

2013 Calendar

GREC Brokerage Course & Trust Accounts Class Dates:

- July 24 & 25, 2013
[Habersham White
Stephens REALTORS](#)
- August 21 & 22, 2013
West Metro Board
<http://www.westmetroboard.com>
- September 25 & 26, 2013
Atlanta Board
www.learningrealestate.com
- October 16 & 17, 2013
Altamaha Basin Board
<http://altamahabasinmls.com>

Common Violations Class Dates:

- August 20, 2013
Columbus BOR
706-323-1701
- September 6, 2013
NE GA BOR
706-781-3030
- September 10, 2013
GAMLS Tucker
770-493-9000

GREEA Class Date:

- August 9, 2013

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

Georgia Real Estate Infobase



Unlicensed Assistants

Tasks They Can Perform	Tasks They Cannot Perform
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The Case of the Unlicensed Assistant

Whether licensed as a salesperson, an associate broker, or a broker, all licensees can utilize an unlicensed assistant to make them more productive as long as it is done in accordance with the License Laws, Rules, and Regulations. Both the firm and the affiliated licensee using an assistant are responsible for the acts of the unlicensed assistant. If a firm allows agents to utilize unlicensed assistant, there are 3 written agreements needed in order to comply with the License Laws, Rules, and Regulations:

1. A written agreement between the firm and the affiliated licensee which contains:
 - a. Authorization of the use of the unlicensed assistant
 - b. Delineation of the duties that the unlicensed assistant may perform,
 - c. Approval of the compensation arrangement between the affiliated licensee and the unlicensed assistant.
2. A written agreement between the firm and the unlicensed assistant specifying any duties that the unlicensed assistant may undertake in behalf of the affiliated licensee.
3. A written agreement between the licensee and the unlicensed assistant specifying:
 - a. Any duties that the assistant may perform
 - b. The manner in which the unlicensed assistant will be paid.

[Rule 520-1-.07 \(6\)](#) provides further details and reasonable guidelines of tasks that may or may not be performed by their unlicensed assistants. However the list is not all inclusive and does not identify every possible activity. An unlicensed assistant may only perform ministerial duties and tasks that do not require the discretion or the exercise of judgment of a licensee. The Resources Section of the GREC School page at www.jmre.com/grec includes a printer-friendly list of tasks that can/cannot be performed by unlicensed assistants: [Tasks Unlicensed Staff CAN do](#) , [Tasks Unlicensed Staff CANNOT do](#).

Consider the case of Mirkle and Benson (*All names are fictitious.*) Mirkle reluctantly agreed to be the managing broker for Bold Realty which managed over 50 active salespersons in the office. Managing broker Mirkle did not make herself readily available to affiliated licensees for such tasks as reviewing contracts, because she was so busy doing deals herself. Although she knew salesperson Benson recently hired support staff, she did not consider what needed to be done to utilize an unlicensed assistant in compliance with the License Laws, Rules, and Regulations. During an audit of the firm where other violations were discovered, it was determined that the managing broker failed to assure that there were any written agreements regarding the use of an unlicensed assistant. ...[see page 2](#)

Upcoming Event: The Georgia Real Estate Educators Association (GREEA) is sponsoring a course **August 9, 2013** on Powerpoint© tips and shortcuts. The course will teach you how to create effective slides that illustrate ideas and present data in a meaningful way. Students will also learn the best way to incorporate animation, video, and photos into their PowerPoint© masterpieces. For more information [click here](#) or go to <http://summersavvy.eventbrite.com/> to register.

This course is authorized for 3 hours CE or 3 hours Instructor CE.

Unlicensed Assistants....

