A publication of the Michigan Association of REALTORS®

MICHIGAN REALTOR®

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MAY 2013
Volume 12 | Number 3

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Foreign Clients At Our Door

"Not only is Detroit the home of the auto industry, it is an absolute icon to the Chinese." That is the gist of what Ann Arbor attorney Peter Theut shared with MAR leadership at its Achieve conference in Detroit.

The international business theme was picked up by several speakers at Achieve, which was held in January at the MGM Grand. Theut, who's "been to China 50 or 60 times", painted a colorful picture of determined Chinese investors seeking U.S. investments. He also lauded Governor Rick Snyder's aggressive approach to kindling new economic ties in China.

"The Chinese see foreign investment as a way to diversify and get their money out of China," noted Theut. They look for residential real estate, as well as golf courses, strip retail centers, hotels and industrial properties. Michigan, he said, is ranked #5 on the list of states in which the Chinese seek investments.

"Seventeen Chinese investment projects are in the Michigan 'funnel' right now," according to Mark Kinsler, Michigan Economic Development Corporation (MEDC) Vice-President for International Business Development. "That's compared to only two at this time a year ago." Kinsler told Achieve attendees that exported goods to China soared to $2.6 billion last year, a figure that surpasses that of our exports to Germany.

Michigan's largest international trading partner, however, is Canada, which buys 46 percent, or $23.5 billion, of our exported goods. In recognition of the strength of this relationship, the MEDC opened a new Michigan trade office in Toronto last year.

Michigan investments have also been sought by Canadians, many of them from just across the Detroit River in Ontario. Magna International, a Canadian manufacturer of automotive components, recently made a $29 million investment in an Auburn Hills facility, a move that created 230 jobs. One of Toronto-based Avison Young's 43 commercial real estate offices also opened in Detroit last year, as the firm cited Detroit as an emerging commercial market.

MAR and the Ontario Real Estate Association (with its 55,000 members) have begun talks on how to work cooperatively across the border on both residential and commercial real estate. MAR was invited to Ontario's leadership conference in March, and we have reciprocated with an invitation to their leadership to join MAR's board of director's retreat this summer.

"The world's becoming more global at an astounding rate," Mark Kinsler reminds us. In a bid to become more competitive with other U.S. states vying to catch the eye of foreign and domestic commercial site selectors, the MEDC has acquired new marketing software. The underlying data will continue to be derived from Commercial Property Information Exchange (CPIX), but the packaging will format all of the candidate properties uniformly. "It is an intensely competitive process," says Kinsler, "but MEDC is shooting to position Michigan right at the top of the site selector's lists."

Germany has been our strongest foreign direct investor over the past decade, bringing 72 companies to Michigan. Other prominent players are Japan (51), the United Kingdom (24), India, France and South Korea.

The January issue of REALTOR® Magazine captured the essence of this emerging market in its article, "Reaching Across the Globe." It describes how international buyers are investing in the U.S. market in increasing numbers.

Are you ready to step up? Consider a Certified International Property Specialist (CIPS) designation (*http://www.realtor.org/designations-and-certifications/cips-designation*); it is the preeminent way to learn cultures, currency exchanges and cooperative foreign real estate practices. You will need to take 2 core courses and 3 elective courses, then pass a NAR administered exam. The coursework is done periodically in Michigan, but is always available somewhere around the U.S. About 2,000 designees wear the CIPS pin, and with it you become part of a broad, international network.

A Transnational Referral Certification is a tool that lays the groundwork for real estate professionals to make and receive compensated referrals. Furhad Waquad, who was 2007 president of MAR, is a TRC instructor, and plans courses on the certification this year.

The Global Business Council at NAR (*http://www.realtor.org/global*) supports councils in the Grand Rapids area and southeast Michigan. They offer globally themed education, networking and programming, and serve as a clearinghouse for Realtors interested in international brokerage. Another solid resource is the International Real Estate Federation (*http://www.fiabci-usa.com/*), whose membership encompasses REALTORS®, attorneys and related professionals from 50 countries around the world. **MAR**

by Bill Milliken, CCIM, CIPS | Commercial Board of REALTORS®

Michigan Association of **REALTORS®**

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COMING EVENTS

May 13-18, 2013
NAR Midyear Legislative Meetings & Trade Show
Washington DC

July 12, 2013
MAR Director Elections: Deadline to file candidacy
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What's Old is New Again

Some of you may have seen that Brad Ward and I have both been promoted to new positions within the Association: Chief Operating Officer for me, Vice President of Public Policy and Legal Affairs for Brad. We are both, of course, most appreciative of the confidence that our MAR leadership, Board, and Chief Executive Officer Bill Martin have placed in us with these new titles and will do our best to be worthy of the new distinctions. We promise not to miss a beat in providing (at least) the same quality of public policy representation you have (hopefully) enjoyed for the last 29 years of our combined service.

One of the most notable changes in our job descriptions is that Brad Ward will now officially occupy this magazine space. I say "officially" because he has been my ghostwriter, editor, and advisor on this column, along with Amy Daunt and Brian Westrin, for as long as they have all been around. So the only difference you might really notice is a younger face, clearer writing, and fewer parenthetical digressions. As I am apparently the only lobbyist in the publishing world still attempting to use footnotes, I'm sure our editors and producers of this magazine will also applaud the substitution. As for other media, you'll still see both Brad and me in our MAR government affairs Vodcasts. We'll also still be active on our MAR Facebook Fan Page and other avenues of social media. (Those of you that have "friended" me on Facebook know that I really don't "do" Facebook very effectively on a personal level. So make sure to follow us on the MAR Fan Page.)

