

2020 Calendar

[Georgia Instructor Training
Workshop- GIT](#)

March 17-18, 2020
Atlanta, GA

More In-Class Schedules
and Events TBA

[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](#)

Georgia Real Estate Infobase

[Click Here](#)



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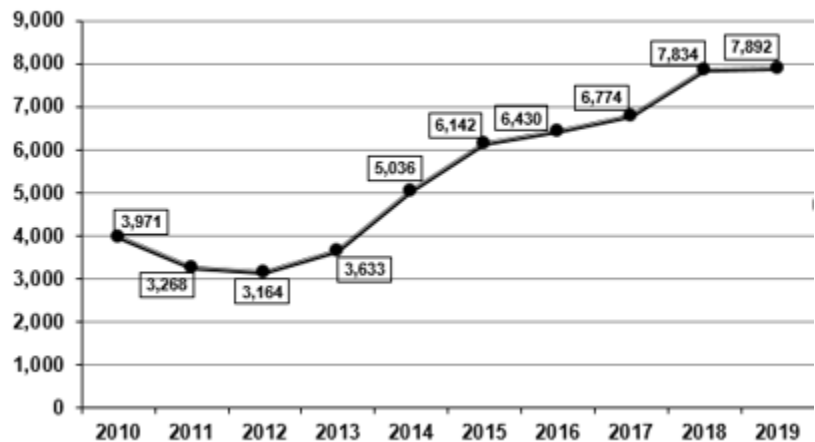
2019 Year in Review

No new legislation affecting real estate licensees was passed in 2019. However, a proposal regarding teams is currently pending, as noted on page 2 of this issue.

The number of new real estate licenses issued by the Georgia Real Estate Commission continues to steadily increase. In Fiscal Year 2019, the number of new licenses was 96,723 with approximately 800 new license applications processed each month. The chart below illustrates the annual growth of new licensees in Georgia.

Since the 2016 rule change that requires 3 hours of Continuing Education in the topic of License Law each renewal period, the Commission has noted a decrease in some of the most common violations as illustrated on the **graph on the next page**. This is significant considering the increase in the number of licensees. As a result, the Commission initiated a rule change that now approves License Law courses to cover all or some of the required 9 topic areas. This change not only encourages the development of more courses but allows instructors to focus on specific areas of the law. In addition all GREC sponsored courses, workshops and online courses now meet the specified law requirements.

**New
Resident
Real
Estate
Licensees
by Fiscal
Year
10-Year
Trend**



February 2020 Commission Actions Taken

Cases Sent to the Attorney General for Review and Disposition by Consent Order or by Hearing	0
Cease & Desist Orders Issued	0
Citations Issued	12
Letter of Findings Issued	5
Consent Orders Entered Into	0
Final Orders of Revocation of Licensure	5
Cases Closed for Insufficient Evidence or No Apparent Violation	23
Licensing Cases - Applicant has a Criminal Conviction - License Issued	13
Licensing Cases - Applicant has a Criminal Conviction - License Denied	1
Total	59

[Click here to review a legend of the disciplinary actions the Commission may impose.](#)

Online Courses from GREC approved for:

- ✓ License Law
- ✓ Continuing Ed
- ✓ Instructor CE
- ✓ 3 - 9 Hours CE

1. Being a Broker and Staying Out of Trouble
2. Avoiding Trust Account Trouble
3. Practicing Real Estate & Staying Out of Trouble

