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2017 Calendar

Common Violations Class Dates:

- May 23, 2017
Valdosta BOR
Valdosta
229-242-2085
- June 5, 2017
Athens Area AOR
Bogart, GA
706-353-1126
- June 20, 2017
GAMLS
Tucker, GA
770-493-9000

What Real Estate Licensees Should Know about Drones

Commonly referred to as a “drone”, an Unmanned Aircraft System (UAS) is an aircraft without a human pilot onboard – instead, a UAS is controlled by an operator on the ground. Using photographs taken by drones has become a common marketing tool for real estate professionals. However, did you know that the operation of drones is regulated by the Federal Aviation Administration (FAA)? Anyone who intends to use a drone, or UAS, for commercial use, such as to photograph real estate for marketing purposes, is required by FAA regulations to obtain a Remote Pilot’s Certificate. Issued June 21, 2016, Part 107 of the Federal Aviation Regulations can be viewed at www.faa.gov. The following are pertinent excerpts from the FAA rule regarding non-hobbyist (commercial) operation of a UAS weighing less than 55 lbs:

- You must keep your drone within sight. Alternatively, if you use First Person View or similar technology, you must have a visual observer always keep your aircraft within unaided sight (for example, no binoculars).
- The maximum allowable altitude is 400 feet above the ground, and higher if your drone remains within 400 feet of a structure.
- The maximum speed is 100 mph (87 knots).
- To operate the controls of a small UAS under Part 107, you need a remote pilot airman certificate with a small UAS rating, or be under the direct supervision of a person who holds such a certificate.
- Every UAS must also be registered with the FAA.
- The FAA strongly encourages all UAS pilots to check local and state laws before gathering information through remote sensing technology or photography

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

[Link to GREC Disciplinary Actions](#)
View Current Suspensions and Revocations

[Link to Proposed Rule Changes](#)

April 2017 Meeting - Commission Actions Taken	
Cases Sent to the Attorney General for Review and Disposition by Consent Order or by Hearing	None
Cease & Desist Orders Issued	None
Citations Issued	15
Letter of Findings Issued	2
Consent Orders Entered Into	None
Final Orders of Revocation of Licensure	None
Cases Closed for Insufficient Evidence or No Apparent Violation	35
Licensing Cases - Applicant has a Criminal Conviction - License Issued	11
Licensing Cases - Applicant has a Criminal Conviction - License Denied	1
Total	64

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not approved as
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Staying Out
of Trouble”**

**“Being a
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Staying Out
of Trouble”**

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

Drones...

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- The FAA has a mobile smartphone app [B4UFLY](#) that provides information regarding restrictions and requirements for the location of the area you want to fly. https://www.faa.gov/uas/where_to_fly/b4ufly/
- If you are acting as pilot in command, you must make your drone available to the FAA for inspection or testing on request, and you must provide and maintain records.
- You must report to the FAA within 10 days any operation that results in serious injury, loss of consciousness, or property damage of at least \$500.
- You can request a waiver from the FAA of most operational restrictions if you can show that your proposed operation can be conducted safely under a waiver.

Generally referred to as a drones, UAS, or UAV (Unmanned Aerial Vehicle), these aircraft are being used in many areas of real estate. Whether it is through a waiver from the FAA to film a construction site, or a certified operator doing aerial videos of a tract of land to market a listing, knowing and following the FAA regulations is important. Drones are here to stay, and more regulation is underway regarding the use of drones, as well as privacy issues associated with them.

Another potential issue for the operator is liability. Trees, wires and people are the most common obstacles that the drone operator must contend with. Therefore, the operator should have insurance in the event of a mishap or incident. Additionally, any personal injury or property damage of \$500 or more (including the UAS) must be reported to the FAA.

For further information, visit the Federal Aviation Administration website at www.faa.gov

The published mission of the FAA, the Federal Aviation Administration, is “to provide the safest, most efficient aerospace system in the world.” www.faa.gov

Opportunity for Instructor Training in Alabama

On May 12 2017, the Alabama Real Estate Commission is offering an Instructor Training course in Montgomery, Alabama. For more information or to register online, go to <http://www.auburn.edu/outreach/opce/re/arec.htm> or call 334-844-5100.