While passing the baton, I want to thank you for your readership over these many years. Your comments and feedback have made this aspect of the job a particular pleasure. Thank you, also, to the team of professionals with whom I have been so very blessed to have written for over 17 years. This column has always been a reflection of your dedication and professionalism - - I am forever indebted. Thanks to you, especially, Brad. If you need a better writer to help you with this column down the line, you won't find him in my office. Good luck and Godspeed.

We promise not to miss a beat in providing the same quality of public policy representation you have enjoyed for the last 29 years of our combined service.

Thank you for those kind words, Rob. So here we are. We are the same guys, with new titles and opportunities ahead of us. I gladly assume the duties of writing this column and know full well the high standards and excellent prose of my predecessor. I will do my best to carry on the great tradition and integrity of this column in keeping the REALTOR® membership informed on the latest from Lansing. I only ask that you, the reader, extend me patience as I find my voice. The first article is bound to be too talky, the second too journalistic, the third riddled with obscure pop culture references. But, I promise they will all provide you with the insight on state government that Rob so eloquently brought to Michigan REALTORS®.

Sales Tax on Services

As Rob mentioned in his previous column, the Governor rolled out an ambitious plan to invest $1.2 Billion in Michigan's roads and infrastructure this year. His initial proposal of an increased gas tax and hiked registration fees was met with little celebration by the legislature. Few were interested in adding the current price at the pump, though most agree that our roads need fixing.

As such, the Governor welcomed any and all ideas to the table in hopes of consensus between the House and Senate. To date, the proposals have ranged from: paying for road improvements by finding government efficiencies, increasing the sales tax by a penny or two, and even the good old sales tax on services.

by Robert Campau MAR Chief Operating Officer

Back in 2007, in the midst of a budget battle between then Governor Granholm, a Republican Senate, and a Democrat House, an expansion of the current 6% sales tax on services was born. This association worked hard to secure an exemption from that law. Our REALTORS® responded in strength, answering a call to action that resulted in 5,000 emails to our state senators and representatives within the first 24 hours. When all was said and done, the new law lasted less than three months before the legislature repealed it, leaving us with the much-maligned Michigan Business Tax (MBT) Surcharge.

Today, term limits have resulted in a Michigan House with 110 members that have only served since 2009, at the earliest. Though a service tax has very little nexus to the use and condition of our roads, it is a stream of revenue that, unlike the current sales tax, can be earmarked for that specific use. That being said, for a few legislators, looking beyond simply using the service tax to fund roads, the idea of trying a sales tax on services as part of an overall discussion on tax policy is attractive. After all, the repealed service tax, and similar service tax proposals that have been floated since, was meant to replace the recently repealed Michigan Business Tax. If there is an opportunity to provide tax relief in other areas to Michigan citizens, for a select few it can change the debate altogether. There is always attractiveness to finding a "spoonful of sugar to help the medicine go down."

We've been assured by the Governor's office, Speaker of the House Jase Bolger (R- Marshall) and Senate Majority Leader Randy Richardville (R- Monroe) that they are fully aware of our association's opposition to a sales tax on services. They are also aware of the role that we played previously in defeating the initial law in 2007. Despite speculation surfacing in a variety of media outlets, and discussions in the halls of the Capitol, sales tax on services seems to be greeted with much of the same distaste as the other revenue proposals on the table for road funding.

This association will continue to meet with our elected leaders throughout these discussions, because as one of our National Association of REALTORS® representatives is fond of saying, "If you're not at the table…you're on the menu."

Principal Residence Redux

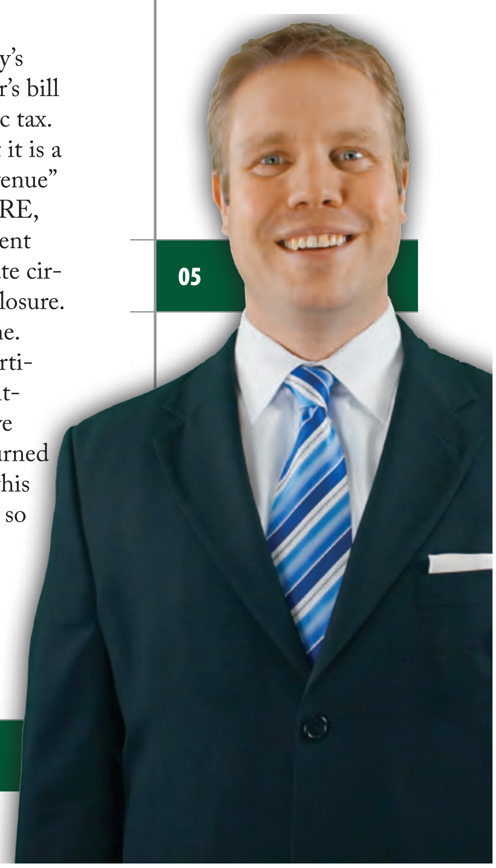
Last year, the MAR worked to secure the enhancement of the Principal Residence Exemption (PRE) by adding two filing dates, June 1st and November 1st, and creating a new specific tax allowing lenders to retain the PRE on a foreclosed property. This specific tax is focused on making sure the banks "pay their fair share" while allowing buyers of lender-owned homes to qualify for mortgages at the lower property tax rate and providing them with immediate tax relief upon purchase. But, as we have seen over the last year, the cumbersome process of filing the proper paperwork has outweighed the benefit in the eyes of many lenders.

