

# Real Estate Law and Practice

## 48 Classroom Hours

Approved by the Colorado Real Estate Commission April 1, 1998

COURSE OBJECTIVE: To protect the public by introducing the student to the practice of real estate through the study of a common body of knowledge, including key terms and concepts in real estate as well as related federal laws practiced in a majority of states on a national level.

<u>MAJOR TOPICS TO BE COVERED:</u>	<u>Hours</u>
I. Real Property	10
II. Valuation and Appraisal	7
III. Contracts, Agency & Federal Requirements	12
IV. Real Estate Finance & Settlement	12
V. Property Management	7
TOTAL HOURS	<u>48</u>

**Testing is required to establish individual's satisfactory completion of the statutory requirements.**

I. Real Property Characteristics, Definitions, Ownership, Restrictions & Transfer 10 Hours

A. Definitions Description and Ways to Hold Title

1. Elements of Real & Personal Property
  - a. Water rights
2. Methods of Legal Description
3. Estates in Real Property
4. Forms, Rights, Interests and Obligations of Ownership
  - a. Joint ownership
  - b. Severalty ownership
  - c. Legal capacity
  - d. Individuals
  - e. Corporations, Limited Liability Companies, Partnerships

## B. Land use controls & restrictions

### 1. Public

- a. Zoning
- b. Taxation (Capital Gains, Income Tax, Property Tax)
- c. Police Power

### 2. Private

- a. Private / Covenants, Conditions, and Restrictions (CC&R's)
- b. Types and Priority of Liens
- c. Easements
- d. Encroachments
- e. Recording & Priorities

## C. Transfer/Alienation of Title to Real Property

### 1. Voluntary

### 2. Involuntary

- a. Dedication
- b. Adverse possession
- c. Sheriff's sale
- d. Foreclosure
- e. Condemnation
- f. Escheat
- g. Eminent domain

### 3. Deeds, Warranties & Defects in Title

- a. Types
- b. Characteristics/elements
- c. Warranties

4. Assurances of Title

**II. Valuation and Appraisal 7 Hours**

A. Principles, Types & Estimates of Property Value

B. Influences on Property Value

C. Approaches to Property Valuation

1. Cost

2. Income

3. Market data

D. Investment Analysis

1. Gross rent multiplier

2. Principles of capitalization

3. Neighborhood

**III. Contracts, Agency Relationships with Buyer & Sellers, and Federal Requirements 12 Hours**

A. Contract Elements/ Types and Terminology

B. Agency/Employment contracts, Listing & Buyer Agency agreement

C. Purchase/Sales Contracts & Contingencies

D. General Agency Relationships and Fiduciary Responsibilities

E. Property conditions & disclosures (e.g. environmental)

F. Federal Procedures/Laws governing Real Estate

1. Federal Fair Housing Act

2. Americans with Disabilities Act

3. Antitrust

4. Marketing controls

a. UCC

b. Interstate Land Sales Full Disclosures

c. Telephone Consumer Protection

d. Securities Laws

5. Firm/Licensee Relationships

#### **IV. Real Estate Finance and Settlement 12 Hours**

##### **A. Financing Components**

###### **1. Instruments**

a. Notes

b. Mortgages

c. Contract for deed (land contract)

d. Deeds of trust

###### **2. Sources**

a. Primary mortgage market

b. Secondary mortgage market

c. Seller Financing

###### **3. Loan Types**

###### **4. Financing Concepts & Terminology & Obligations**

##### **B. Lender Requirements**

##### **C. Settlement/Closing**

##### **D. Settlement Documents (e.g. Title Review, RESPA)**

##### **E. Financing Costs/Property Taxation Proration Calculations and Other Closing Cost**

#### **V. Property Management, Leases, Rents 7 Hours**

##### **A. Types & Elements of Leasehold Estate, Leases, Lease Clauses & Rental Agreements**

##### **B. Lessor & Lessee Rights, Responsibilities & Recourse**

##### **C. Management Contracts & Obligations of Parties**