



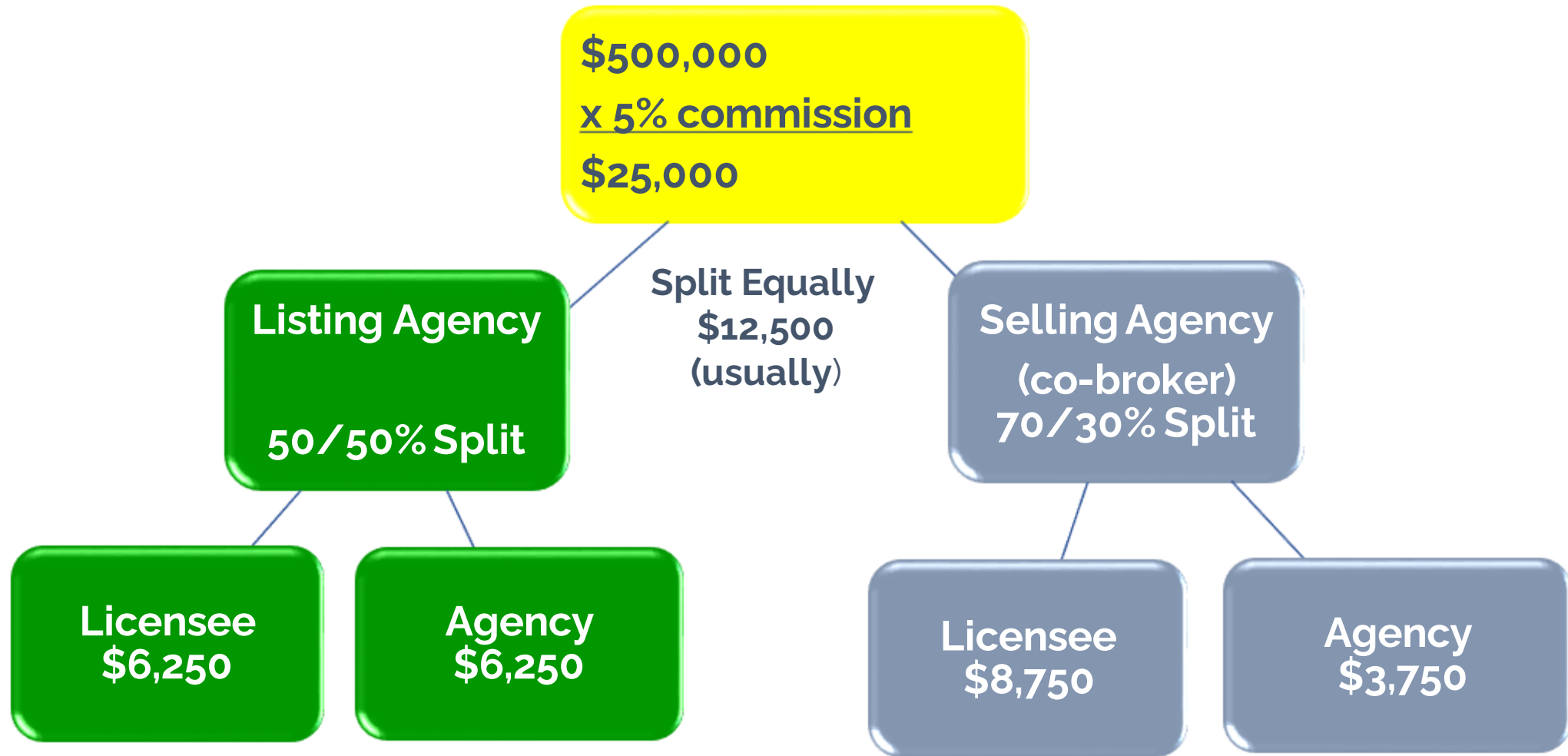
SALES ASSOCIATE COURSE

CHAPTER 1

The Real Estate Business



Potential Income (commission example)



A licensee on a 50/50 split can make \$150,000 annually by selling two properties each month.