House Bill 4135, sponsored by Representative Frank Foster (R-Petoskey) eliminates the "red tape" for the lenders and the local governments along with the non-homestead taxes. The bill allows lenders to retain the PRE on the home for up to three years. This streamlined process will hopefully allow for quicker turnaround for these properties. It is the belief of our Public Policy Committee that the quicker we get through the bank-owned properties, the sooner we can return to stabilized values.

Readers of this column will recall that the current HB 4135 was part of our initial proposal last session. When the goal of PRE proration could not be attained because our property tax system is a little more "horse and buggy" than "information superhighway," we pared it down to fit within our current tax calendar. We believed that allowing lenders to maintain the PRE would provide immediate relief to the sector of the market most effected of non-PRE to PRE sales; lender-owned homes.

Unfortunately, the Department of Treasury's concern over reduced revenue forced last year's bill to take the turn of setting up the new specific tax. Treasury's same concerns still exist today but it is a short-sighted perspective given that this "revenue" is a windfall benefit. These homes had the PRE, were always going to have the PRE, the current tax money is only the result of the unfortunate circumstance of a homeowner losing it to foreclosure. This is not revenue lost, it is revenue foregone.

At this time, HB 4135 seems to have bipartisan support in the House Tax Policy Committee. Our anticipation is that the bill will move from committee once the legislature has returned from their Spring break. It is our hope that this bill will make its way to the Governor's desk so we don't have to revisit the issue, again. **MAR**



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DOING DEVELOPMENT
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In a time that businesses can locate anywhere in the world, a community with a strong sense of place, innovative redevelopment strategies and straight forward practices will stand out. The Michigan Economic Development Corporation (MEDC) now offers a capacity and asset building program to assist communities eager and ready to increase real estate activity on available property and encourage new development opportunities. This new program, Redevelopment Ready Communities® (RRC) is available to communities across the state as a tool to assist in increasing Michigan's global economic competiveness.

Through RRC, communities commit to improving their redevelopment readiness by agreeing to undergo a rigorous assessment, and then work to achieve a set of criteria laid out in the RRC Best Practices. Each best practice addresses key elements of community and economic development, setting the standard for evaluation and specifying the requirements to attain certification. The program measures, and then certifies communities that actively tap the vision of local residents and business owners in shaping a plan for their future, while also having the fundamental practices in place to be able achieve that vision. The six RRC best practices include: community plans and public outreach, zoning policy and regulations, the development review process, education and training for staff, elected and appointed officials, Redevelopment Ready Sites® and community prosperity.

Once a community attains RRC certification, real estate investors and developers can be confident that the community has successfully completed a detailed review of their development processes, and followed a set of best practices designed to support new investment. RRC certification means a community is ready to engage in dialogue with developers and make prompt decisions with potential investors. It's easier to get projects done because municipalities are committed to minimizing hurdles, saving investors time and money.

RRC was initially created by the Michigan Suburbs Alliance, a non-profit representing 31 cities in southeast Michigan, to assist municipalities in building deliberate, fair and consistent development processes. MEDC and the Michigan Housing Development Authority (MSHDA), along with foundation support, helped launch the program in 2004. Now, MEDC is leveraging this formative redevelopment program work to expand RRC to communities statewide.

Unique Approach and Partnership

RRC's approach is different than other state programs that encouraged redevelopment. In lieu of the state providing financial incentives or direct dollars for implementation, communities take ownership to cultivate a community asset building philosophy. As a partner, MEDC provides evaluation support, expertise and consultation, training opportunities, and assistance in helping certified communities market their top redevelopment sites.

An RRC Advisory Council of public and private sector experts that includes municipal, real estate and development professionals, guides the development of the RRC best practices, provides feedback and recommendations on RRC community assessments, and considers new opportunities to enhance the program. In addition to MEDC consultation, communities receive comments from multiple perspectives through experts working in the field, tapping into a broader pool of talent for the evaluation process.

Communities Leading the Way

In 2012, MEDC piloted the relaunch of RRC by reengaging with communities previously certified, or on the verge of certification, under the previous program at the Michigan Suburbs Alliance. In preparation for the community assessment, MEDC researches, conducts observations by attending community meetings such as the planning commission, and interviews business owners and developers about their past experiences working with the community. Then MEDC produces a written assessment of their findings detailing which best practices are currently being met by the community, which components may be in place but require additional action, or which best practice elements are outdated or missing. The assessment findings are also presented at a meeting of the community's governing body, with attendance by staff and other stakeholders.

After an RRC evaluation, the results for a community working through the program depend on where the community is in relation to the best practice standards. Each community will identify solutions that best fit its current circumstances. Typical outcomes may be more clearly documented processes; user friendly zoning regulations that match the vision in the community's master plan; officials trained on relevant planning concepts like community design; and required updating on the community's website to make information more accessible. RRC encourages communities to consider leading-edge planning concepts like transitioning to form-based codes, an alternative to conventional zoning, or creative resident and business engagement and outreach. RRC provides a framework and benchmarks for communities to strategically and tactically ask "What can we do differently?"

THE PROGRAM MEASURES, AND THEN CERTIFIES COMMUNITIES THAT ACTIVELY TAP THE VISION OF LOCAL RESIDENTS AND BUSINESS OWNERS IN SHAPING A PLAN FOR THEIR FUTURE...

