



GREC RENEWS

2008 Dates to Note

- February 20/21, 2008
Brokeage/Trust Account
[Troup County Board](#)
(706) 298-0695

- February 21-22, 2008
[Georgia Instructor Training \(GIT\)](#)
Atlanta, GA
678-451-4831

[GREC Disciplinary Sanctions](#)

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Focus on Terminology:

“Business Plan”

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

The Year in Review: Recent Changes to the License Law, Rules and Regulations



The following is a very brief synopsis of the most notable changes made by the Georgia Real estate Commission in 2007. Refer to the [September 2007 issue of the GREC RENEWS](#) for more detailed explanations and links to these specific issues

1. Jeffrey Ledford was appointed as the new Real Estate Commissioner of Georgia.

Specific changes to the license laws addressed the following:

2. Under certain conditions, Licensees are no longer required to re-take the state examination in order to reinstate. **Chapter 520-1-.04**
3. A licensee now has 5 years (instead of 10) to reinstate a lapsed license by paying certain fees and without re-taking the state examination. **Chapter 520-1-.05 (4)**
4. An “instructional hour” is at least fifty minutes of instruction or other learning activity. **Chapter 520-1-.02 (1.1)**
5. New conditions are set in which a licensee may present an offer to the client of another licensee. **Chapter 520-1-.10 (1)**
6. Candidates for a broker’s or an associate broker’s license must have 3 years of active licensure experience within the five years immediately preceding the application **Chapter 520-1-.04 (2) N**
7. Changes were made to the manner in which disabled veterans may qualify for veteran’s preference on examinations. **Chapter 520-1-.04**

Developing a Business Plan

In a slow market where transactions have decreased, it may seem attractive to going into business for yourself to obtain the full commission, cut costs, or just to be more independent. Be careful to consider the added responsibilities, the loss of office support, the camaraderie of the office in addition to the demands of managing a business.

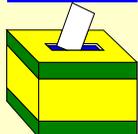
A licensee may choose to open his/own firm after obtaining the Brokers License. Before opening a firm, be sure to have a plan before jumping right in. There is basically a low cost to open and operate a new brokerage office as compared to opening a firm in other industries. However, thoughtful advance planning can prevent a lot of stress and financial distress in the long run. What should a Business Plan include? The following is a partial list of those issues that need to be considered and decisions to be made before opening your own real estate brokerage business:

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Georgia Real Estate
Commission
Suite 1000
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229 Peachtree Street NE
Atlanta, GA 30303-1605

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Developing a Business Plan

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- Business license
- Broker License
- Choosing the business entity:
 - corporation, LLC, partnership, sole proprietor, etc.
- Sources and Plans for Financings
- Independent Contract agreements and Hiring Employees
- Bookkeeping
- Paying taxes and setting up tax IDs
- Office location and zoning

One of the critical aspects of managing a real estate brokerage business is proper management and maintenance of the trust account(s). The real estate commission offers a Trust Account Workshop several times per year. A schedule of classes is available from the commission's website at www.grec.state.ga.us.

The Small Business Administration (SBA) of the Federal government provides assistance and a wealth of resource materials to aid individuals in developing an effective business plan. Visit the Small Business Administration website at www.sba.gov. There is a specific section devoted to [Writing a Business Plan](#) that provides a step-by-step process.

The Georgia Secretary of State has a publication titled, "*Points of Contact for Small Business Entrepreneurs*," that can be downloaded from their website at www.sos.state.ga.us/firststop/. This publication includes contact information for the Georgia Department of Labor, Department of Revenue, etc. This site also provides a link to contact information for various offices of the different counties in Georgia <http://www.sos.state.ga.us/elections/>.

Other resources include the Georgia Brokers Manual, which includes a section on the business aspects of running a real estate brokerage firm.

Although real estate brokerage provides an opportunity for an individual to have his/her own business, it also comes with many of the same responsibilities and obligations of running a business.



Focus on Terminology: "Business Plan"

The [Georgia Secretary of State website](#) defines a **Business Plan** as "a written, detailed description that serves as the résumé for the business, identifying its goals. It also can include information about the entity's financial standing, resources, decisions and plans. Business Plans may also be used to keep invested parties informed about the company's operations and goals...A business plan may also serve as a guide to keep owners focused on the entity's goals."

Although a business plan begins as a defined plan, it may be adjusted over time, but it serves as a means to clearly identify the purpose of the formation of the business itself. When applying for a business loan, the lender will often require a formal, written business plan.