

2017 Calendar

Instructor Training

- December 7, 2017
GREEA Instructor Workshop
Lake Lanier Islands

GREC Annual School Meeting

- December 8, 2017
Lake Lanier Islands
Buford, GA

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

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

Georgia Real Estate Infobase
[Click Here](#)



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Office Space Trends

Virtual, Collaborative, Traditional, Flexible...

Whether a technology firm or a real estate firm leases office space, the design and use of office space is changing. Commercial real estate agents realize that they must understand the needs of the tenant in order to find the right space, just as a residential agent must consider the needs of the homebuyer to find the right home. In order to do that, the real estate professional must understand how the space will be used.

For years, real estate firms have provided a variety of options for agents to utilize office space, especially those influenced by the virtual office concept. Many companies, real estate or otherwise, recognize that it is not only technology that affects how space is used, but that societal changes, demographics, and cultural diversity can also significantly impact the office design environment. One notable change is that the square footage allotted per employee is shrinking, dropping from 225 feet to as low as 125 per square feet per employee, or less. Additionally, in response to a diverse workforce and different work styles, new office leases likely include at least some of the following more creative alternative space design trends:

- Space having less walls allowing flexibility to change as needed
- Informal or designated places for collaboration between departments, associates, or visitors
- Areas for “Me-space” to accommodate employee needs for quiet space
- Amenities such as rooftop decks, fitness centers, ball courts, and food trucks
- Accessible technology that makes it easier to work from home or on the road

..... *continued on page 2*

October 2017 Meeting - Commission Actions Taken

Cases Sent to the Attorney General for Review and Disposition by Consent Order or by Hearing	None
Cease & Desist Orders Issued	1
Citations Issued	9
Letter of Findings Issued	None
Consent Orders Entered Into	None
Final Orders of Revocation of Licensure	1
Cases Closed for Insufficient Evidence or No Apparent Violation	28
Licensing Cases - Applicant has a Criminal Conviction - License Issued	18
Licensing Cases - Applicant has a Criminal Conviction - License Denied	0
Total	57

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

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Staying Out
of Trouble”***Georgia Real Estate
Commission**Suite 1000
International Tower
229 Peachtree Street NE
Atlanta, GA 30303-1605
Phone 404-656-3916

Office Space Trends.... *continued from page 1*

- Mobile working stations
- Less traditional private offices

Revitalization of downtown areas often allows the repurposing of older buildings with unique character or even historical significance. Cities across the country are seeing the gap narrowing between vacant space in the Central Business District and vacant space in the Suburban office market. Some of the appeal for downtown locations is the walkability factor giving access to retail, hotel, and restaurants within a few blocks. Mixed-use projects that include office, retail, and residential meet the demand for the live-work-play combination that many younger entrants in the workforce desire.

Real estate firms are aware of the challenges of recruiting and retaining professional agents. Given these new trends, office workspace environment has become a recruiting tool as well as an employee retention tool. Whether a residential or commercial practitioner, a real estate licensee must recognize trends in order to relocate families, employees, and companies. Although real estate licensees often specialize in residential or commercial properties, there is increasing overlap in these mixed uses. Fortunately, in Georgia, real estate licensees can obtain education through approved schools in virtually all facets of real estate and still meet continuing education requirements.

Choose Your Education

A real estate licensee can earn continuing education credit through approved courses in a variety of subject areas, including those in subjects outside of his/her area of specialty. For example, a practitioner of residential sales may take a course in land development for CE credits. The Georgia Real Estate License Law, Rules, and Regulations requires licensees to be competent in their field of practice, so obtaining training to do so is imperative for all licensees. Whether it is property management, commercial leasing, Community Association Management, or residential lot sales, the real estate licensee should pursue education courses that meet the needs of their profession. The increasing number of mixed-use properties may be an opportunity for more brokerage transactions as well as indicative of a need for broader exposure to other types of real estate education.