In January 2013, MEDC announced the first open application round and encouraged interested cities, villages and townships to apply for participation in the program. More than thirty five applicants responded. MEDC selected the top eight scoring community applications to receive the full evaluation this year. These cities included: Allegan, Ann Arbor, Boyne City, East Lansing, Lansing, Lathrup Village, Muskegon and Novi. The other applicants will be provided training opportunities specific to the RRC best practices and a self-evaluation tool. The MEDC is working with the following cities re-engaged from the previous program: Eastpointe, Ferndale, Lincoln Park, River Rouge, Roseville, Southfield and Ypsilanti, to evaluate and assist them in attaining certification under the State's RRC program requirements.

Redevelopment Ready Sites (RRSites)

Readying sites for promotion and marketing is a cornerstone principle in the RRC program. The program has built-in ways to promote a property's redevelopment readiness. Marketing materials for the site feature an exclusive Redevelopment Ready Sites logo, so investors can easily recognize a site that has been certified. MEDC works actively with communities to help prepare more priority sites for sale on the real estate market. Once a community attains RRC certification, which requires preparing a minimum of one available property to the RRSites best practice standards, MEDC assists communities with marketing these properties directly to interested developers, investors and site selectors.

One way MEDC is assisting communities with their RRSites is through ZoomProspector, a free property site selector and analysis service. *ZoomProspector.com* is simple and efficient from a site selector perspective. The search service provides full property details including community data, maps, and business analysis around the site location. More importantly, investors will have an easier time finding an RRSite certified property thanks to ZoomProspector's tagging features. By classifying a property as an RRSite it will make searching and comparison of sites by location and property details easier. An RRSite property will stand out in search results.

Self Directed Evaluations

RRC is for every community that wants to build a solid foundation to help them succeed in creating places which attract talented people to live, work and play. MEDC encourages communities to self-evaluate and independently follow the RRC Best Practices. By undergoing a self-directed evaluation, a community is taking ownership of the process and positioning itself as open for business while also strengthening its prospects for selection during the next open application period.

As the economy continues to recover, now is the time for communities to assess how they can stand out and be ready when the real estate market fully rebounds. By following independently or in direct partnership with MEDC, every community across Michigan can become more strategic in building for the future.

Resource Box

Is your community eager to achieve redevelopment readiness? Review the RRC Best Practices and learn more at *www.michiganadvantage.org/rrc* or contact the RRC team at *rrc@michigan.org*. **MAR**

Powerful value-added to your sales efforts

By now you've probably heard of Realtors Property Resource® (RPR®). Are you taking advantage of this incredible member benefit? Or are you wondering, "What's in it for me?"

Let's start with the basics: RPR is a national property database from NAR designed to provide REALTORS® with information on over 147 million parcels in the United States. That information comes with advanced technology tools and features that can be utilized to provide your clients and customers with dynamic reports and analytics which can assist them in making better informed decisions when buying or selling properties.

The best part is that RPR is available only to REALTORS® and is NAR member dues funded. It carries no additional cost to members, brokers, MLS/CIEs or Associations.

At the REALTOR's® finger tips are:

- **Tax assessment / public records on 147 million parcels of property in the U.S.**
- **Mortgage and lien information**
- **MLS/CIE sourced data (where licensed from partnering MLS/CIEs)**
- **Realtor Valuation Model® (RVM®)**
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- **Dynamic mapping: school zones, neighborhoods, zip codes, cities, FEMA flood maps, plat maps and more**
- **Geo-spatial data, aerial photography, street level images and bird's eye view**
- **Census, demographic and lifestyle data**
- **Neighborhood information**

You can see all this data that is available to you, but the magic question still remains: "what can it do for me?" To start with, imagine having all these datasets in *one* place. One login and you'll have access to all this data on millions of properties. Plus, if your MLS/Association has partnered with RPR, your MLS data is also available along with the other datasets.

Not sure how this helps you? Just ask Cathy Werner.

"…advanced technology tools and features that can be utilized to provide your clients and customers with dynamic reports and analytics which can assist them in making better informed decisions when buying or selling properties."

Cathy doesn't describe herself as a computer person; she doesn't like to spend a lot of time in front of the screen. A REALTOR® in Maryland since 1986, Cathy has built her successful business with relationships, referrals and her reputation of being a local market expert.

When Cathy recently scheduled a listing appointment for a high-end property, she used her local MLS reports to create a CMA for her presentation, along with her standard marketing materials.

After arriving at her appointment, she found out she was in competition for the listing. Being a longtime REALTOR®, Cathy wasn't afraid of some competition, but knew she would have to use her expertise in a new way to stand out from the competition.

After previewing the property, she says, "I knew immediately they were going to push the market as far as value." Cathy explained to the Seller that she would like to pull some additional pricing reports and would be in touch with them later that evening.

After returning home, she jumped onto the computer and pulled up RPR.

Luckily when she heard about RPR, she was curious enough to create her account and begin working on RPR. Cathy stated that the process was "really quite easy." She just knew RPR would be the tool that could help her standout from the competition.

Quickly putting in the property

address, she was able to arrive at the property. From there, Cathy was able to see the RVM (Realtor Valuation Model®), and then began making adjustments by entering relevant information about the property she learned in her preview of the home into the RPR Refine Value Features— enhancing the RVM with the upgrades the Seller had completed to make the property unique. In doing so, Cathy came up with a new RVM value for the property, augmented with current property features, and her knowledge of the local market.

