

Calendar

GREC Brokerage Course & Trust Accounts Class

Dates:

- October 5 & 6, 2011
GAMLS
<http://www.gamls.com>
- October 26 & 27, 2011
Atlanta Board
<http://www.abr.org>
- November 16 & 17, 2011
West GA Board
www.westgaboard.org
- November 29 & 30, 2011
Southwest GA Board
(229)377-8986

Common Violations Class

Dates:

- October 4, 2011
Lake Country Board
Greensboro, GA
(706) 453-0823
- October 19, 2011
400 North Board
Dawsonville, GA
(706) 216-5229
- November 2, 2011
East Metro Board
770-787-3763

[Click here to see GREC Disciplinary Sanctions](#)

Georgia Real Estate Commission

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



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Sales and Leasing

As an active real estate licensee, the licensee can conduct brokerage activity in all types of real estate transactions: sales, leasing, property management, commercial, residential and more. In a market where sales activity is slow, property owners sometimes consider leasing as a viable alternative. Whether it is a lease transaction involving commercial, residential, industrial, or any other type of real estate, the licensee must:

- Handle Trust Funds appropriately
- Become familiar with the terms for that type of transaction and property
- Seek the Broker's counsel or other expert's advice in areas where he/she has no experience.

For instance, if a licensee has a listing

on a property for sale and it has been on the market for an extended time, the seller may ask the licensee to market it for lease instead of sale. Now the licensee must determine the appropriate lease rate and method of quoting the rate. Terminology for commercial leasing is unique to the market and the type of lease. As an example, the licensee representing a tenant or a landlord needs to understand the difference between a "net" lease as opposed to a "gross" lease. (The difference relates to how the expenses are handled. Typically the tenant pays expenses in a net lease. However the definition of the term "net" depends on the wording of the lease document itself.)

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Information for Real Estate Schools

The Commission is simplifying the way schools upload **pre-license** education credits. Instead of uploading pre-license credit to AMP using the REAL web site and continuing education to the GREC web site, schools will upload both types of education using only the Georgia Real Estate Commission web site. Entering student information and uploading pre-license education will follow the same process currently used to enter

continuing education credits. Effective September 29, 2011, the AMP REAL site will no longer be available.

Students need to wait 24 hours after the credit has been uploaded before making application for the exam from AMP's candidate services web site.

By having only one place to enter education credits, security will be increased and time will be saved by streamlining the data entry process.

Enroll Now**Free GREC CE Courses Online**

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

[Click Here](#)

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

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Sales and Leasing...

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Other leasing terms can be just as critical to understanding the lease and the commitment of the parties. When advising the client the licensee must be careful not to give services beyond the level of his/her expertise.

In addition, the licensee must consult his/her Broker for the proper handling of any Security Deposit or rental payments coming into his/her possession. Usually the Broker sets up a separate Trust Account for property management activities. The License Laws, Rules, and Regulations address the handling of Trust Funds. The Broker must have a Management Agreement that includes clear instructions for managing the property for the owner. Rule [520-1-.06\(2\)](#) describes what must

be included in the Property Management Agreement.

Another law the licensee should be familiar with is the [Georgia Landlord Tenant Law \(O.C.G.A. 44-7-33\)](#). It addresses managing security deposits, inspections, as well as defining the rights of the parties during or after a lease expires.

Since there is no closing in a lease transaction, the commission structure will be different so the licensee must negotiate and clearly stipulate his/her fees as well.

Branching out into leasing may be a worthwhile endeavor, but it is important that the licensee be familiar with the requirements of the License Law Rules and Regulations in providing those services.

Default on Child Support Payments can Affect Real Estate License

When the Georgia Real Estate Commission receives a notice from the Office of Child Support Services that a real estate licensee is not in compliance with an order for child support, the Commission is required to suspend the real estate license. That licensee cannot practice real estate until he/she complies with the child support order and the license is later reinstated by GREC. The Child Support Recovery Act of 1996 sends such a notice to state licensing authorities that issue and regulate licenses, tags, and permits that allow a person to engage in a profession, business, or occupation. [O.C.G.A. 19-11-9.3](#).



Focus on Terminology: "Lease"

A **sale** of real estate involves the transfer of ownership. A **lease** gives a tenant temporary right to exclusive possession and use of real estate for a defined period of time. The tenant has a leasehold estate.

When a licensee negotiates a sales transaction, the contract stipulates the terms and conditions of the sale and merges with the deed at closing (certain stipulations may survive closing). When negotiating a lease transaction, the lease itself describes an on-going relationship between the landlord and tenant. Once the lease is signed by all parties, it becomes the document controlling that relationship and therefore must be carefully considered. For that reason, the parties may elect to enter into an "agreement to lease," with the intent of executing a lease after the terms are agreed upon.

Since the landlord owns the property, he/she usually has a preferred lease form. The tenant and any licensee representing the tenant should consult an attorney proficient in the leasing arena to assure the parties clearly understand the terms and obligations of the lease.