...continued from page 1

The specific violations are listed below: [520-1-07 \(6\) \(d\) \(1\) \(2\) \(3\)](#)

1. The managing broker did not require salesperson Benson to have a written agreement between himself and his unlicensed assistant specifying the assistants' duties or to outline compensation to the assistant.
2. The managing broker Mirkle failed to enter into a written agreement with Benson authorizing the use of the unlicensed assistant, delineate the duties allowed to be performed by the unlicensed assistant, or to approve any compensation paid to the unlicensed assistant.
3. Mirkle also failed to enter into a written agreement with the unlicensed assistant of Benson specifying the duties the unlicensed assistant could perform for the licensee.

Managing broker Mirkle, Salesperson Benson, and the firm were required to pay significant fines in addition to legal, investigative, and administrative fees to the Commission.

GREC offers multiple resources for licensees to refresh their knowledge of License Laws Rules and Regulations and sources to further their knowledge in real estate including: The GREC School Home Page Resources tab at www.jmre.com/grec, and www.gareinfobase.org, and [classes](#) and [online courses](#) as listed on the [GREC web site](#).

Georgia Real Estate Infobase

Hey Jane, I need a basic review on leases. Do you know where I can find some information?



Sure, just look it up at www.gareinfobase.org

The www.gareinfobase.org is an online resource for Georgia licensees designed to help licenses maintain competency and further their knowledge in the practice of real estate brokerage.

Focus on Terminology: "opportunity zones"

Legislation was passed to allow Opportunity Zones within the State's Job Tax Credit Program. Opportunity Zones are intended to encourage growth, development, redevelopment, to revitalize a less developed area, and ultimately to create jobs. Communities or areas must be identified as Opportunity Zones to qualify for the program. The [Georgia Department of Community Affairs](#) reviews the application and makes a decision to designate the Opportunity Zone.

If a business or employer expands and creates a minimum of employment positions in a designated Opportunity Zone, the employer will receive \$3,500 per year per job for up to 5 years in tax credits that are used against the business's Georgia income tax liability and payroll withholding tax. To illustrate the power of the opportunity zone and tax credit incentive, consider these scenarios: A company relocates from another state to an Opportunity Zone and thereby creates 100 jobs. $100 \times \$3,500 \times 5 \text{ years} = \$1,750,000$ in tax credits. The benefits are equally as great for a very small business. If a company adds 3 new jobs in an Opportunity Zone it can amount to \$52,500 in tax credits. $(3 \times \$3,500 \times 5 \text{ years} = \$52,500)$

Actual examples include the redevelopment of the Walton Industrial Park in Walton County, the Duluth Town Center Village Green in Gwinnett County, and newly designated Opportunity Zones in DeKalb County.

References: http://www.co.dekalb.ga.us/greenfocus/pdf/opportunity_zones.pdf
<http://www.dca.state.ga.us/economic/DevelopmentTools/programs/communityAssistance.asp>

Online
Courses from
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3 Hour CE
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Total of 9 Hours
CE Available

"Avoiding Trust
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Estate & Staying
Out of Trouble"

"Being a Broker
and Staying Out
of Trouble"

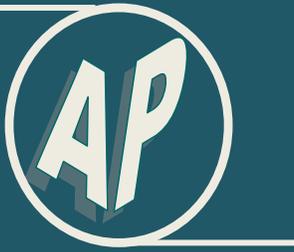
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The Appraisers Page

Useful Links:

[GREAB Web Site](#)

[Appraisal Act](#)

[GREAB Disciplinary Sanctions](#)

Is Price Per Square Foot a reasonable means of comparison?

By: D. Scott Murphy, SRA

I am often asked what the typical sale price per gross living area is in a given neighborhood. It usually is a topic of discussion in appraisal classes I teach to real estate agents. It seems that many buyers and agents feel that sales price per gross living area is a reasonable means of comparing properties.