She created a Sellers Report in RPR and emailed the report directly to the Seller with a note thanking them for the opportunity to preview their home, and her desire to work with them on the listing. The entire process took her about 10 minutes.

Within only an hour, the Seller had emailed back sharing that Cathy received an A+ for effort. Ultimately, her detailed work and comprehensive report would get her the listing. A quick 11-days later the listing sold, and had 5 offers. Cathy credits RPR with her success!

You too can take advantage of the RPR Reports. Your expertise, attention to detail and comprehensive marketing plan landed you the listing contract. Now, you need to keep them engaged and informed on the local market throughout the listing and marketing process. But, what's going to work best?

In this ever-changing market, homeowners are expecting to have access to all the changes in the market while their property is for sale. Perhaps they have a few distressed properties down the street they're concerned about how they may affect their home's value. Many consumers turn to the Internet for information; where incorrect property information, inaccurate house values, and dated information can give them unrealistic expectations of market time and value.

But, what if your clients were to receive timely and comprehensive reports that gave them a true picture of what their market looks like? And, if that report came branded from you, their trusted REALTOR®, there would be no need to look elsewhere for information.

RPR's Market Activity Report is designed to do exactly that. The Market Activity Report is a snapshot of all the changes in a local real estate market. It includes a market activity summary and a list of active, pending, sold, expired and distressed properties, including recent price changes. You can choose to go back days, weeks, or even up to 3 months, allowing you to easily create reports for your clients. Now they don't have to look elsewhere, and you are keeping your expertise and 'brand' in front of them on a regular basis.

Beyond impressing current clients, what about attracting new clients? Again, RPR reports can help. The Neighborhood Report is a great way to showcase not only your local knowledge, but the neighborhood as well. Neighborhood stats including the number of households with children, weather, commuting information and more are all included in this dynamic report, and offers a professional way to show market knowledge for prospecting and farming market strategies.

Create this report for display at Open Houses, giving perspective buyers an idea of the neighborhood. Even if they are not interested in the house, you have listed the branded report covers the local area and it's likely the buyers will hang-on to it as they continue to preview homes. Because of the value you demonstrated and the fact that your contact information is included on the report, chances are high that when they have more questions, they'll be able to quickly get back in touch with you.

So how can you start taking advantage of this amazing member benefit? Simply head to *www.narrpr.com*, click on "Create a New Account" and setup your account. You'll need your NRDS number and MLS information. In a few short minutes, you'll be up and running. Still not convinced? Visit *www.myrpr.com* to see how your fellow REALTORS® are using RPR to increase their business. Either way, check it out. You'll be happy you did.

For more information, visit *http://blog.narrpr.com*. **MAR**


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IN WHAT WE SELL OTHERS!

BY MARCUS WALLY

If you are considering becoming financially independent, don't count on just your sales to get you there. As the Founder and Broker of my real estate company, I've always encouraged my agents to buy for themselves what they sell to others. This is how to really develop long-term wealth. I even have in our policy manual the ability to purchase a property with the company forfeiting the entire commission once the agent reaches a certain level of production. That's how committed I am to helping my team believe in what we help others purchase.

Full transparency is key to success, and this transparency is where real opportunity lies. Consumers want you to tell them the truth. Sure they want quality, service, value and entertainment, but above all they want to know that the person with whom they are dealing is honest. So when the public sees us buying what we sell, it creates a larger demand for the very products we offer.

People tend to follow other people's success hoping to have it for them selves.

My mantra to my team has always been "*Buy for yourself what we are selling to others.*" After all, you see the new listings come up in the MLS before anyone else does. Why not buy the next solid listing you see? Bring leverage into your life. Sell it to yourself instead of to one of your customers.

It all begins with your acquisition of a "first" property. And, the current is the very market in which to get started. Acquiring rental property as an investment in real estate can be a natural for you. They always say you would only invest in what you know, and we know real estate. Although I have earned my MBA in finance, I have never invested any of my hard earned money in the stock market.... why you ask? Because, I don't know the stock market. People seem to get into trouble when they start investing in areas where they have little or no expertise, knowledge or value to add.

That's why we should invest in Real Estate, as this is what we know!

Real estate is a tangible, cash-generating asset, much like gold or silver, and appreciates in value just like these precious metals. Being a tangible asset however, it does not function like a bond or stock that can quickly lose value; it remains an excellent, long-term way to invest.

Real estate investors benefit from financial leverage, using a mortgage to build wealth in a way other forms of investments do not. Real estate investment has proven to be a powerful method of creating wealth over time and there are three main forms of return-on-investment (ROI): cash flow, return on taxes and appreciation.

I always say that Donald Trump did not get rich by paying cash for his acquisitions; he borrows other people's money while conserving his cash reserves. We should all follow suit. With interest rates at all-time lows, go to your local bank and chat about what they would be willing to do to help you out.

In my market, a new community bank recently came on to the scene and I have started developing relationships with them. It is critical to my success that they know me so when the need arises a connection is already being formed. Most recently, they even tossed me a few balls by allowing me to list and market a few of their foreclosures. Even in today's new world, relationships are critical and the underlying basis for doing more business.

So the next new listing that you see come up for sale in the MLS that looks like it is a solid buy, go check out the condition and the location. These are the two most important factors you should initially assess in purchasing the property for your personal needs.

