

2015 Calendar

GREC Brokerage
Course & Trust
Accounts Class Dates:

To be Announced

GREFPAC Conference
March 5, 2015
Atlanta/ Cobb
Galleria

<http://www.grefpac.org/>

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

[Link to GREC
Disciplinary
Sanctions
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Suspensions
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Georgia Real Estate Infobase

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2014 Year in Review

Several significant changes were made to the Georgia Real Estate License Law, Rules, and Regulations in 2014. They are summarized below, but it is recommended that licensees read the new rules in their entirety to be familiar with all aspects of the rule(s) as they may apply in their brokerage practice.

1. Real Estate Courses: Effective September 1, 2014

The rule was amended so that salespersons who complete the 25-hour Sales Post-license course in their first year of licensure may count that course as meeting nine (9) hours of the continuing education requirement for the first renewal period. [Rule 520-1-.04](#)

2. Advertising – Effective May 1, 2014 This Rule change primarily addresses the use of the Internet to advertise real property. A detailed article addressing the new rules on advertising was published in the [May issue of the GREC RENEWS](#). Key Points of the changes to the advertising rule include:

- The definition of Media is very broad, including, internet, texting, blogs, etc., etc.
- The broker is responsible for all advertising of real estate in any media done by the firm or its affiliates. It must include the firm name and phone number unless space is limited, and then it must have a direct link to a webpage that includes the firm name and phone number.
- Advertising of real estate in any media must be updated or removed within 30 days of becoming outdated.
- Review the entire rules at [Rule 520-1-.09 Advertising](#)

Continued on page 2...

11th Annual GREFPAC Education Conference

March 4, 2015

Cobb Galleria Centre

The Georgia Real Estate Fraud Prevention and Awareness Coalition (GREFPAC) is comprised of professionals from all aspects of the real estate industry, working together and with federal, state and local regulators, law enforcement agencies, and concerned individuals to create environments that promote honesty, openness and fairness in real estate transactions. CE credits will be available for attorneys, real estate brokers, and salespersons, appraisers, and CFEs. For additional information: www.grefpac.org.

The registration link is <https://www.123signup.com/register?id+vcsnf>.

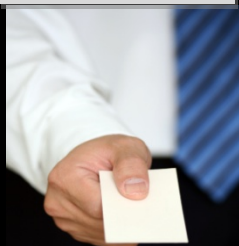
2014 Year in Review

Continued from page 1...

Updated Format! GREC Online CE Courses

Also approved for
Instructor CE

Comments or
Suggestions
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receive the GREC
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3. **Increase in Required Continuing Education Hours:** Effective **July 1, 2015**, a Rule change increases continuing education hours from 24 to 36 for the 4 year license renewal period. Also, as of July 1, 2016, the 36 required hours of continuing education shall include 3 mandatory hours on the topic of License Law. The [April issue of the GREC RENEWS](#) details this rule update. Click this link to read the entire [Rule 520-1-.05 Maintaining a License](#).
4. **Mandatory Topics:** As of **July 1, 2016**, the new requirements for Continuing Education address certain mandatory (required) topics. Mandatory in this case, means that in order to renew, each licensee must take at least 3 hours that cover specific subject areas on the topic of license law as identified by the Georgia Real Estate Commission. The course provider will be required to include required subjects in the course to comply with the requirements for the 3-hour mandatory license law course approval. Many states across the country have required mandatory topics for many years, and in fact require the same course to be updated and taught to every licensee every renewal period. However in Georgia, the License Law, Rules, and Regulations allow the course provider to present the required topics in a variety of methods, as long as the material is sufficiently covered. By July 2016, in order to renew, every licensee must take at least 3 hours of continuing education covering those license law topics as mandated by GREC.
5. **Support Personnel:** Effective November 1, 2014, Rule [520-1-.07](#) that addresses the use of support personnel was amended. The new Rule now allows an active licensee that is an affiliated licensee at one firm to be simultaneously employed as **support personnel** at another firm. An individual licensed with one firm desiring to work as support personnel at another firm must obtain the written consent from the broker of each firm and may perform only ministerial duties at the second firm.