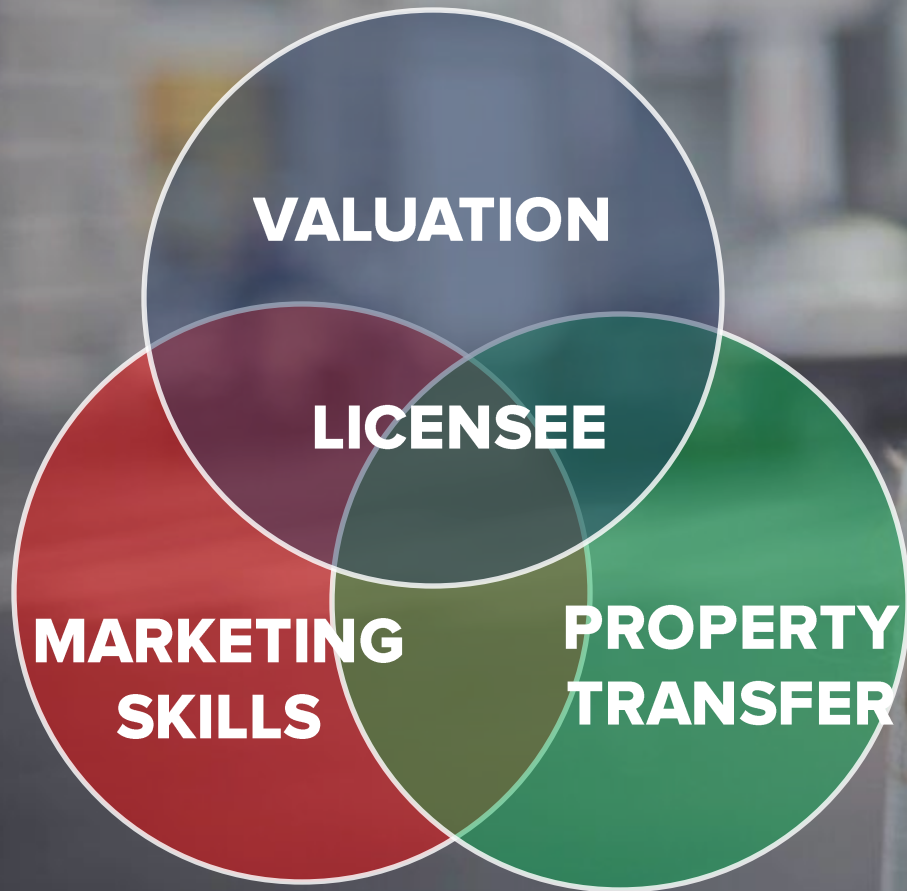


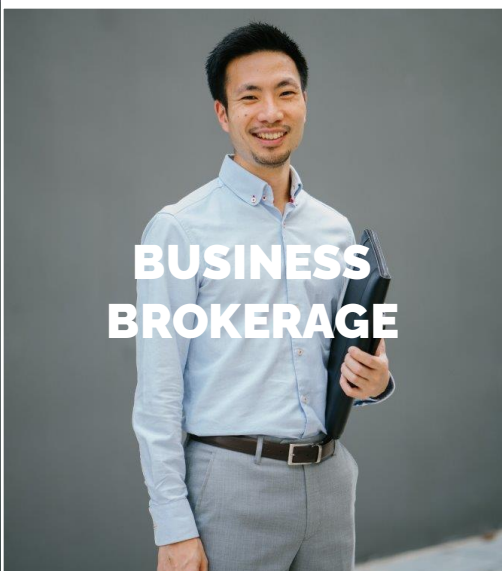
Farm Area

A specific portion of a city that a broker or sales associate seeks to become an expert