Look at this new listing with a keen eye, as if you were to buy it for investment, perhaps to rent the property out... maybe even long term. I don't believe our local markets are back to the point where you can purchase something and turn around and flip it. In fact, all the rentals that I have purchased over the years have been held for long-term appreciation and the cash flow that they have generated over time. I like to purchase properties that have the greatest demand.... what the majority of renters are looking for. Hence, 3 bedrooms with 2 full bathrooms and a garage, if at all possible. I try to not spend more than what I can generate for rent. And, a good rule of thumb is the 10% rule. For example, buying for $100K, I'd better be able to rent out for $1,000.00 per month. Buying for $125K, I'd expect to rent the home for $1,250.00 per month. Purchasing for $150K, the rent must be $1,500.00 per month. I also concentrate on buying in an area where there is terrific demand, although markets shift and this could change. For me the downtown historic district was my choice.

Living in "Our Nations Oldest City," I felt solid/secure about the future demand for living downtown within walking distance to Flagler College. I even included the Flagler students as part of the demographic when targeting my market of potential candidates.

Owning real estate as an investment is a perfect match to us as REALTORS®. We can earn a handsome wage and then supplement it by owning a few properties that can provide extra cash monthly with super appreciation over the long haul. I do believe that a few of my tenants that have been with me for 10 -15 years have more than paid for the properties in which they live .... at least once and some twice over.

A tip I'd like to share is to not raise the rents, but to keep the same tenants in place by treating them well and valuing them as a major part of your real estate investment plan. Raising the rents each year can cause the tenants to move, and if a property is vacant for any length of time, you can have used up your entire year's profit by just trying to get that extra $25 bucks a month. And on top of that, each time one of my tenants moves out, I feel the need to spruce the place up (paint, etc.), which costs money and time, both of which diminish my return of investment (ROI).... NOT A GOOD IDEA.

Remember a standout line from the famous movie, Gone With The Wind as Scarlet declares that "Land is the most valuable of all, and that they aren't making any more of it."

Underneath all is the land! **MAR**

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"People tend to follow other people's success hoping to have it for themselves"

PART 2

REALTORS® and the UNIFORM APPRAISAL DATASET...

Insights from those who teach it to Appraisers

BY RICHARD HEYN, SRA AND DAWN MOLITOR-GENNRICH, SRA

BACKGROUND

In part one of this series on the Uniform Appraisal Dataset, our focus was on the new condition and quality rating system and why loans involving properties with certain ratings are ineligible for delivery to the GSEs. In part two we will cover three additional items of importance to REALTORS®. But first, a quick "refresher" on the Uniform Appraisal Dataset and the associated Uniform Collateral Data Portal might prove helpful.

Prior to September of 2011, Fannie Mae and Freddie Mac, commonly referred to as the GSEs (Government Sponsored Enterprises), instituted a new lending initiative called the Uniform Mortgage Data Program. The appraisal portion of this new program requires lenders to deliver appraisal reports electronically to the GSEs, who in turn subject the appraisal report to an automated, computerized review before considering the purchase of the loan.

Two components facilitate the electronic review of appraisals – the Uniform Collateral Data Portal (UCDP) and the Uniform Appraisal Dataset (UAD).

Think of the UCDP as the "electronic mailbox" that the GSEs use to receive appraisal reports from lenders and the UAD as the new "language" in which appraisers write their reports. Essentially, the UAD is a series of appraisal data definitions and standardized responses that must be used in UAD-compliant appraisal report forms. According to the GSEs, the objective is "to enhance data quality and promote consistency in appraisal data." Implicit in that statement is that if a computer is going to "read" the report, the responses must be consistent with the terminology that the computer has been programmed to recognize.

1. SALES CONTRACT

The UAD calls for the appraiser to identify the "sale type," using a predefined list created by the GSEs. The list includes REO and Short Sales, as well as Court Ordered, Relocation and Estate Sales. This requirement applies to the comparables as well, so don't be surprised if you receive more calls or email from appraisers than you did in the past asking to clarify the circumstances surrounding a sale.

Fannie Mae's and Freddie Mac's guidelines require that a lender provide the appraiser with a copy of the sales contract for a purchase transaction. The guidelines clearly state that "the lender must provide the appraiser with a copy of the complete, ratified sales contract and all addenda for the property that is to be appraised…" It is considered unacceptable practice when an appraiser fails to analyze and report on the sales contract. While these requirements have been in effect for some time, it was difficult for the GSEs to enforce them prior to the existence of UCDP.

While GSE guidelines specifically address the lender, any party to the transaction can provide the sales contract to the appraiser. If the appraiser is not supplied with a copy of the contract and checks the "did not analyze" box, the UCDP will notify the lender of a "hard stop" and the lender will have to put the transaction on hold until the appraiser is supplied with, and reviews, the contract. The file then can be resubmitted to the UCDP.

The emphatic point for all REALTORS ® is this; make sure that the appraiser has received a copy of the "complete, ratified sales contract and all addenda" in order to avoid UCDP problems that will delay the timely processing of the transaction!

2. KITCHENS & BATHROOMS – UPDATED, NOT UPDATED, REMODELED?

After the appraiser rates the property condition, his or her forms-preparation software will ask an additional set of "string questions" using "lists" that are not on the appraisal report form.