As before, the Rule describes those written agreements that are required in order to use the services of support personnel. The Rule includes relatively few changes to the list of tasks support personnel may perform or are prohibited from performing. You can view the entire wording of the new Rule as the new version is already included in the License Law, Rules, and Regulations accessible from the GREC web site at <http://www.grec.state.ga.us>. Reference: [520-1-.07 Management Responsibilities of Real Estate Firms](#).

This Rule change gives more freedom to licensees and opens up potential employment opportunities that were not previously possible under the prior License Law, Rules, and Regulations.



Focus on Terminology: "License Laws"

License laws are enacted by all states. They "provide the states with the authority to license and regulate the activities of real estate brokers, salespeople, and appraisers. Certain details of the laws vary from state to state, but the main provisions of each remain much the same. The general purposes of license laws are to (1) protect the public from dishonest or incompetent real estate practitioners, (2) prescribe certain standards and qualifications for licensing, and (3) raise the standards of the real estate profession." *Quote from [The Language of Real Estate](#), by John W. Reilly, 7th Edition, 2013 Kaplan Inc.*

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

Key Points and Quick Tips

Comments or
Suggestions
[Click Here.](#)

Online Services Login

Remember you can update your mailing address, email address, and other information on file with the Commission. Address changes must be corrected within 1 month.

GREC
Online
CE
Courses

Continuing Education

1. On July 1, 2015: required hours of continuing education increase from 24 to 36.
2. On July 1, 2016: 3 of the 36 hours must be on the topic of License Law.

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

Resources for License Law Updates

The Georgia Real Estate Commission provides several sources to keep current on changes in the License Law, Rules, and Regulations:

- The GREC Schools web site provides a [Recent Law Updates](#) tab that lists summaries and links to recent legislation that is related to the practice of real estate. (www.jmre.com/GREC)
- Each year, the **February** issue of the **GREC RENews** contains a recap of the law and rule changes from the previous year. Archives of past issues are accessible from the GREC home page.
- Adopted legislative or rule changes affecting real estate licensees are posted on the GREC web site at <http://www.grec.state.ga.us/about/readopted.html>
- Pending changes legislative or rule changes are also posted: <http://www.grec.state.ga.us/about/repending.html>
- Proposed changes are posted as well. <http://www.grec.state.ga.us/about/reproposed.html>

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The Appraisers Page

Useful Links:

[GREAB
Web Site](#)

[Appraisal Act](#)

[GREAB
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Location, Location, Location

By: D. Scott Murphy, SRA

As we all know, location is one of the most important factors in determining market value of real estate. Value attributed to location is related to proximity to support services (shopping, restaurants, hospitals/doctors' offices, schools, parks, airports, etc), proximity to employment and overall community. These factors are all expressed on an appraisal through location adjustments but can really be attributed to overall lot value.

If there was only a way to increase the value of the location of your home. It's obviously not practical to pick up your home and move it. However, there may be something we can do to increase the value of our location. One very popular trend throughout Georgia is the creation of new cities. Residents feel that if they can create a city they can possibly reduce taxes, increase services and create a more desirable community; therefore, increasing the value of the location of their home.

There are currently 535 cities in Georgia, and that number is growing. Fulton County alone is home to 14 incorporated cities, including three of the top 10 in population (Atlanta, Sandy Springs, and Johns Creek). The City of Atlanta made a very concerted effort during the 1970's to annex what is now the City of Sandy Springs. After three decades of battles the City of Sandy Springs finally was granted cityhood on June 21, 2005.

Sandy Springs was among the first cities in the nation to outsource many city services initially, while continuing to receive others from Fulton County. And like any good bureaucracy, the city government has grown. The initial police force was 86 officers. That number has already increased to 132.

Georgia law established that the legal terms city, town, municipality, and village are all identical in meaning. Cities are formed when a majority of residents of an area ask the Georgia General Assembly to grant a charter. In 1993, the legislature passed a statute defining the minimum conditions necessary for a community to remain or become a municipality. The city must perform at least three public services from a prescribed list, it must hold at least six regular officially recorded public meetings per year, and it must hold regular municipal elections.