The Real Estate Business

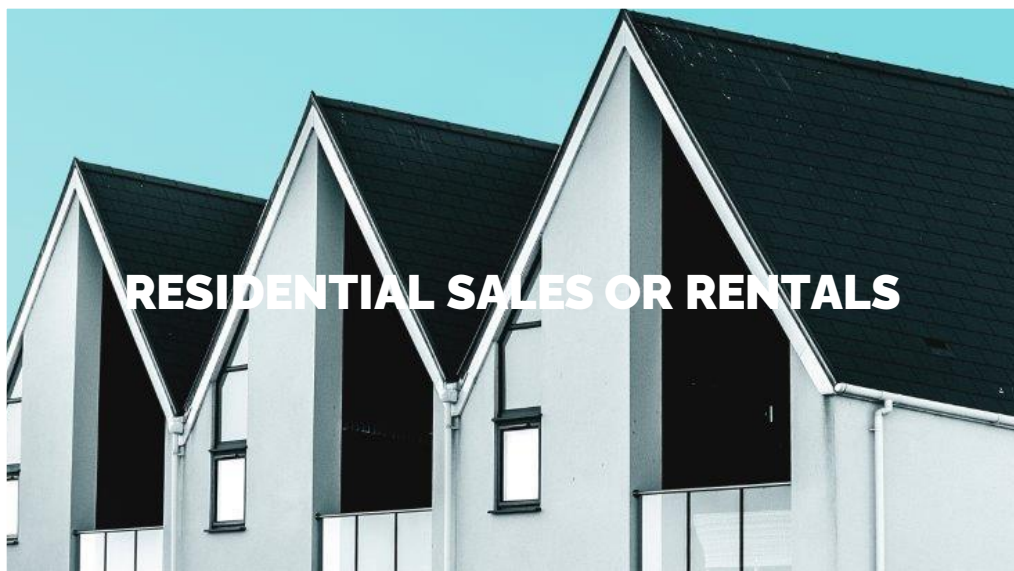
Licenseses must have expertise
in the following three areas:





Real Estate Specialization

Many areas of real
estate



- Four or fewer residential units
- Vacant land zoned for four or fewer residential units
- Agricultural property of ten or fewer acres

Residential Sales (Leasing) Defined





Commercial Sales or Leasing

- Extensive knowledge
- Analyze past & future income
- Tax consequences
- Includes
 - Apartment buildings
 - Office buildings
 - Shopping Centers

- Involves user/owners not investors
- Knowledge required
 - Government regulations – land use
 - Environment
 - Transportation
 - Labor
 - Utilities

Industrial Sales or Leasing





Agricultural Sales

- Large tracts of land
- Large sums of money
- Analyze profitability
- Estimate potential of properties under consideration



Business Brokerage

- Listing and sale of businesses
- Analyze financial statements
- Going concern value
 - Income, assets, goodwill

Property Management

- Leasing , Managing , Marketing and Overall Maintenance of property for others
- Owner's representative
- Produce the greatest amount of Net Income over the longest period of time
- Absentee owner:
 - Primary reason



Counseling

- Professional advice
- Flat fee
- Knowledge and experience
- Alternative investments and strategies



A hand holding a magnifying glass over a classical building, symbolizing appraisal.

Appraising

Fundamental Aspect of Real Estate

- Estimating the value of real property
- An art, not a science
- Paid based on time, effort and expense
- Not paid on property value
- Non-biased opinion of value
- **FREAB** – Florida Real Estate Appraisal Board
 - Regulates appraisers

- Real Estate licensees performing appraisals:
 - Non-federally related transaction
 - USPAP
- Usually prepare Comparative Market Analysis (CMA)



Appraisal

Five parties that may be interested in an appraisal:

Government

Buyers

**Insurance
Companies**

Sellers

Mortgage Lenders

Financing

- Lifeblood of real estate sales
- Knowledge of availability and cost of credit
- More than 90% of all purchases
- Borrower requirements
- Real Estate licensees if properly licensed as mortgage loan originators or mortgage bankers may collect fees





