

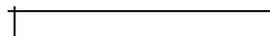
Dates to Note

- **April 7, 2009**
GREC Brokerage Course
[Habersham White Stephens Board](#)
- **April 8, 2009**
GREC Trust Account Class
[Habersham White Stephens Board](#)
- **May 18, 2009**
GREC Brokerage Course
[East Metro Board](#)
- **May 19, 2009**
GREC Trust Account Class
[East Metro Board](#)
- **April 15 & 16, 2009**
Georgia Instructor Training (GIT)
Macon, GA
www.grec-git.com

[GREC Disciplinary Sanctions](#)

INSIDE THIS ISSUE:

<i>Opinions of Value</i>	1
<i>Difficult Times</i>	2



“Appraiser”

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

Opinions of Value

A real estate licensee is prohibited from preparing an “appraisal” unless he or she also holds the appropriate appraisal classification. Appraisers are regulated by the Georgia Real Estate Appraisers Board (GREAB). GREC and GREAB are two separate entities each with its own set of members. However, GREC staff also provides administrative support for the GREAB.

A licensee may provide an “Opinion of Value,” so long as it is not conditioned upon some circumstance such as obtaining the listing if the value is determined to be in a certain price range. A licensee may also be paid for developing the opinion of value.

Sometimes the opinion of value is referred to as a BPO or **Broker Price Opinion** or **Broker Property Opinion**. No matter what it is called, it is merely an opinion and does not carry the weight or authenticity of an appraisal.

Although a broker or any licensee is trained to research comparable sales and be familiar with the market, a real estate licensee does not receive extensive and specialized training regarding valuing properties. A professional appraiser uses more complex valuation methods and is required to obtain experience in valuing different types of properties. An appraiser may use several approaches to value and apply a weighted average as appropriate. The most common approaches to valuation include:

1. Income Approach
2. Cost Approach
3. Comparable Sales Approach

When a licensee offers, or agrees, to provide a BPO, it is important that the licensee state very clearly that it is only his/her opinion and not an appraisal.

Before offering an opinion of value, the licensee should first determine the purpose of the BPO. The law provides that a real estate licensee, “in the ordinary course of real estate brokerage business,” may offer an opinion of value “to a potential seller, purchaser, landlord, tenant, or third party as to the recommended listing, lease, rental, or purchase price of real estate or real property” [O.C.G.A. § 43-39A-24].

Although there are national organizations promoting the charging of fees for BPOs and acting as middle men to schedule BPOs, they are not regulated or monitored by any licensing agency. They are basically marketing organizations and are not familiar with local real estate laws.

Each state addresses the right of the licensee to provide opinions of value. Georgia allows the licensee to perform an opinion of value provided it is merely an opinion and is not contingent upon some service. In addition to being in compliance with license laws, the licensee must also consider the ethical question as to whether he/she is qualified or has the experience to provide such an opinion. It may be best to refer the request to a professional appraiser.

The GREC web site provides a link for the general public to search for a specific appraiser under the Consumer tab on the home page.

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

[Visit the GREC
website to sign
up to receive the
GREC RNews
Click Here](#)



GREC

Opinions... are opinions

By nature, real estate agents want to be helpful especially if their assistance will insure the specific real estate transaction will close. However, an occasional review of the type of support a licensee can provide has merit.

In general terms, if the services are for the **client**, the licensee can provide many real estate services, but must be careful to be accurate and not go beyond his/her level of expertise, exaggerate or make unfounded promises.

If the services are for the **customer**, the licensee must be very careful to provide only ministerial services. In other words, if the license must use his/her discretion, analysis or judgment, it is not ministerial and therefore cannot be done for the customer without the potential for dual agency.

Opinions are often construed as giving advice. The real estate licensee is seen as an expert in the field of real estate. Be careful when offering opinions especially when it may be a subject beyond your level of expertise.

When Times are Difficult...

Real estate is a service industry. Especially when times are difficult, a successful agent can make a mark in the industry by providing superior service. This may be the time to provide that "value-added" service to those loyal clients or to entice new ones to use you as their agent. Examples of value-added services could be the following:

- Analytical reports
- Site comparison reports
- Aerial photos to identify market areas and competition
- Market analysis reports
- Professional presentations to groups

Completed transactions are the goal and sometimes further research can aid the parties in making a decision. Value added services can lead to a successful career in real estate.



Focus on Terminology: "Appraiser"

The term "appraiser," is defined in O.C.G.A. 43-39A-2 (2) as "any person who, for a valuable consideration or with the intent or expectation of receiving the same from another, engages in real estate appraisal activity on any type of real estate or real property."

"Appraisal or 'real estate appraisal' means an analysis, opinion, or conclusion prepared by an appraiser relating to the nature, quality, value, or utility of specified interests in, or aspects of, identified real estate. An appraisal may be classified by subject matter into either a valuation or analysis."

In Georgia there are 4 levels of appraiser classification: Registered, Licensed, Certified Residential or Certified General. Each level has specific education and experience requirements as stated in Rule 539-1-.16 of the Georgia Real Estate Appraisers Board Substantive Regulations which can be viewed from the GREAB website at www.greab.state.ga.us .