Although the majority of real estate licensees practice residential brokerage, Georgia real estate licensees are licensed to practice any type of real estate brokerage activity. When the continuing education hours were increased from 24 to 36 hours, it provided an opportunity for licensees to expand their knowledge base and become trained to provide additional services in other areas of real estate.

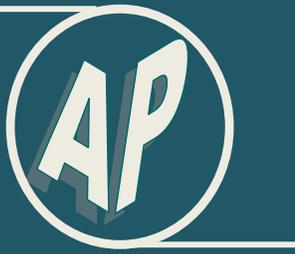


Focus on Terminology: “Agile Working”

The agile workplace is an international concept gaining popularity. It is based upon corporate space designs and management strategies to improve and encourage a productive, high performance, working environment.

“**Agile working** is a way of working in which an organization empowers its people to work where, when and how they choose – with maximum flexibility and minimum constraints – to optimize their performance and deliver “best in class” value and customer service. It uses communications and information technology to enable people to work in ways, which best suit their needs without the traditional limitations of where and when tasks must be performed.” ***It is based on the concept that work is an activity we do, rather than a place we go.*** “¹

To understand further the “agile” concept, consult recent books, management strategies, space planning designs, and software dedicated to the agile organization and workplace.¹<http://www.nhsemployers.org/~media/Employers/Documents/SiteCollectionDocuments/Agile%20Working%20Guide.pdf>



The Appraisers Page

Georgia Real Estate Appraisers Board

November 2017

Landlocked Properties – Trash or Treasure?

Useful Links:

[GREAB Web Site](#)

[Appraisal Act](#)

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By: Ed Mitchell, MAI, CDEI

What is a “landlocked” property? Simply put, it’s a property without access. It is “locked” by the surrounding properties and there is no road or easement by which to access it. It can be vacant or improved.

How are landlocked properties created?

Since dedicated access to property is typically considered a given, you may be wondering how landlocked properties are even created. It can happen in a variety of ways, both intentionally and unintentionally, such as:

- an existing access easement expires or does not transfer with the sale of a property;
- a property is sold to an adjacent owner who has access, but they later sell their primary property and create a landlocked remnant;
- someone dies and leaves a portion of their property to one party and a portion to another, inadvertently leaving one dependent on the other for access;
- a mistake or oversight in the legal description somewhere in the chain of title;
- fraud (there was once a notorious operator in the Atlanta area who would alter a legal description prior to closing and then offer to sell the access to the unsuspecting new owner after closing).

While landlocked properties are not common, the hot market of the past few years and the increased interest in atypical properties such as tax deeds has resulted in more landlocked properties becoming available.

How do you solve the access problem?

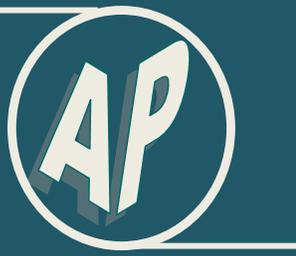
There are two basic options for solving the access problem – either negotiate with an adjoining owner for an easement or petition the court to grant you an easement.

Non-Judicial Option

If you already happen to control the access (perhaps you own an adjacent property), a landlocked property can be a great deal. After all, you may be one of the few people that can solve the problem with little to no additional time or money invested. This is rare, however; most purchasers of landlocked property have to solve the problem of obtaining access by negotiating for an easement over someone else’s property.

Before going down this road, I would strongly suggest speaking to a real estate attorney to make sure that there is not already some form of legal access. As Sarah Pearson of [landcentral.com](#) noted in her [blog post](#) on the topic, “Typically, easements are transferred with new ownership, but they aren’t always shown on the current deed. Sometimes easements are very difficult to find and are sometimes buried deep within deeds, leases, or other documents pertaining to a parcel of real estate.”

