

## 2016 Calendar

**GREC Brokerage Course & Trust Accounts Class**  
**Dates:**

October 26-27 2016  
Empire Board of Realist  
[www.empireboard.com](http://www.empireboard.com)

November 30- Dec 1, 2016  
DeKalb AOR  
[www.dekalbrealtors.com/](http://www.dekalbrealtors.com/)

**Common Violations Class**  
**Dates:**

September 28, 2016  
Hall County BOR  
770-534-1564

October 13, 2016  
Savannah BOR  
912-354-1513

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

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

[Link to  
Proposed Rule  
Changes](#)

Georgia Real Estate Infobase

[Click Here](#)



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## Professional Development

Since the continuing education hours have been increased from 24 to 36 hours for each 4-year renewal period, many licensees have seen this as an opportunity to engage in more specific training that will further their professional goals. For instance, a commercial practitioner may see the benefits of obtaining a CCIM (Certified Commercial Investment Member) designation or a residential agent may decide to pursue the Graduate Realtor® Institute Designation (GRI) and meet continuing education requirements as well. In Georgia, licensees must obtain 3 hours of CE in specific topics of the Georgia license law, but this leaves 33 hours of other topics to select. [520-1-05](http://www.grec.com/520-1-05)

Many licensees do not realize there are opportunities for scholarships to pursue some designations. This scholarship program is offered through a combined effort from grant money provided by the Georgia Real Estate Commission Real Estate Education Research and Recovery Fund and the Georgia Association of Realtors®. This scholarship program does have certain criteria. Refer to the info box to the right. 

*...Continued on page 2*

"The [scholarship program](#) was developed to assist persons in the real estate field who are seeking to obtain a related designation such as the GRI (Graduate, REALTOR® Institute), CPM (Certified Property Manager), CAE (Certified Association Executive), CRS (Certified Residential Specialist), CRB (Certified Real Estate Brokerage Manager) and the many other designations in real estate related fields. For a list of approved certifications/or designations please [click here](#). "A percentage of these scholarship funds came from the Georgia Real Estate Commission by way of a grant. Recipients will be chosen without regard to race, color, religion, sex, disability, familial status, national origin, age, or membership in any organization. Recipients will be chosen without preference for employment or affiliation with any licensed real estate firm or broker. Source: [garealtor.com](http://garealtor.com).

### August 2016 Meeting - Commission Actions Taken

Cases Sent to the Attorney General for Review and Disposition by Consent Order or by Hearing	1
Cease & Desist Orders Issued	2
Citations Issued	8
Letter of Findings Issued	1
Consent Orders Entered Into	1
Final Orders of Revocation Issued	3
Cases Closed for Insufficient Evidence or No Apparent Violation	9
Licensing Cases - Applicant has a Criminal Conviction - License Issued	20
Licensing Cases - Applicant has a Criminal Conviction - License Denied	2
<b>Total</b>	<b>47</b>

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

# Professional Development

*Continued from page 1...*

For example, a student could take a CCIM course and receive reimbursement for the course. Or the commercial leasing agent may be interested in pursuing land transactions or development. Perhaps the residential agent is interested in property management or commercial transactions. Other scholarship opportunities may be offered through various organizations. The 36 hour requirement may be an opportunity to consider going beyond more traditional CE classes.

Brokers are required to supervise the licensees affiliated with their firm and to counsel agents to encourage them to obtain education that applies to their practice of real estate brokerage and furthers their professional goals and interests. In fact, a broker could have a policy for a licensee that specializes in a certain area of real estate so that the broker could require the licensee to obtain instruction, CE or otherwise, in that specific field of expertise. By implementing such a policy, the broker is reducing risk (for the broker as well as the licensee), by ensuring the licensee is trained to provide competent services to clients. The broker is required to implement policies that not only provide training for his/her affiliated licensees, but is required to insure that the licensees are reasonably trained and competent in the field of real estate brokerage. (Review the **AMK@T** below.)

In Georgia, the 3 hours of required license law topics are universal to the practice of real estate brokerage, and many students have commented that they are glad to have such a review the License Law, Rules, and Regulations. After obtaining practical experience in the field, a review of the License Law, Rules, and Regulations can take on new meaning and provide greater insight when applied to true life situations. Most license law courses are incorporating case studies in the course to provide better understanding of the laws and rules.

The broker can use the GREC Online Transactions services to review and monitor the education details of licensees affiliated with his/her firm. By logging into their Firm GREC account and clicking on the agent's name, brokers can see a list of all the individual courses a licensee with their firm has completed.

## Online Courses from GREC

**\$10 each  
3 Hour CE  
Course  
Total of 9  
Hours CE  
Available**

(Also Approved as Instructor CE, not approved as License Law CE)

**“Avoiding Trust Account Trouble”**

**“Practicing Real Estate & Staying Out of Trouble”**

**“Being a Broker and**

To sign up to receive the GREC RENewsletter [Click Here](#)

**SUBMIT**

Comments & Suggestions

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International Tower  
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Atlanta, GA 30303-1605  
Phone 404-656-3916

## AMK@T

Every broker or qualifying broker shall be responsible to ***instruct licensees*** affiliated with the broker or the broker's firm of the provisions set forth in the License Law and its Rules and Regulations.

