appraisal

By: D. Scott Murphy, SRA

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One of the most common questions I am asked by homeowners and agents alike, is how can we prepare for an appraisal? It is quite understandable that sellers are anxious and concerned about showing their home in the most favorable way and are interested in doing all they can to insure the highest appraised value. There are many things they can do, however, most of which determines value cannot be changed in short order.

First, to the homeowner as they consider a future sale. Many begin planning for the sale years in advance. There are some improvements, which I recommend which are best to be done well in advance of the listing. Consider the state of your landscaping. I do not recommend extensive landscaping but the curb appeal of your home is very important. Remove or cut back overgrown trees, plants and shrubs. Between erosion, tree root growth, increased shade, many of our lawns are also in need of attention. These types of improvements need time to take and are best done a year or more in advance of listing the home.

New home construction is back in full force and sellers of “pre-loved” homes need to remember what they are competing with. Buyers want new, buyers do not want to make significant improvements. Therefore, major systems need to have been updated, interior and exterior needs to have been painted recently with contemporary colors. Wallpaper is “out” for the most part, stainless steel appliances are “in”, brass hardware

is “out”, oil rubbed bronze is ok – the current most popular hardware is brushed nickel. Granite is still the countertop of choice but Quartz and Marble are very popular. The very best way to find out what is truly “in” in your market is to visit model homes in new home neighborhoods. These trends will vary from location to location and price range to price range.

It is said that Apple is master of telling us what we want before we even know what we want. Fortunately, the real estate market is much more predictable. Style changes in residential real estate evolve for many years. And often come around again – so don’t despair if you still have brass hardware – it may be back “in” by the time you sell your home. However, for those who have decided to sell now it is critical to conform to the current styles. Not only in material but color. As well settle into our homes, we often go a little overboard with colors or themes. Many times we do this to satisfy our trendy teen or to draw from our own youth and create that ultimate man cave. Time to sell is time to neutralize. Our goal is to make the home appealing to the largest possible number of buyers.

I know of a few agents who have their own paint color. Both are pleasant variants of beige and both neutralize the interior of the home in a way to please the most buyers. If I had to give my top two most important improvements when getting ready for the sale of a home, I would say paint and carpets (flooring). Each will return two to three times their cost. I never recommend paint or carpet allowances. With the guidance of a knowledgeable agent or decorator friend, pleasing color choices can be made. The impact of fresh paint and new carpets will not only significantly raise the value of the home, it will help the house sell much faster.

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The Appraisers Page

Georgia Real Estate Appraisers Board

April 2015

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By: D. Scott Murphy, SRA

Paint and carpet are improvements that should be done just prior to listing the home. Other improvements such as updating a kitchen or bath can be done in the years or months approaching the listing and therefore enjoyed by the current owner. It's frustrating to sellers, to come in and invest all this money improving the home just to turn around and sell it. It's understandable that some sellers have second thoughts about selling once all these improvements are complete.

I encourage sellers to start the conversation of listing their home early with their agent. As you can see, many of the above improvements can and should be done in advance. An appraiser can be brought in to assess these improvements and assist with the impact on marketability and value. Often, additional improvements can be suggested based on the specific features of the home.

To this point I have discussed the improvements one can do prior to listing the home. These will of course have an impact on the appraisal and therefore I felt I should start with those. They are often the "would have", "could have", "should have" items discussed when I arrive at the home.

Here are some things that could be done in the short term to prepare for the appraisal itself.

Homeowner: prepare the house as you would for a potential buyer. Remember the appraisers job is to put themselves in the shoes of a typical buyer. While many appraisers will tell you that "you do not need to do anything", "we are only looking at the structure", "housekeeping does not matter" – lets face it, appraisers are people too (I hear the objections to that from many of you) and we can be influenced to some degree by decorating, furnishing, housekeeping, even smells. I have heard of the agent secrets of baking cookies, boiling spices in the stove, etc. When I am out appraising a home I probably would not turn down a fresh baked cookie! But put your best foot forward, straighten up, make the home presentable. It's typically on refinances but it amazes me the condition of some of the homes we see – I am embarrassed for them.

Agents: be sure the home is presentable; be there if possible. I know most of my appraiser readers are cursing me now. But it is important to make sure the appraiser has as much information as possible. Provide the appraiser with a survey if one is available. If you have a prior appraisal a copy may be of some use to the appraiser. I always recommend you supply the appraiser with a copy of the final, fully executed copy of the contract. I also recommend that the last counter offer be made the top page. This is so important due to the speed at which these transactions move and the number of intermediate parties, we often receive on the original offer or a partially executed contract, or bits and pieces often illegible due to faxing and coping. It was just last week I had to help an agent dispute a low appraisal due to a contract issue of this type. The appraiser received the offer not the fully executed contract. His range fully supported the true contract price

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but did not go to the higher end of his range because he thought the sales price was in the lower end of the range. Please spare yourself this potentially deal killing scenario by always putting the last counter offer on top when submitting the contract to the lender and to the appraiser.

Supply the appraiser with a list of recent improvements. Be sure to include the year as the appraiser must now categorize improvements by date. Also supply the appraiser with comparables. Be sure to include any comparable which is not readily available in the multiple listing service such as for sale by owner sale. No not be afraid to include inferior sales. All must be considered and any information you might have as to why a particular sale sold below market value will be much appreciated by the appraiser.

I hope this information will be useful. Appraisers should be open to communication from agents. There is no rule that appraisers cannot speak to agents or vice versa. It is the appraisers obligation to verify all information used in the appraisal. This includes subject and comparable information. All information from the agent should be welcomed by the appraiser and then verified. Nothing frustrates me more than to hear from agents that appraisers refused to accept information or speak with them. To not solicit ALL available information is a sign of incompetence or arrogance which is not becoming of a professional appraiser.