

2018Calendar

Common Violations Class

- November 14, 2018
Savannah BOR
912-354-1523

Brokerage and Trust Account Class

- October 16 & 17, 2018
Athens Area REALTORS
www.realtorathens.com

GREC Annual School Meeting & GREAA Instructor Workshop

- November 29-30, 2018
[Callaway Gardens Resort](#)

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

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

[Link to
Proposed
Rule
Changes](#)

Georgia Real Estate Infobase

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Significant Change to Landlord Tenant Law in Georgia

During the 2018 General Assembly the State of Georgia passed, and Governor Deal signed into law:

§ 44-7-23. Termination of residential lease after issuance of civil family violence order or criminal family violence order; notice; occupancy...

This law took effect on July 1, 2018 and applies to all residential leases, or renewals, that take effect after that date. The entire language is copied below for your review. The primary clause which impacts landlords and property managers is ***“The tenant shall not be liable for any other fees, rent, or damages due to the early termination of the tenancy as provided for in this Code section”***. If one of your tenants provides the notice as required in the law (in short, a copy of the court order and the police report establishing the tenant as a victim of domestic violence), then that tenant has the right to ***“terminate his or her residential rental or lease agreement”***. The law does not say that only the victim is released, it says the lease is terminated. The lease being terminated means all parties are released from it, even if the abuser was also a party to the lease.

Best Practice – if you receive such a notification from one of your tenants, and that tenant establishes the last day of residency not earlier than 30 days from the date of notice, then process their move out as if that is the last day of their lease per your lease document. There will be no penalty for failure to provide more notice, if your lease

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OCTOBER 2018 Meeting - Commission Actions Taken

Cases Sent to the Attorney General for Review and Disposition by Consent Order or by Hearing	0
Cease & Desist Orders Issued	4
Citations Issued	4
Letter of Findings Issued	0
Consent Orders Entered Into	1
Final Orders of Revocation of Licensure	0
Cases Closed for Insufficient Evidence or No Apparent Violation	19
Licensing Cases - Applicant has a Criminal Conviction - License Issued	9
Licensing Cases - Applicant has a Criminal Conviction - License Denied	0
Total	37

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

SUBMIT**Comments
&
Suggestions****Online
Courses
from GREC****\$10 each
3 Hour CE
Course
Total of 9
Hours CE
Available**(Also Approved
as Instructor CE,
not approved as
License Law CE)[Click Here](#)To sign up to receive
the GREC
RENewsletter
[Click Here](#)**Georgia Real Estate
Commission**
Suite 1000
International Tower
229 Peachtree Street NE
Atlanta, GA 30303-1605
Phone 404-656-3916

Significant Change to Landlord Tenant Law in Georgia

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requires that, and there will be no penalty for terminating early. However the tenant is still liable for any damages to the property as a result of their abuse or neglect of the property (not normal wear & tear). Any additional parties to that lease are also released due to the fact that the "lease is terminated". Now you need to determine whether you want to create a new lease with any of the adults that wish to remain in the property. If one of the parties that want to remain is the same one that committed the domestic abuse, then perhaps you do not want to keep them as tenants. If other adults that were on the prior lease express their desire to remain in the property, then you should re-qualify them as you would a new applicant to confirm that they have the financial capability of honoring the lease now that one of the other tenants has moved out. How will the departing tenant's income affect the total income of the remaining tenants? Was the departing tenant the primary tenant, and their good credit is what got the applicants approved initially? Has the credit worthiness or employment status of any remaining tenant changed since they were initially approved? While "turning" a rental house is expensive, it will be a lot less expensive to handle the turn now rather than have to go through an eviction action with the remaining tenants later.

Reminder – We have a lot of service members in Georgia. JAG Officers and service members are familiar with the Service Members Civil Relief Act which covers the entire U.S. However, Georgia law (O.C.G.A. 44-7-22) requires only a 30 day notice to vacate which is more restrictive than federal law and very similar to this new law under O.C.G.A. 44-7-23.

Conclusion – Knowing the law and abiding by the law is much less painful and costly than having someone in a black robe explain the law to you.

§ 44-7-23. Termination of residential lease after issuance of civil family violence order or criminal family violence order; notice; occupancy

(a) As used in this Code section, the term:

(1) "Civil family violence order" means:

(A) Any protective order issued pursuant to Article 1 of Chapter 13 of Title 19, provided that the respondent was present or had notice of the hearing that resulted in the issuance of such order; or

(B) Any ex parte temporary protective order issued pursuant to Article 1 of Chapter 13 of Title 19, provided that it is accompanied by a police report showing a basis for such order.