The appraiser must indicate whether the property has had any material work done to the kitchen(s) or bathroom(s) in the prior 15 years. If the answer is "No," the text entry, "No updates in the prior 15 years" is automatically generated by the software. If the answer is "Yes," the appraiser will select responses from "lists" for both the kitchen(s) and bathroom(s) regarding the updating or remodeling of those improvements.

The first selection from the kitchen and bath lists relates to the level of work completed. The appraiser indicates whether the room has been updated, has not been updated, or has been remodeled. There can be only one entry for the level of work for the kitchen and bathroom, even when there is more than one kitchen or bathroom. The appraiser then selects the timeframe within which the majority of the updating or remodeling took place. The list is:

~Less than one year
~One to five years ago
~Six to ten years ago
~Eleven to fifteen years ago, or
~Timeframe unknown

At the end of this article you will find a resource for complete definitions, but for the purpose of this illustration, consider a brief paraphrase for Updated, Not Updated and Remodeled.

Updated means that the area (kitchen and/or bath) has received limited modifications to "meet current market expectations." An updated area will have an "improved look and feel" or better functional utility. Updates do not include significant alterations.

Not Updated: A kitchen or bathroom that is labeled Not Updated means just that – not updated; no material work has been done. The definition is not restricted to differentiating improvements more or less than 15 years of age. While it may seem counterintuitive, this category includes new homes as well as the "perfectly preserved" home – the one with all the original flooring, wallpaper, cabinets, counters, fixtures, etc., in mint condition.

Remodeling is considered more extensive than updating. The definition uses the terms "fundamental changes" and "multiple alterations," followed by examples that include replacement of major building components, relocation of fixtures and appliances, significant alterations and increasing the size of the dwelling.

Do not confuse updating or remodeling with Overall Condition. It is important to remember that this discussion about updating and remodeling applies only to the kitchens and baths, and is distinct from the overall condition of the dwelling.

Just because an improvement has a recently updated or remodeled kitchen or bathroom does not automatically result in a condition rating of C2 or C3. The condition rating is an "overall" rating of the improvement, not a rating of a particular portion of the home. So if the same home has otherwise been harshly treated or has underlying structural issues, its "overall" condition rating could be a C4, C5, or even C6.

Conversely, a new or nearly new home may be in very good condition and receive a C1 or C2 "overall" rating but still be identified in the appraisal report as having a kitchen and bath that is "not updated."

3. UNDERSTANDING UAD ADJUSTMENT PROTOCOL

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Site	12000 sf	18000 sf	-15,000	12100 sf	0	12000 sf	
View	B;Mtn;Wtr	B;Mtn;Glfvw	0	B;Mtn;Wtr		B;Mtn;Wtr	-10,000
Design (Style)	Colonial	Colonial		Colonial		Colonial	
Quality of Construction	Q3	Q3		Q4	10,000	Q3	-10,000
Actual Age	33	~30	0	35	0	33	
Condition	C3	C3		C4	10,000	C4	10,000
Above Grade Room Count	8 4 3.2	8 4 3.2		8 4 3.2		8 4 3.2	
Gross Living Area	3,000 sq ft	3,200 sq ft	-10,000	3,000 sq ft		3,025 sq ft	0

It sometimes can be challenging to understand the reporting of the appraiser's adjustments in the sales comparison grid. The issue here is not the amount of adjustment, but why some lines on the grid have adjustments, some have zeros and yet others are just left blank by the appraiser.

When reviewing the above snippet from a sales comparison grid, it may at first seem as if some of the entries are incorrect, or at least inconsistent. Some of the adjustment fields are blank, while zeros have been entered in others. Some comparables have the same description as the subject and are not adjusted, while other comparables have the same description but are adjusted. Odd as this may seem, all these entries are consistent with the UAD requirements stated in Appendix D.

If the subject and comparable descriptions differ, but no adjustment is warranted, the UAD calls for the appraiser to enter a zero, indicating that even though there is a physical difference, the appraiser has determined no adjustment was needed. For example, the descriptions and adjustments on the "View" line indicate that the subject has a beneficial mountain and water view, yet there was no adjustment between the subject and Comparable 1, which has a beneficial mountain and golf course view. Why? The appraiser obviously determined that both views were equally valuable and that no adjustment was warranted. So the appraiser entered a zero to indicate that he or she had considered the difference.

Sometimes the descriptions for the subject and comparable are the same, but an adjustment is warranted. The example above shows both the subject and comparable #3 are rated as Q3, but comparable #3 has been adjusted $10,000. Given the requirements for "standardized" discussions, this happens fairly often and is the source of some friction between appraisers and underwriters who fail to recognize that properties with the same quality (or condition) rating can still be superior or inferior to one another.

UAD SPECIFICATION GUIDE AND OTHER UAD RESOURCES

The UAD Specification: Appendix D is published by the GSEs and serves as a guide for appraisers who wish to comply with the UAD. It also serves as a "go-to" guide for REALTORS® who want to understand reports written in the UAD "language" and is helpful in understanding the new condition and quality ratings. The URL for Appendix D is: *https://www.fanniemae.com/content/technology_requirements/uad-specification-appendix-d.pdf*

At the end of Appendix D is an Exhibit Section that contains condition and quality definitions as well as a list of the UAD abbreviations. Appraisers sometimes refer to this list as the "decoder ring" for the UAD. We encourage you to have this list handy when you are reading an appraisal report that has been prepared in compliance with the UAD. **MAR**