Focus on Terminology: “Airspace”

Ownership of property includes the right of real estate as it extends downward indefinitely and upward indefinitely into the air. Ownership rights affecting airspace are subject to federal laws including FAA regulations and the definition of navigable airspace. The FAA categorizes airspace based on altitude. With the increasing use of drone technology, it is anticipated that there will be future clarifications regarding the limitations on the use of airspace which could impact the property owner’s use of airspace related to real estate. (Ref: U.S. Code Section 40101)



The Appraisers Page

Useful Links:

[GREAB Web Site](#)

[Appraisal Act](#)

[GREAB
Disciplinary
Sanctions](#)

Understanding the Appraisal Review Process

What do we mean when say appraisal review? Before we can understand the process, we need to understand what type of review we are talking about.

USPAP is a set of national standards that is applicable for most U.S. appraisals. USPAP is developed by the Appraisal Standards Board (ASB) of the Appraisal Foundation. Appraisal review is governed by the Uniform Standards of Professional Appraisal Practice (USPAP) Standard 3.

As defined by USPAP, an appraisal review is:

“the act or process of developing and communicating an opinion about the quality of another appraiser’s work that was performed as part of an appraisal or an appraisal review assignment”.

There are 3 common types of appraisal review relating to residential real estate appraisals in relation to a mortgage lending transaction.

- **Administrative Review:** An administrative review checks for the completeness of the appraisal report and such items as accuracy of math. An administrative reviewer does not make a judgment on the analysis or conclusions within the report. Administrative reviews are NOT subject to USPAP, and are usually completed by non-appraisers working for a lender or AMC.
- **Desk Review:** A desk review assumes that all data within the Appraisal is accurate and the best available, while the focus is on the construction of the Appraisal. The Desk review will draw conclusions concerning whether adjustments are properly supported, and if the value conclusion is supported, but does not look at “alternate” comparables. The review must be completed by a Licensed or Certified appraiser, and must adhere to USPAP.
- **Field Review** A field review is more complex, as it requires an inspection of the subject property as well as the comparable sales. It also involves confirming the data in the Appraisal and searching for other relevant data that may have been omitted from the Appraisal. A field review must be completed by a Licensed or Certified appraiser, and must adhere to USPAP.

For the sake of this article we are going to examine the desk review and the field review.

The first step in any appraisal assignment is to identify and define the problem. On a typical URAR that statement may be “to determine market value in relation to a mortgage transaction” or “to determine market value for listing purposes” or even “to determine a retrospective market value based on the date of death referenced in the *addendum* for estate valuation purposes.



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Georgia Real Estate Appraisers Board

May 2017

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Understanding the Appraisal Review Process

The first step in Appraisal review is also to identify and define the problem including an understanding of whether the client is expecting the reviewer to offer his or her own opinion of value. Understanding why a client would order an appraisal review will help to define the problem. Typically, a statement defining the appraisal review problem could contain language similar to “to help the client evaluate risk, and provide clarity as to the value opinion offered in the appraisal under review”.

Both desk reviews and field reviews are subject to USPAP. An appraiser must be familiar with and abide by the provisions of USPAP standard 3 which governs appraisal review. If the scope of the review assignment includes the reviewer offering their own opinion of value, the appraiser must also be familiar with standards 1 and 2 which govern the development and reporting of an appraisal report.

Too frequently when reading an appraisal review, it can appear that the reviewer’s driving motivation is to attack the work product of the appraiser who completed the appraisal under review. While this approach is common, it is incorrect. The reviewer is being retained to

offer a professional opinion about the *work product* of another appraiser, and is not being asked to criticize the original appraiser as an individual or a professional.

The review appraiser should analyze the original appraisal, and draw conclusions about the appropriateness of the comparables selected, their relevance to the subject property, and the appropriateness and market based support for adjustments to the comparables utilized. Frequently, deficiencies in an appraisal report have more to do with acts of *omission* rather than acts of *commission*. If the scope of the review assignment includes considering alternative comparables the review appraiser should evaluate alternative comparable sales, and then weigh them against the sales used in the original appraisal for relevance pertaining to the subject property. This requirement is relatively common in field reviews, but less so in desk reviews where the scope of the assignment may be limited to analyzing the treatment of the comparable sales contained within the original appraisal.

If the scope of the assignment includes the reviewer developing his or her own opinion of value, he or she must demonstrate why the alternative comparables are considered better comparables, and provide full support for a new value conclusion. This part of the assignment constitutes a new appraisal in addition to the review, and both parts of the assignment must comply fully with USPAP.

Regardless of the scope of the assignment, all conclusions should either support or critique the adjustment of the comparables and the overall quality of work contained in the original appraisal, and should never critique the appraiser as an individual.

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