

2008 Dates to Note

- August 21, 2008
Georgia Broker Course
[Valdosta Board](#)
- August 22, 2008
Trust Account Class
[Valdosta Board](#)
- September 23, 2008
GREC Brokerage Course
[Empire Board of Realists](#)
- September 24, 2008
GREC Trust Account
[Empire Board of Realists](#)
- October 23, 2008
GREC Brokerage Course
[Northeast Georgia Board](#)
- October 24, 2008
GREC Trust Account Class
[Northeast Georgia Board](#)

[GREC Disciplinary Sanctions](#)

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Focus on Terminology:

“Net Listing”

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How Can I Do Real Estate Brokerage in Another State?

It seems there are more transactions that involve more than a simple purchase and sale of a local property. Licensees commonly do business with buyers located in different states or even countries. But a licensee may have the opportunity to participate in a transaction on a property located in a state other than Georgia.

In order to participate in a transaction on a property outside Georgia, the Georgia licensee either **1)** must be licensed in that state (and their broker must also be licensed there, if the licensee is a salesperson) **2)** co-op with a licensee of that state. If the Georgia licensee is not licensed in that other state, then the first step should be to contact that state’s licensing authority. A [list of state real estate licensing authorities](#) can be accessed from the GREC commission website.

Some states, such as Alabama, require a written Co-Broker Agreement to be filed with their Real Estate Commission. Other states do not require any notification. The agent of the other state should be knowledgeable about interstate co-ops. But the Georgia licensee is responsible for meeting the laws of the other state, so it is imperative that the Georgia licensee research the requirements him/herself to be sure he/she is in compliance.



For further details regarding doing business with licensees of other states, see [License Law 43-40-9](#) and Rule [520-1-.07 \(7\)](#)

Brokerage Practice in the Field.....Reminders

- The licensee must receive **written** permission from the property owner to place any signage or advertisement or any form of media concerning the property.
- **A direct line or cell phone number of the licensee is not sufficient.**
- The **phone number of the Brokerage firm** as licensed by GREC must also be displayed on any form of advertisement.
- The name and phone number of the licensee cannot be in a size larger than **the size of the print** of the Brokerage firm name and firm main phone number.
- Signs or advertising for a listing must be **removed 10 days after expiration** of the listing.
- You can review the license law from the [GREC website](#).

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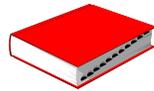
Turning Down a Listing

Although most brokerage companies make the majority of their income from the sale of listings, sometimes there are ethical and professional reasons, legal or otherwise why a licensee may decide to decline a listing.

However, if the licensee refuses, he/she must have a legitimate and legal reason. The following lists specific situations where the licensee may refuse to take a listing.

- If a seller is grossly unrealistic about value of a property believing it is worth substantially more than the true market price.
- The property is outside the scope of the firm's geographic area
- The property requires expertise that the licensee or its firm can not provide
- The type of property or transaction is beyond the scope of those types of properties or transactions handled by the firm
- The owner puts restrictions on to whom the property may be shown to or bought by. The Fair Housing Law does not allow restrictions based on race, color, religion, sex, handicap, familial status, or national origin. The GREC Website has an in-depth article addressing fair housing concerns at <http://www.greab.state.ga.us/articles/fairhousing.html> .

When evaluating a listing opportunity, consider not only the legal issues, but try to determine if the seller is truly motivated and sincere in his/her interest to sell. Time aimed at developing a relationship with the seller is usually time well spent.



Focus on Terminology: "Net Listing"

"I know net listings are illegal in Georgia and in most states, but how can I make the seller understand that so I can get a listing signed?"

The best thing to do when confronted with a net listing situation is to first be sure that the seller is well informed as to the true value of his/her property. If he/she is willing to give the licensee "everything over the top of his sales price," then more than likely the property will never sell for the minimum price in the first place.

In order to get a signed listing and comply with the license laws, the listing must have a definite selling price (or method of determining it such as per square foot, per acre, etc.) and there must a definite commission amount or a definite method of calculating the commission amount in the listing agreement. If a seller says I want to "net" a certain price, counsel him/her on the other expenses involved in closing a property, such as prorated taxes, legal fees, etc., and then convert the price to a set number using the negotiated commission rate. Use the following formula:

$$\frac{\text{Price seller wants to "Net"}}{1 \text{ minus the Negotiated commission percentage}} = \text{Listing Price}$$

Example: Seller want to net \$400,000, commission negotiated is 8%. The listing price should be \$434,783 if all other costs have been considered in the net amount to the seller. ($\$400,000/.92 = \$434,783$)



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