Property Insurance

- Mandatory on most homes
- Need separate license to sell
- Additional Types
 - Homeowner warranty
 - Flood

Construction and Development

Dedication:

- Gift of land
- To a government
- For public use





Construction and Development

Custom Home

- Built custom to a buyer's specifications

Spec Home

- Built before securing a buyer

Tract Home

- Also speculative, but typically on a larger scale featuring several models

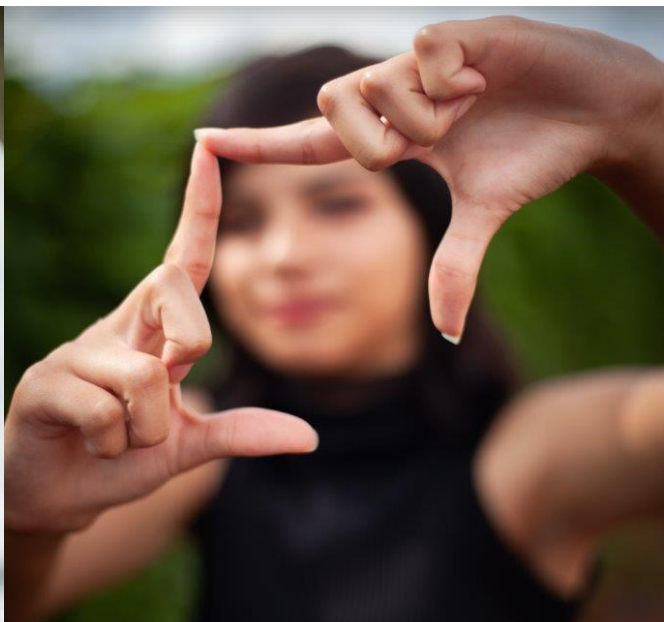
Professional Organizations

National Association of Realtors (NAR)

- Institute of Real Estate Management (IREM)
- Realtors National Marketing Institute (RNMI)
- Realtors Land Institute (RLI)
- Society of Office REALTORS(SIOR)
- Commercial Investment Real Estate Institute (CIREI)
- American Society of Real Estate Counselors (CRE)



Florida Association of REALTORS® (FAR) (Doing Business As Florida Realtors)



Largest trade association in Florida

- www.floridarealtors.org
- Real estate forms
- Technology help
- Legal advice (FAR Hotline)
 - 407-438-1409
 - Licensed REALTORS® only



Local Association of REALTORS®



- If Broker is a member
- All Sales Associates must join
- Included in FAR
- Provides access to Multiple Listing Service (MLS)
- Code of Ethics enforcement
- Networking
- Education



Government Regulation

Local level

- Planning and Zoning
- Property taxes
- Building and Health Codes
- Building Moratoriums



Government Regulation

State government

- Development of Regional Impact(DRI)
- Department of Environmental Protection(DEP)
- Department of Economic Opportunity(DEO)

Federal Government

- Operation of Lending Institutions
- Federal Reserve Monetary Policy

- Gold Coast provides online homework designed to help you succeed in this course and pass your state exam
- We STRONGLY recommend that you complete each homework assignment based on the chapters discussed in class each day
- If you haven't already, you will be receiving an email containing your username and a unique password.
- If you do not receive this email, please contact **onlinesupport@goldcoastschools.com**