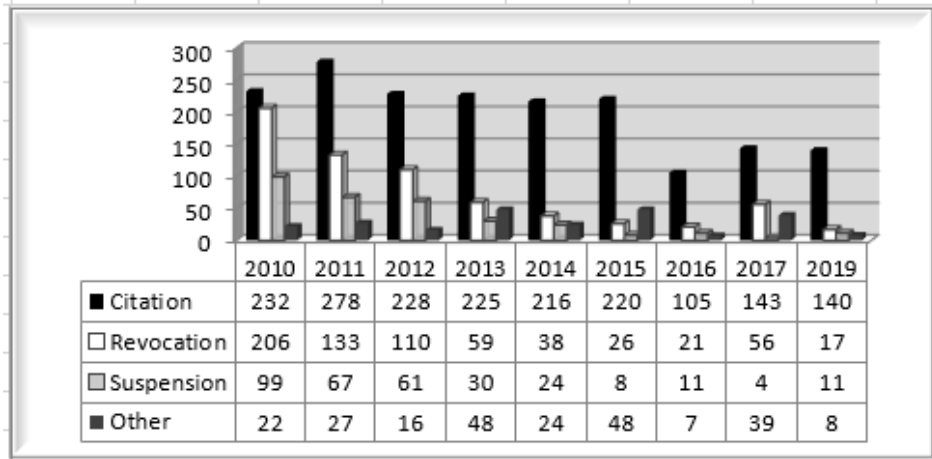
Click Here to Enroll \$10 Each

To sign up to receive the GREC RENEWSletter Click Here

Submit a Comment or suggestion Click Here

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

Trend of Disciplinary Actions



Propose Rule Change on Teams

On December 11, 2019, the Georgia Real Estate Commission posted a Notice of Intent to Adopt Proposed Amendments to the Georgia Real Estate Commission Rules. There are 2 proposed amendments regarding Teams and Advertising Teams. The complete Notice and documents can be reviewed from the Georgia Real Estate Commission web site or at this link [Notice of Intent regarding Teams](#).

The proposed rule amendments will be considered for adoption by the Commission at its meeting on March 11, 2020, at 9:30 a.m. For additional information regarding submitting comments, refer to the full [Notice at this link](#).

Absolutely Must Know Section



When giving an opinion of value on a property to obtain a listing, the license must conduct adequate research on the subject and similar properties to give an accurate valuation. The licensees or any brokerage company must be careful not to indicate that the property could absolutely be re-sold for a profit.

Violation: 43-40-25 (25)

Having demonstrated incompetency to act as a real estate licensee in such manner as to safeguard the interest of the public or any other conduct whether of the same or a different character than heretofore specified which constitutes dishonest dealing.

Violation: 43-40-25

(10) Guaranteeing or authorizing any person to guarantee future profits which may result from the resale of real property.



Focus on Terminology: "iBuyers"

The introduction of iBuyers into the residential real estate market by such companies as Knock, Offerpad, Opendoor, Zillow, Redfin, and others can impact many aspects of the industry. The valuation of real estate is impacted as referenced in the article on page 4 of this issue in the **Appraiser Page** section.

Not only are the valuation and marketing of properties affected, but the involvement of real estate licensees as listing agents also changes in these transactions. Most of the companies use AVM or automated valuation models and may not even actually see the property before making an offer.

Many of these companies make money on the transaction fees charged in the purchase and sale of the property, not necessarily on the profit from a later sale. Although iBuyers may be changing or affecting the number of listed properties, this trend could be an opportunity for the service-oriented real estate licensee. Giving a field evaluation of a property and visiting and developing a rapport with the parties involved can go a long way to obtaining and selling listings. Historically, real estate brokerage is a service industry, not strictly a transactional business. The advent of new business models in real estate may provide opportunities for those service-oriented professionals.



The Appraisers Page

Useful Links:

[GREAB
Web Site](#)

[Appraisal Act](#)

[GREAB
Disciplinary
Sanctions](#)

FAQ's

By: D. Scott Murphy, SRA & E. Grant Murphy

Can I choose the appraiser to appraise my home? Yes & No. If you would like to have your home appraised for personal reasons such as a pre-listing, estate planning, tax appeal, etc – you are free to engage an appraiser of your choosing. However, if you are getting a loan the lender is required to engage the appraiser. This is done by random assignment from an approved panel of appraisers or through an Appraisal Management Company (AMC). Either method is supposed to match your appraisal assignment with an appraiser who is qualified to appraise your home and one who has local knowledge of the market.

If I do not agree with the results of the appraisal, what recourse do I have? If you have hired the appraiser yourself, you can certainly speak with the appraiser, point out any errors or discrepancies and provide additional data and support for your opinion of value. If that does not produce satisfactory results you can obtain a second opinion. Appraisals are confidential and the appraiser will have only shared the report of your home with you unless you stipulated otherwise. You also are under no requirement to disclose that you have had an appraisal completed on your home if you were to list the home for sale. A subsequent appraiser will not have any access to any reports completed on your home.

