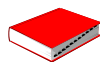


### **2009 Dates to Note**

- **November 17, 2009**  
Common Violations  
Class @ Macon  
[Middle GA Board](#)
- **November 18, 2009**  
Common Violations  
Class @ Columbus  
[Columbus Board](#)
- **November 18, 2009**  
GREC Brokerage  
Course @NE Atlanta  
[NAMAR](#)
- **November 19, 2009**  
Trust Account Class  
@ NE Atlanta  
[NAMAR](#)
- **November 19, 2009**  
Common Violations  
Class @ Lagrange  
[Troup County Board](#)
- **December 3-4, 2009**  
GREC Annual  
Schools Meeting  
Athens, GA  
[www.annualschoolmeeting.com](http://www.annualschoolmeeting.com)

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



**Focus on  
Terminology:**

***“Guarantee”***

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

## *Are There Really Any Guarantees?*

Historically, property owners, licensees and consumers have enjoyed increasing property values, particularly in the Atlanta Metro area. Due to an economic downturn, foreclosures and other economic conditions, property values in many markets are lower than anticipated, if not lower than a few years ago. In a market where property values have declined, there is a tendency to expect the market “to turn around” and prices to increase at some point. A licensee may tend to encourage investors to invest now while prices are a “bargain.”

A licensee that makes statements predicting the future sales value or exaggerating the value of a property could lead the customer or client to make decisions based on the licensee’s opinion. The word, “*guarantee*,” as it related to real estate brokerage in Georgia usually refers to a statement or promise that a certain event or condition will occur. A licensee cannot really guarantee anything about a real estate transaction.

It is a violation of the license law to guarantee or authorize any person to guarantee future profits which may result from the resale of real property; [43-40-25 \(b\) \(10\)](#). For example: A licensee casually says, “*The price on this property is so far below market, I guarantee you’ll double your money in 2 years*” Clearly this is a violation and even without the word “guarantee,” it could entice a buyer to purchase the property because he/she considers the real estate licensee an expert in real estate. A real estate licensee is held to a higher standard than the general public as regards real estate transactions and advice.

Unfortunately, the internet and other media abound with published advertisements that “guarantee” commissions or “guarantee” loan approval. These are suspect at best, and the licensee must avoid being drawn into such ploys and advise his/her clients to use caution with the companies offering these “guaranteed” services. The licensee must be careful not to promise or “guarantee” something, especially not something out of his/her control.

The licensee can only advise his/her client and cannot advise a customer without creating potential for dual agency. Providing a list of sources and references is often the best service a licensee can provide a client or a customer. It is advisable to encourage the client to perform his/her own research and make his/her own decisions.

There are really no simple guarantees and seldom is something free. But right now GREC is offering a FREE Continuing Education Course Online. It describes Unfair Trade Practices such as “guaranteeing future profits,” as described above. To sign up for the course go to [www.imre.com/grec](http://www.imre.com/grec), and upon successful completion, the licensee can obtain 3 hours of CE credit.

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## ***Providing Property Values for Clients and Customers***

A real estate licensee cannot provide an appraisal unless he/she is also licensed as an appraiser with the appropriate property classification level. There is a clear difference between a CMA (Comparative Market Analysis) and an Appraisal. As the CMA term describes, it is merely a comparison of the subject property to similar properties in the market using available data which includes the following:

- Properties Sold Recently
- Pending Sales
- Active Listings
- Expired Listings

The client relies upon the expertise of the licensee as it applies to property values. In order to prepare a realistic CMA the subject property must be visited and evaluated. The properties used in the comparison should also be viewed to see if they are truly comparable to the subject. This is particularly true for commercial properties, land, etc. as each property is unique and adjustments must be made to the comparables to arrive at a realistic value for the subject property.

It is an unfair trade practice to indicate that an opinion given to a potential seller, purchaser, landlord, or tenant regarding a listing, lease, rental, or purchase price is an appraisal unless such licensee holds an appraiser classification. [43-40-25 \(b\) \(15\)](#).

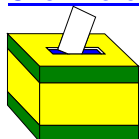
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Out of  
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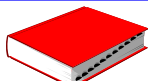
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**GREC**

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## **GREC Annual Schools Meeting**

GREC holds it's Annual Schools Meeting December 3 and 4, 2009 in Athens, Georgia. This meeting and its programs are designed for those schools, instructors and administrators of schools that are authorized by the Georgia Real Estate Commission to offer courses and programs to Georgia licensees for pre-license, postlicense and continuing education credits. Prelicense instructors are required to obtain instructor education or attend the school meeting to maintain their license. For more information, or to register, visit [www.annualschoolmeeting.com](http://www.annualschoolmeeting.com).



***Focus on Terminology:***

***“Puffing”***



Puffing refers to an exaggeration of the condition or statements of fact as regards real estate. It is a violation for a licensee to attempt to predict future values or exaggerate the facts.

Statements such as, “you’ll double your money on this property” could be taken as fact by an unsophisticated buyer or seller and could even become the basis for a lawsuit down the road.

Licensees should present market data based on facts obtained from research, not supposition or opinion.