(2) "Criminal family violence order" means:

(A) Any order of pretrial release issued as a result of an arrest for an act of family violence; or

(B) Any order for probation issued as a result of a conviction or plea of guilty, nolo contendere, or first offender to an act of family violence.

(3) "Family violence" shall have the same meaning as set forth in Code Section 19-13-1.

(b) A tenant may terminate his or her residential rental or lease agreement for real estate effective 30 days after providing the landlord with a written notice of termination when a civil family violence order or criminal family violence order has been issued:

(1) Protecting such tenant or his or her minor child; or

(2) Protecting such tenant when he or she is a joint tenant, or his or her minor child, even when such protected tenant had no obligation to pay rent to the landlord.

(c) The notice to the landlord pursuant to subsection (b) of this Code section shall be accompanied by a copy of the applicable civil family violence order or criminal family violence order and a copy of the police report if such order was an ex parte temporary protective order.

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Change to Landlord Tenant Law...

(d) Upon termination of a residential rental or lease agreement under this Code section, the tenant may occupy the real estate until the termination is effective. Such tenant shall be liable for the rent due under such agreement prorated to the effective date of the termination, payable at such time as would have otherwise been required by the terms of such agreement, and for any delinquent or unpaid rent or other sums owed to the landlord prior to the termination of such agreement. The tenant shall not be liable for any other fees, rent, or damages due to the early termination of the tenancy as provided for in this Code section. Notwithstanding any provision of law to the contrary, if a tenant terminates a residential rental or lease agreement pursuant to this Code section 14 or more days prior to occupancy, no damages or penalties of any kind will be assessable.

(e) This Code section shall apply to all residential real estate rental or lease agreements entered into on or after July 1, 2018, and to any renewals, modifications, or extensions of such agreements in effect on such date. This Code section shall not be waived or modified by the agreement of the parties under any circumstances.

Article contributed by Mike Nelson

Online Courses from GREC

**\$10 each
3 Hour CE Course
Total of 9 Hours CE Available**

(Also Approved as Instructor CE, not approved as License Law CE)

“Avoiding Trust Account Trouble”

“Practicing Real Estate & Staying Out of Trouble”

“Being a Broker and Staying Out of Trouble”

Experience Matters

To obtain a Broker’s license, a licensee must be actively licensed for a minimum of 3 of the past 5 years in addition to meeting all of the broker prelicense education requirements. Not only does experience matter, but it must be recent experience. The licensee must have maintained a license in active status for at least three of the five years immediately preceding the filing of an application to become a broker; § 43-40-8. Qualifications of licensees; (c) (4)

A Broker gains experience and learns to focus on the application of knowledge to solve problems. This corresponds with the Broker Simulations exams that require judgment and decision-making based upon experience and problem solving skills. For example, experience helps a licensee identify what information is needed to analyze and solve a situation.

The broker can utilize the experience of proven licensees by including them in sales training and mentoring programs, encouraging collaboration and collective experience. The expression “there is no substitute for experience” certainly holds true in the practice of real estate brokerage. Licensees should take advantage of those seasoned and successful affiliates at the firm.

SUBMIT

Comments & Suggestions

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



Focus on Terminology: “Skill Decay”

“Skill decay” is a term used by human resource executives to describe the decline in the level of skills relating to experience in workplace environment. This concept can be applied to real estate brokerage and the skills needed for basic real estate transactions. Critical real estate skills include the following:

- Negotiating contracts
- Researching techniques
- Creating targeted advertising
- Reviewing all advertising
- Skills to obtain listings
- Managing listings and contact follow up
- Timely and conscientious contract review by brokers
- Cooperative communication skills between agents

Experience improves the skill set. Some people are better at some skills than others. Draw upon the experience of associates to improve skills and productivity.

Experience Matters



The Appraisers Page

Useful Links:

[GREAB Web Site](#)

[Appraisal Act](#)

[GREAB Disciplinary Sanctions](#)

What is a bedroom?

By: E. Grant Murphy & D. Scott Murphy, SRA

People often ask how you define a bedroom in terms of real estate appraisals. The question seems simple enough, but the answer is complicated and dependent on many factors, including bedroom dimensions, closet access, bathroom access, ceiling height, and privacy, among others. Furthermore, as with anything in real estate, the market itself influences whether or not a room meets all qualifications. Let's take a look at these qualifications in more detail.

Generally, the first stipulation for qualifying as a bedroom is that the room must be adequate in size. For example, many municipalities state in their building code that. The room must be at least 80-100 square feet. Size alone, however, is not enough; the room must also be functional. In other words, a 100 square foot room that is 5 feet wide and 20 feet long would not qualify as a bedroom and would be better classified as a bonus room. A good rule of thumb is: could the average person live comfortably in the room? Typical bedrooms are 9x9, 10x10 or larger.