If the appraisal was done for a lender, contact your loan officer and find out the procedure for a *reconsideration of value*. **Do not contact the appraiser directly.** While it might seem as though you hired the appraiser because you paid for the appraisal, the appraiser was actually hired by the lender and can only speak to the lender regarding the appraisal results. All lenders will allow you to submit in writing any errors or discrepancies and provide additional data and support for your opinion of value. Each may have a slightly different procedure or form that is required. Keep in mind that the lender will be looking for you to provide additional sales which have generally sold within the past year and are within one mile of the subject property. These are not mandatory requirements but the more recent the sale and the closer in proximity the better.

The next step is for the underwriter to review your request. If it has merit the information will be passed along to the appraiser for consideration. If that does not produce satisfactory results it is very unlikely the lender will be able to order a second appraisal. Another possible option would be able to apply for a loan with a second lender who will order their own appraisal report (there are some limitations and restrictions with FHA and VA loans).

How long is an appraisal good for? There is no specific expiration date to an appraisal. Some say it is good only for the date it was produced. Appraisers can not predict the future; there could be changes in the economy, changes in interest rates; there could be sales which have a positive impact on your value and sales which have a negative impact on value. From a lender's perspective, an appraisal is allowed to be used up 120 days from the date it was performed. This may vary based on loan product and by lender.



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How far can an appraiser go for comparable sales? There is no specific limit to the distance an appraiser can go to find comparable sales. Nor is an appraiser required to stay in the subject subdivision for comparable sales. The key term here is *comparable* sales. It is preferable to stay in the subject subdivision but if all sales in the subdivision are exhausted (used in the report or disqualified based on condition, size, style or other factors making them not comparable to the subject) than the appraiser must expand the distance parameter. The generally excepted norm is one mile but there is no rule stating the appraiser can not exceed one mile. He must look for *comparable* sales which are most similar in location, style, size, condition, quality, etc. In areas where the school district is very important to buyers – this would be a critical search parameter. If the subject property were lakefront then features such as water depth, view, topography, etc become more important. Finding comparables is always a juggling act between proximity, major home features and date of sale.

The appraiser must always prove that the sales used were not only the most similar sales but the best sales available at the time of the appraisal.

I have a client who needs to know the value of her home eight years ago, at the time of her husband's death – is this possible? Yes, given there is sufficient data available for the time period requested. The further back in time the more difficult the assignment. I always advise that all real estate holdings be valued at the time of a death of a property owner. It is much easier, and less costly, to appraise a property now than to have to do a retrospective valuation in the future.

When we do a retrospective appraisal, we need to make certain assumptions based on the condition, quality and existence of amenities at the time of valuation. This is called an Extraordinary Assumption. Unless instructed otherwise, we would make the Extraordinary Assumption that the subject was in similar condition on the date of valuation as it was on our date of inspection.

I have heard about these buyers called iBuyers – what are they exactly and how are they impacting the market? An iBuyer is no different than an investor who is willing to pay you cash for your home. Investors paying cash have been around forever, what makes these buyers different is that they are generally large corporations, who will buy virtually any home for the right price. They tend to focus on homes under \$400,000 and are not necessarily looking to get the home at a tremendous discount. Cash buyers of the past would typically look for homes in a specific area and homes which required repairs. They would purchase the property well under market value, repair the home and “flip” it for a profit. iBuyers make the majority of their profit from the fees they charge. Their angle is that they can buy your home without you having to prepare it for showings, close on your schedule and they will take it in as-is condition. They prefer to get it below market value, and many will make minor improvements to the home and then list if for sale. Fees can range from 6-15% depending on a number of factors. It is important to read the entire agreement and calculate your net sales price.



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iBuyers are impacting the market in a number of ways, some of which are positive and some negative. They appear to be filling a void in the market for a no non-sense, quick sale which is appealing to many sellers. They do improve many of the properties they purchase, at least to the point of making them marketable, so the resulting sales price may be higher than the seller would have sold it for. This has a positive impact on neighborhood sales. However, they are large corporations and may not always react like a typical seller. They do not appear to all be doing extensive research on the properties they purchase, and we have seen countless cases where the home ends up selling for far less than they purchased it for. This is due to poor valuation techniques but also unseen problems with the home. I am sure that on average their program is very profitable, but some seem to be doing it just to buy the listings. Similar to a relocation sale, these iBuyers are interested in moving the properties and may not wait for the highest possible price. This can have a negative impact on the market.