In the event you find yourself needing an easement from an adjoining owner, the cheapest and easiest way to obtain one is usually through friendly negotiations. In general, you should start with the owner who will be the



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least impacted by an easement, so study a plat and aerial photographs to assess your options. Of course, you will need to balance this with the estimated costs – an amenable neighbor is of little value if their land is too physically challenging to be economically feasible. If you do not know the adjacent owner(s), you may want to find a real estate agent or local attorney who does and have them represent you in the negotiations. Of course, you should expect to pay all the costs associated with the easement such as legal or survey work, filing fees, etc. in addition to whatever the owner charges for the easement.

Judicial Option

If you are unable to come to terms with an adjoining property owner, you can petition the Superior Court for an easement. You may have heard that under Georgia law, the judicial system will grant you an “easement by necessity”. While true, this simple statement does not adequately explain the complexity, cost, and limitations that option often entails.

When requesting an easement by necessity, you are essentially suing your neighbor and asking the court to impose the easement on them. You will have to provide exhibits and evidence supporting the location of the easement you are proposing and convince the court why this is the best location. The neighboring owner is entitled to be paid for the easement and any resulting consequential damages (in that sense, it is a bit like a condemnation action but you are essentially asking the court to condemn the easement for your use). The owner has the right to appeal the monetary award offered to a jury if they deem it unsatisfactory. As you have likely figured out by now, this process is not likely to increase your popularity with the neighbor!

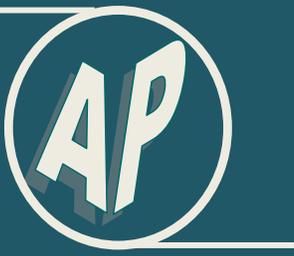
If you obtain an easement by necessity, keep in mind that, by law, it will be no wider than twenty feet (it is not a public right-of-way). In addition, it's allowed use (and hence that of the property it accesses) will be narrowly defined.

Are landlocked properties a potential investment?

As with many difficult questions, the answer is a definitive “maybe”. Properties without access are a bit like “fixer uppers” or properties with title problems, and they usually sell at a discount. They generally appeal to experienced investors who believe they can assess the risk and find a profitable solution. However, I have seen instances where inexperienced investors took a chance on a landlocked property because they somehow became convinced that the problem could be easily solved. The latter usually results from a misunderstanding of the idea that the court system will simply give you an easement. The good news is they will likely grant an easement; the bad news is that the process can be lengthy and expensive. Still, if purchased at the right price, landlocked property may be a great potential home site, recreational tract, or agricultural property.

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Implications for Agents and Appraisers

Real estate agents and appraisers should be particularly careful when dealing with landlocked properties. If you are an agent representing a buyer or seller of a landlocked property, be careful not to make any assurances regarding the availability of an easement. If ever there was a case for “caveat emptor”, this is it.

Appraisers face a special challenge with landlocked properties, as there are no true comparables. Even if you could find sales of other properties that are landlocked, what are the odds they would share any other similarities? Because of this, most appraisers derive an appropriate discount for landlocked properties by studying other properties with generally similar issues. I always start by valuing the property in fee simple as if it had no issues and then analyze and apply an appropriate discount. This method is helpful because you can usually find comparables in the area that are not landlocked

and you will have confidence in that value – then you can focus on how much the market is likely to discount the property for the problem.

You are unlikely to find sufficient data using just landlocked properties; rather, focus on properties that have some reason to warrant a measurable discount and determine how the market treated it. Creating case studies from properties with flood plain or properties that are rendered less useful by easements and other use restrictions can usually bracket the impact as a percentage discount. It is also helpful to survey agents and investors. I have done this before to determine the impact from the presence of power lines or other utility easements and found that the survey data and the case study data (analyzing sales of homes impacted by power lines) were very consistent. In addition to the impact on price, do not forget to consider the impact on marketing time. Properties with problems often take longer to sell, even if discounted.

Conclusion

Landlocked properties present interesting and unique challenges for everyone involved. To some, they look like an expensive and time-consuming hassle. To others, they look they may look more like a diamond in the rough. Should you encounter one as a buyer, seller, agent, or appraiser, proceed with caution and know that gaining access may be more time consuming and difficult than it initially appears.

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