

## **Practical Applications**

The Colorado Real Estate Commission approved changes to the Practical Application course outline at the August 7, 2012 meeting. The updated course outline covers additional specialty areas of practice, incorporates a basic understanding of competency, and allows education providers to update market trends. The updated Practical Applications course may be taught beginning January 1, 2013. All course providers are required to use the new course outline by July 1, 2013, allowing for a six month transition period.

### **Course Objective:**

To protect the public by providing a course of study for new real estate brokers in the application of laws, rules, and standard of practices. This course, upon completion, will give a working knowledge of the practical applications of entering the real estate industry, a basic understanding in determining competency, the necessary components of a successful transaction, and an overview of market trends.

Providers should address each applicable Statute, Rule and Position Statement during the course. Course providers are responsible for ensuring that the Statutes, Rules and Position Statements used during the course presentation are accurate and up-to-date.

### **Testing:**

A test is required to establish a participant's satisfactory completion of the statutory requirements for the Practical Applications Course. Courses taught online must meet the requirements set forth in the Online Course Approval Checklist created by the Division of Real Estate.

<u>MAJOR TOPICS TO BE COVERED:</u>	<u>HOURS</u>
I. Entering the Field	3
II. Residential Competency	4
III. Property Management Competency	3
IV. Commercial Competency	2
V. Other Competency	1
VI. Offer to Closing	16
VII. Current Market Trends	3
<u>TOTAL</u>	32

## **I. Entering the Field**

- A. Interviewing brokerage firms
  - 1. Employment agreement
  - 2. Office policies
  - 3. Support
  - 4. Training and supervision
- B. Cost to get started
  - 1. Signs, business cards, brochures, etc.
  - 2. Home office vs. desk fee
  - 3. Memberships (Realtor boards, multi listing services, showing services, etc.)
  - 4. E/O insurance, license fees, car insurance
- C. How to find buyers and sellers
  - 1. Networking
  - 2. Family and friends
  - 3. Marketing
- D. Gaining competency (CP 41)
  - 1. Acquiring knowledge
  - 2. Experience
  - 3. Types of training

## **II. Residential Competency\***

- A. Broker relationships
  - 1. Disclosures
  - 2. Approved commission forms
  - 3. Relationship between employing brokers and employed licensees
  - 4. Relationship between listing and selling brokers
- B. Specialties & competency requirements
  - 1. Current market trends for selling and buying
  - 2. Investors
  - 3. Miscellaneous
- C. Third party providers
  - 1. Title companies
  - 2. Home inspection companies
  - 3. Mortgage companies
  - 4. Specialty vendors (structural engineer, electricians, industrial hygienists, etc.)
- D. Comparative Market Analysis/Broker Price Opinions

## **III. Property Management Competency\***

- A. Broker relationships and overview of practice
- B. Overview of management agreement
- C. When the employing broker has to be involved
  - 1. Office policy
  - 2. Trust accounts
- D. Management reports
- E. Specialties
  - 1. Residential
  - 2. Office
  - 3. Commercial properties
- F. Federal & State laws
- G. Pitfalls

## **IV. Commercial Competency\***

- A. Broker relationships and overview of practice
- B. Elements of commercial real estate
- C. Financial composition of commercial real estate
- D. Marketing
- E. Leasing
- F. Pitfalls

## **V. Other Competency\***

- A. Business opportunities
- B. Oil and Gas leasing
- C. Farm and Ranch

\*Educators should make sure students understand how competency is gained in each specialty e.g. through working with and experienced mentor or partner and/or taking educational courses to become competent in the field or area so no harm is done to a member of the public.

## **VI. Offer to Closing**

- A. Working with buyers & sellers
  - 1. Pricing and motivation
    - a. CMA's
    - b. Neighborhood analysis; fair housing concerns
    - c. Calculating seller's net proceeds & buyers cash to close
  - 2. Explaining the right to sell/buy agreements
    - a. Effects of an exclusive relationship
    - b. Explaining the holdover period
  - 3. Changing brokerage relationships
- B. Preparing the house to be listed
- C. Showing a property
- D. Preparing and presenting an offer
  - 1. Forms & computer generated contracts
  - 2. Proper contingencies
  - 3. Consistency of dates
  - 4. Inclusions & exclusions
- E. Presenting the offer to the seller
  - 1. Counter offers
  - 2. Multiple offers
  - 3. Acceptance
- F. Under contract (what's next)
  - 1. Listing broker's role
  - 2. Selling broker's role
- G. Working with 3<sup>rd</sup> parties
  - 1. Lenders
  - 2. Title Companies
  - 3. Home inspectors
  - 4. Appraisers
- H. Tracking contingencies and suspense dates

- I. Final walk-through
- J. Setting the closing & notifying the parties
- K. Verifying figures and documents prior to closing
- L. Early occupancy
- M. Failed transactions
  - 1. Handling earnest money deposits
  - 2. Alternative dispute resolutions
  - 3. Evictions
- N. Closing the transaction
  - 1. Responsibilities of the listing & selling brokers
  - 2. Responsibilities of associate brokers
  - 3. Changes to contract terms, amend/extend agreements
  - 4. Follow up on recordings, issuance of title policy, etc.

## **VII. Current Trends**

- A. Financing Trends
  - 1-4 (Schools discretion)
- B. Current Housing Trends
  - 1-4 (Schools discretion)
- C. Marketing and Advertising Trends
  - 1-4 (Schools discretion)
- D. Division of Real Estate “hot issues”
  - 1-4 (Schools discretion)