The second requirement is that the room has a closet. The bedroom cannot function on a long-term basis without adequate storage. Without a closet, where would an occupant put his or her clothes? It should be noted that the closet space is in addition to the 80-100 square foot minimum size. The issue of an old historic home with no closets is always raised at this point; does that house have no bedrooms? This is where the differences in market come into play; bedrooms in such a house would qualify, given that they are typical for that market and there is adequate space to make up for the lack of closets.

The next factor to consider is bathroom access. Every bedroom must have ready access to a full bathroom that does not require passage through another bedroom. The bathroom should be in close proximity and on the same floor as the bedroom. 3 bedrooms is generally considered the maximum number of bedrooms allowable to a single bathroom. Therefore, it's also important to consider the ratio of bedrooms to bathrooms in a home. For example, very few buyers with a family will consider a house with just one bathroom, even though it may have more bedrooms than another house on the same street. As a result, an additional fourth bedroom might have no effect or even hinder the value of a home if there is only one bathroom.

Another factor is ceiling height. The room must have ceilings of at least 7' over at least 50% of the room. Sloped walls are accepted down to a 5' knee wall. This rule is actually part of the ANSI measuring standard which outlines the criteria for what is gross living area. The standards also state the room must be heated and cooled like the rest of the home.

The next requirement is ingress and egress. The HUD Handbook states:

Bedroom Egress- All bedrooms must have adequate egress to the exterior of the home. If an enclosed patio (solid walls) covers the bedroom window, it is possible that the bedroom won't qualify as a habitable bedroom. Security bars are acceptable if they comply with local fire codes. Occupants of a bedroom must be able to get outside the home if there is a fire (HUD Handbook).

Let's break this down a little bit further. "All bedrooms must have adequate egress to the exterior of the home." What this means is that the room MUST have at least one operable window leading to the outside of the house, the



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window MUST be reachable to climb out of (44" maximum), and the windows MUST be large enough to allow a fully grown adult to crawl through (5.7 sf minimum).

Additionally, privacy is an important consideration in qualifying as a bedroom. There must be a door. A den, study or living area that meets all previously outlined criteria but does not have a door would not be acceptable to a buyer for long term use as a bedroom.

Here is the bottom line: these rules or guidelines all have gray areas and acceptable exceptions. We could go through a list of a hundred "what if"s. What you need to understand is that buyers determine all these rules. I always say, appraisers do not determine market value – buyers do. Same holds true here. If you have a 9'x9' "bedroom"

in a \$2 million home, is that going to be acceptable to the typical buyer of that home? Probably not, but if it were an \$80,000 home a buyer may be more tolerant. Functionality is a huge part of determining whether or not a room is bedroom. As mentioned earlier, a historic home may not have closets but if it is common in the market and expected by the typical buyer then there is no impact on marketability or value. But take a newer home with its fourth bedroom being less than 100 square feet and no closet, and it does not matter if you call it a bedroom or not, the market is going to discount the value of that house.

Many agents believe more bedrooms = more value. This is not necessarily always the case. In a suburban market where there are lots of budding families with young kids, more bedrooms generally is a plus (to a point). In retirement communities, the number of bedrooms is not a driving force in value, and many of these homes are actually classified as one-bedroom homes with additional bedrooms on the terrace level.

Additionally, factors like bedroom size will always play a role. Suppose you have two homes in the same neighborhood. Each has four bedrooms. The first home's bedrooms are all very small – approximately 10' x10'. The second home has bedrooms which are all 14' x 14'. Isn't the second home more valuable, regardless of the fact that they have the same number of bedrooms? These guidelines help us to a point, but you need to put yourself in the shoes of a typical buyer.

Maybe an appraiser classifies that study on the first floor as a bedroom because it is over 100 feet, has a closet, a window and a door. But you have to go upstairs to get to a full bathroom. Is that the same as a bedroom which has an attached bathroom? Or if you add a closet to the bonus room so it now meets all the criteria above making it your eighth bedroom – did you really add any more value?

In some markets, it may even be more valuable to take three small bedrooms and convert them to two large bedrooms, each with larger closets. Alternatively, there are cases of rooms which have a closet, are of ample size, and have access to a bathroom that, while they qualify, should not be called bedrooms.

My overriding point of this article is that you need to step back and look at the full picture. Analyze the market and know what buyers are looking for and expect, beyond the basic qualifications. After all, Real Estate valuation is relative and is based on the reaction of a typical buyer.