[Rule 520-1-07](#)

The broker is responsible for ***“providing programs for study”*** and review of this chapter and its rules and regulations for all licensed associates;

[OCGA 43-40-18](#)

## Absolutely Must Know @ Training Licensees

The broker is responsible for ***“Reviewing for compliance”*** with this chapter and its rules and regulations all listing contracts, leases, sales contracts, and management agreements to buy, sell, lease, or exchange real property and any offer to buy, sell, lease, or exchange real property accepted within the time limit of said offer secured or negotiated by the firm's associates. This review shall take place ***within 30 days*** of the date of the offer or contract.”

[OCGA 43-40-18](#)

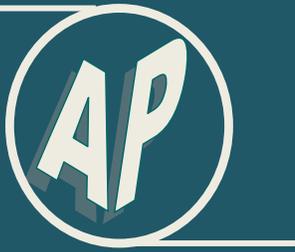


### Focus on Terminology: “Broker Supervision”

The term ***supervision and as it relates to real estate brokerage involves the following:*** The real estate brokerage activities of each firm shall be under the direct management and supervision of a broker or qualifying broker who is responsible for establishing, implementing, and continuing procedures for:

- Reviewing all advertising
- Reviewing contracts, leases, etc. for compliance
- Providing programs of study
- Systematic review of trust account practices and their implementation
- Safekeeping of all necessary records
- Requiring all licensees enter into a written agreement with the firm as required
- Ensuring that brokerage activities are only performed by actively licensed personnel
- Providing all licensed personnel with written policies and procedures to follow
- Compliance with the License Law, Rules, and Regulations

[www.grec.state.ga.us](http://www.grec.state.ga.us)



# The Appraisers Page

## Useful Links:

[GREAB Web Site](#)

[Appraisal Act](#)

[GREAB Disciplinary Sanctions](#)

## Timing is Everything

By: D. Scott Murphy, SRA



Over the past 2 decades we have seen values in the real estate market rise and fall. We all wish we had that crystal ball to tell us when the right time was to get into the market (buy) or get out of the market (sell). Then there is the regret – “I wish I had bought a home when they were going for \$xxx”.

The 2010 book “The Big Short – Inside the Doomsday Machine”, by Michael Lewis and the subsequent 2015 movie by Adam McKay, give a relative accurate depiction of the financial crisis of 2007-2008, which was triggered by the US housing bubble. Hedge fund manager Michael Burry was convinced that the US housing market was out of control and very unstable. His prediction was that it will collapse in the second quarter of 2007. He felt it was time to get out of the real estate market. No one listened to him and if you read the book, saw the movie or were alive during those years that followed you know what happened!!

The general consensus about real estate has been that it always appreciates. If you had not realized that that theory is not true you should understand it now. Timing is very important in the purchase and sale of real estate. In general, all other factors aside, when is the best time of the year to sell your home? Historically in Georgia and much of the

country, it is in the months of May, June, July and August. This is not surprising and has been the case as long as I can remember. Weather plays a part in this but more importantly it corresponds to traditional school schedules. According to Zillow, homes listed between May 1st & May 15<sup>th</sup> sold, on average, around 18.5 days faster than homes that were not listed during that timeframe. They also sold for about 1% more than the average list price.

Okay, so if we have total flexibility with regards to the date we plan to list our house, we should target early spring. Does this guarantee us top dollar for our home? Not necessarily, there are a number of other factors which must line up for us to reap the maximum reward. The real estate market is not unlike any other financial market in that it is defined by supply and demand. Listing in early spring and based on the data above we can assume or predict a relative high level of demand but how can we estimate the supply.

This is the point of this article that I was trying to get to. Sellers can do all the right things to prepare their homes to sell. They can fix up, cleanup, purge, and stage but they cannot control or even estimate the number of other homes they will compete with. Sellers can monitor current inventory prior to listing but no one knows how many other homes may list at the same time as theirs.

The competition or number of available options to potential buyers plays a huge role in the eventual sales price of the subject property. This rate of completion is lost in time and not necessary considered by subsequent appraisers. We (appraisers) may determine that a particular comparable had multiple offers but it is very difficult to determine how many other homes similar to the subject were available at the time this comparable went under



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contract.

Let's assume you are in a 300 home subdivision with generally similar homes and there are typically 3-4 homes available for sale at any given time. Homes generally sell within 30-60 days. You decide it's time to sell your home and at that time there is only one other similar home listed for sale. What would be the expect demand and likelihood of a quick sale at a favorable price? I would say based on our simple example it might be a case of multiple offers or at least a very quick sale. Now let's say the day after your property went under contract your neighbor listed your home. His home is exactly like yours in every way. Then within two days seven other similar homes came on the market. The expected outcome of this scenario is very different. There is no way to control or predict the supply side of the equation.

In both scenarios we have the exact same house, in the exactly the same condition and both listed within days of each other. If we now fast forward a few months and look back at each of these as comparables, how do we reconcile the significant difference in their sales prices? We can't, we are now in a different market, and each of these sold under different market conditions. In this simple example we only narrowed our scope to consider differences only in supply of homes which are listed. Now let's factor in changes in interest rates, major national or world economic changes, new construction

starts, etc. Even weather can have a big effect on sales during a particular time. In Atlanta earlier this year we had a month straight of rain, predominantly on the weekends when showing are high.

This decreased the number of potential buyers and tire kickers in the market having a direct impact on the rate of sale and the ultimate sales prices. I am pretty sure if I made an adjustment to a comparable and included a statement saying it was really rainy when that comparable sold that is why is sold low, it would not go over very well with an underwriter.

As you can see the real estate market is not perfect. There are dozens of known impacts on market value and dozens more of hidden impacts as well.

I welcome your comments and feedback. Please send me ideas for future articles.

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