In July 2006, the City of Johns Creek became the next secession from Fulton County. Again, with overwhelming local support, the new city formed and was heavily reliant on CH2M Hill, a Colorado-based consulting firm, which provided most city services, excluding police and fire. Originally, the only employees of Johns Creek were the city manager, city clerk, city attorney, finance director, municipal court judge and clerk, and an aide for the elected mayor. By 2008, the Johns Creek Police and Fire departments were established and CH2M Hill's contract was substantially reduced and replaced with a composite of contractors, vendors, and city employees.

Demographic and political shifts across Fulton, DeKalb and Gwinnett counties continued to fuel this surge of new cities, including Milton (December 2006), Chattahoochee Hills (June 2007), Dunwoody (December 2008) and Peachtree Corners (November 2011). The City of Brookhaven was incorporated on December 17, 2012, the 11th city in DeKalb county. With a population of around 49,000, it is the largest city in DeKalb County. The new city stretches over 12 square miles.



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Top 20 largest cities in Georgia:

† County seat
 †† State capital and county seat

Rank ↕	City ↕	Population (2012) ↕	County ↕	Government ↕
1	Atlanta ††	443,775	Fulton, DeKalb	City
2	Augusta †	198,413	Richmond	City
3	Columbus †	197,872	Muscogee	City
4	Macon †	155,369	Bibb	City
5	Savannah †	142,022	Chatham	City
6	Athens †	118,999	Clarke	City
7	Sandy Springs	99,419	Fulton	City
8	Roswell	93,692	Fulton	City
9	Johns Creek	82,306	Fulton	City
10	Albany †	77,431	Dougherty	City
11	Warner Robins	70,712	Houston, Peach	City
12	Alpharetta	61,981	Fulton	City
13	Marietta †	58,359	Cobb	City
14	Valdosta †	57,597	Lowndes	City
15	Smyrna	52,650	Cobb	City
16	Dunwoody	47,224	DeKalb	City
17	Rome †	36,159	Floyd	City
18	East Point	35,584	Fulton	City
19	Milton	35,015	Fulton	City
20	Gainesville †	34,786	Hall	City

“Supporters of these bedroom community conversions to cities felt over-taxed and underserved by their county governments. In 2014 a group in Forsyth County was formed called the Sharon Springs Alliance. Their first task was to complete a feasibility study about obtaining cityhood for what would become the second city in Forsyth County, Sharon Springs. (See Figure 2 on next page.)

The long term success of these newly formed cities, most of which were incorporated within the past decade, is still to be determined. However, the sense of community and demand for homes in these cities has increased and the value of homes within these areas has increased more than their non-incorporated areas as well. It is difficult to

do a true analysis of the impacts of cityhood on property taxes due to the volatile economy and real estate market over the past 8-10 years. I plan to do more research and report back in a future article.

It is critical that all of us in the real estate community correctly identify the location of the subject property. Often public records such as Realist and other third party tax records sources, as well as USPS are not updated to reflect the correct city name for a property in a newly created city. I still see on a regular basis properties in Johns Creek, created almost nine years ago, listed as Alpharetta in USPS. This is due to the fact that the postal service has allowed owners in these



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Georgia Real Estate Appraisers Board

February 2015

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annexed areas to use either the “old” city name or the “new” city name for the purposes of sending and receiving mail. To the postal service it is really all about the 9 digit zip code. Lenders feel that USPS is the definitive source for correct addresses. We are constantly battling with lenders and have proven time and time again the USPS is wrong, from the standpoint of what is the correct city. The problem is that when properties are annexed into a new city, their zip codes are not changed. For instance, Johns Creek annexed properties from Suwanee, 30024; Alpharetta, 30005, Alpharetta, 30022 and Duluth, 30097.

I have documented on over a dozen occasions where agents have done their clients a disservice by listing the property with the incorrect city, which I feel resulting in a sales price below market value, and most likely attributed to not using the correct city name. This incorrect city posted on the listing

also flows through and creates issues with the sales contract, incorrect closing documents and appraisals, creating a delay as all parties verify the correct information.

I welcome your comments and feedback. Please send me ideas for future articles. Dsmurphy@dsmurphy.com

678-636-4813

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Proposed City of Sharon Springs