Lets break it down and take a look at this commonly used term. Sales price is of course the total price which is paid for a piece of property. Square footage in this case refers to the above grade or true gross living area of a property. Readers will recall from prior articles I have written that gross living area is very different from gross building area or total heated space. These terms all refer to different "definitions" of the square footage of a home and are used by different entities for a variety of purposes. For instance, gross building area is most commonly the number reported in the county tax records. It may include above grade, below grade and other enclosed spaces of the house. Total heated space (living area) is common used by real estate agents as it refers to all the space in a home which is heated and cooled and is used to describe the size of the home. The term gross living area (GLA) is used by appraisers and is defined by ANSI Standard Z765. ANSI is the American National Standards Institute which is a private non-profit organization that oversees the development of voluntary consensus

standards for products, services, processes, systems, and personnel in the United States. In a single-family house, GLA includes all living space that is above the land-line and has heating, lighting, and ventilation. The main rooms and bedrooms, hallways, bathrooms and kitchen footage is calculated to determine GLA. Finished attic space with a minimum of 5-foot walls and heat is calculated for GLA. Patios, porches and garages are not included in this measurement unless a garage has been converted into living space with the appropriate permits and an enclosed porch must be heated. Both garages and porches would have to be finished to the same quality as the rest of the house (for more detailed information see the December 2012 GREC newsletter).

So the first flaw in using price per square foot is that we all have a different definition of square footage. It is also often a challenge for real estate agents to obtain reasonable or accurate square footages due to conflicting sources. Some markets, such as Atlanta, have appraisal databases where accurate information on GLA, basement size, basement finish and other data are compiled in a common database. Even this type of database is not without its flaws. Two appraisers using the same set of GLA "rules" may measure the house slightly differently due to ease of access to the property (bushes, trees and other obstacles) as well as rounding errors where one may round some measurement up and the other does not. However, differences of less than 100sf are considered nominal and would have no significant impact on the overall value of the property.



The Appraisers Page

Georgia Real Estate Appraisers Board

July 2012

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Is Price Per Square Foot a Reasonable Means of Comparison?

By: D. Scott Murphy, SRA

The major flaw in quoting price per square foot or using it as a means of comparison is that it only considers the sales price and the square footage of the house (regardless of which definition you choose). Variances in land value from one sale to another can have a significant impact on the price per square foot. Having a basement, particularly a finished basement, will impact the price per square foot. I could go on but I think you see that all the features of a home have an impact on the sales price and the resulting price per square foot. We need to focus on every feature and make adjustments as a typical buyer would. Whether they realize it or not buyers are making conscious or subconscious adjustments to each property they view. They are comparing one to the next and arriving at their estimate of value or their offer price.

One of the reasons I fought the MLS systems here in Atlanta from including square footage in the listing was that it would generate a price per square foot which would then be used by agents when comparing property. Many of you have buyers from other parts of the country who come to Georgia to buy a home and the first thing they want to know is what is the price per square foot for the homes you are showing them. Most of these buyers come from areas like Florida or Texas where the construction of the homes are very similar, are on similar sized level lots and all properties are on slab. We also find tax assessor data in these other areas is considered relatively

accurate and more closely resembles gross living area. Unfortunately, in most parts of Georgia we don't have all those similar features in most neighborhoods and tax assessor data is rarely accurate. In fairness to the assessors, it goes back to the use of two different definitions of square footage.

There may be some of you who are very familiar with an appraisal report and are wondering, if price per square foot is so irrelevant, why is it calculated and shown on an appraisal report? The sale price per gross living area calculation on an appraisal is used by appraisers and reviewers of appraisals to determine similarity of the comparables used but not as a means of valuation. If the appraiser has comparables which all have similar sale price per gross living area it *may* indicate that they are reasonably good sales. However, you could have two sales which sold for a similar amount and both homes have similar square footage but sale 1 is on 10 acres, while sale 2 is only on 1 acre but has a basement and other amenities which balance the value of the additional acreage of sale 1.

It is important to educate your buyer. Steer them away from the use of this relatively meaningless term and get them to focus on relative size, amenities, and features of each home. Have them make notes on each property and the pluses and minuses of each. Consult a trusted appraiser for guidance on adjustments and verification of data. Then you can assist your client in arriving at a reasonable offer for the property they are most interested in.