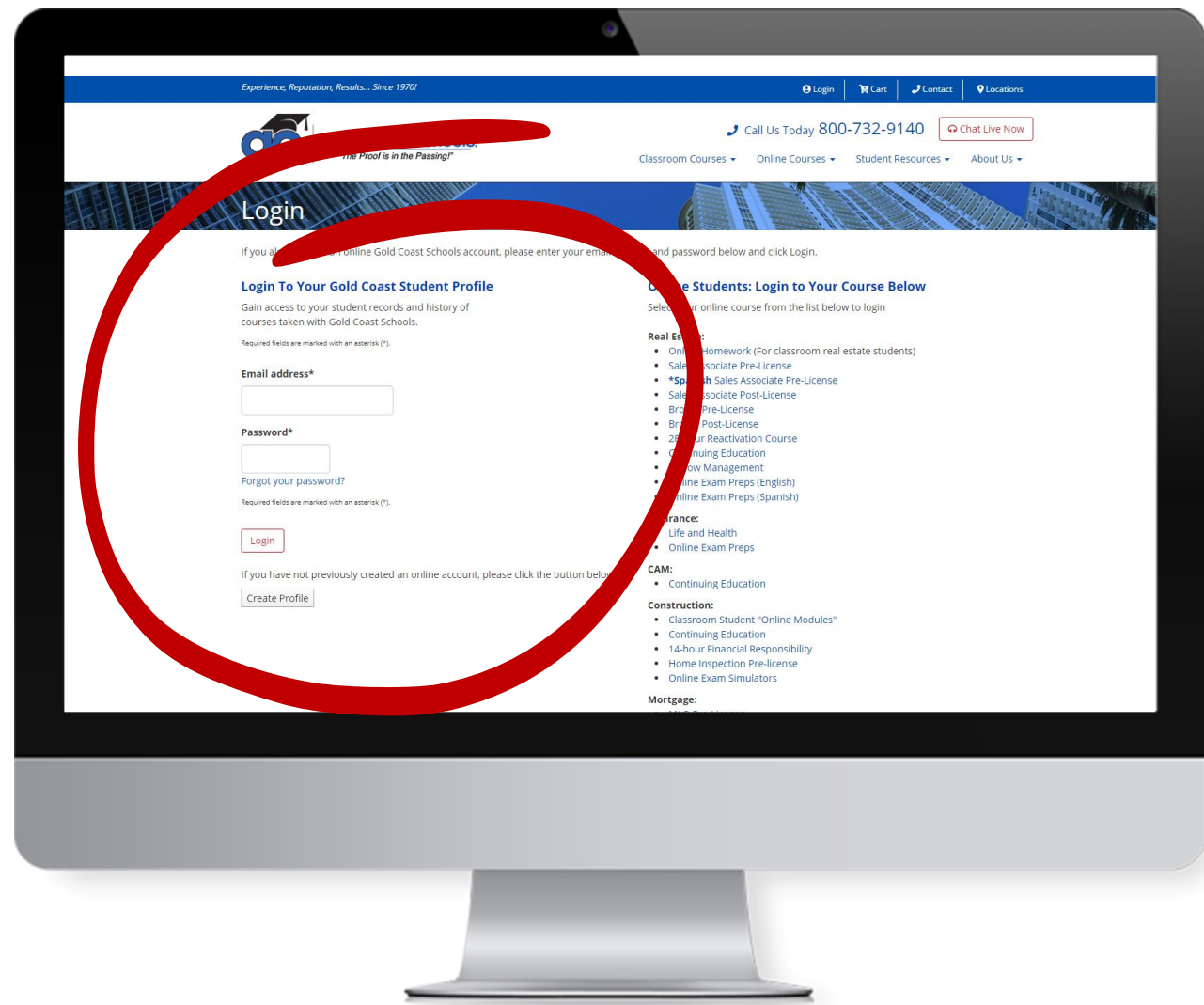


Homework Assignments



Accessing Your Online Homework

- Log on to www.goldcoastschools.com
- Click the login link at the top



Login to Your Online Homework

- Enter your email address and password provided to you via email
- *If you did not receive an email with subject “Access to your course homework”, send an email to onlinesupport@goldcoastschools.com or contact our Career Counselors at: 1-800-732-9140



Coffee Break

15 Minutes