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***Richard Heyn**, SRA and **Dawn Molitor-Gennrich**, SRA are co-owners of Heyn, Molitor-Gennrich, LLC, which specializes in the development and presentation of real property education for appraisers and REALTORS®. Dawn and Rich each hold the SRA designation from the Appraisal Institute and are AQB Certified USPAP instructors as well as Certified Distance Education Instructors. They are co-authors of a number of seminars, including two regarding the UAD. Dawn and Rich are available for speaking engagements on a number of topics of interest to REALTORS® and appraisers. In addition to classroom education, they offer webinars through Northern Michigan University. They can be contacted at webinars@att.net and information on their webinars can be found at www.nmu.edu/appraiser.*

Seek and ye shall be found

BY ANDREW KANTOR

If I can't find you in 30 seconds, something's wrong. I went looking for a Realtor® the other day because I needed some information about him for a project. I knew his name, that he was a Realtor® and that he was in Virginia. That should have been more than enough for me to find him with a simple Google/Bing search, or at least find his firm and hometown (which is all I really needed).

No joy.

In contrast, when on a whim I searched for my friendly GEICO agent, I had her phone number and home address in seconds. And, she wasn't trying to be found.

That isn't right.

The reality is that most potential clients are going to look for you online — you specifically, or a Realtor® in your area with your expertise. Shouldn't you be at least near the top of the results?

Yes, and the way to do that is through what's called search engine optimization, or SEO. It's a fancy way of saying "making yourself more visible and important to search engines."

While the overall goal is to make yourself findable, it breaks down a bit.

1. At an absolute minimum, searching on your name should find you. Think about informal referrals, where someone is only given your name.
2. Someone searching for real estate-related information in your area should find you. I.e., you want to be associated with real estate in your town or city.
3. Finding "you" means finding a Web page with useful information about you: notably what you do and how to reach you. There's no point having your name appear if there's no way (or reason) to follow up.

You accomplish these things by controlling the kinds of information you put out on the Web. In other words, you control where and when your name appears.

MAKE YOURSELF A HOME

The most important thing, the thing you absolutely must do if you haven't already, is to create at least one page that's your "home" on the Web. This is what people will find when they find you. It doesn't have to be anything more than a single business card page on your brokerage's site.

At a minimum this home page, even if it's just that business-card page, needs to contain up-to-date contact information for you, at least your phone number and e-mail address, and a brief description of your business (e.g., your specialties). Of course, if it was a more complex page with frequently updated information, all the better.

This is important: This home page cannot be on Facebook, Google+, LinkedIn, Twitter, or any other social network. It has to be a standalone page. It's best to have it on a domain you or your company own, such as *webehomes.com*, *schlobotnikrealty.com*, or whatever. But, it can also be on a site host such as Blogger, Tumblr, or *Wordpress.com*. (Why? See the box, "When social isn't helpful.")

Let me make that clear, because too many people don't get it: You must create a Web page for you and your business, even if it's small and simple.

The next step is to make sure that page can be found.

STAND UP, STAND OUT

Getting your name and site to pop up high on a search engine's results can be a detailed, complex, and technical process. But this is a magazine, so we'll stick to some broad basics.

We know the goal: Get found.

The biggest step in doing this is to have a website that's updated regularly, because sites that remain static too long tend to disappear from search results. That doesn't mean you have to become a full-fledged, full-time blogger; simply updating your site a few times a week is enough. Yes, it's work, but that's why they call it a job.

If you have a technical person at your disposal (hint: try your local middle school), have hi, or her set up your site so it's easy for you to add a new listing or comment, or to link to an interesting article. If you post something new fairly regularly, you'll make a tremendous difference. No, you won't attract legions of followers, but that's not the goal. The goal is to look more useful to the Bings, Googles, and Yahoos of the world.

Whether you only plan to add to your site on occasion or update it every day, there are a few small but important steps to take.

Make sure the titles of your pages,

the text that shows up in your Web browser's tab, are meaningful. They should include your name and reflect the specific content of the page, for example; "Joe Schlobotnik – New Homes for Sale in Newton."

You want to avoid having every page with the same name (e.g., "Joe Schlobotnik, Realtor®"). If you have a blog, each entry should have your name and the title of the entry, (e.g., "Joe Schlobotnik, Realtor® – New refinance tool is easy to use.")

How to do this depends on how your Web site is built, so ask your resident Web or tech guy/gal to set you up and, hopefully, automate the process.

On a related note, if you have a blog or other regularly-updated content, give entries meaningful titles rather than funny or pithy ones. That will help search engines find them. So as catchy as "How Low Can They Go?" is, you're better off with "Lower mortgage rates mean more power for home buyers" instead. Better still, use local and real estate terms in your titles. Remember that the goal is to look good to search engines, even if your human readers might find your titles dry: "Springfield home shoppers find low mortgage rates mean more buying power."

Also, be sure that your name appears on anything you author; articles, blog posts, pointers to other information, and so on. If your publishing system defaults to a byline of "Editor" or the name of your site, change it. Put your name everywhere you can.

Again, it's about what the search engines' robots see, not how it looks to human visitors.

Finally, if you include images, use their names to your advantage. Most digital cameras spit out files with names like IMG_1734.jpg or P516885.jpg; images you get from others could have any name imaginable, including "image.jpg." So before you include one in your site, give it a more useful name that describes what it is: "chart_of_mortgage_rates.jpg" or "joe_schlobotnik_headshot.jpg." Ditto for any videos.

The point is to get your name, your town, and your real estate connection onto your site as many times as possible. It will help convince search engines that you're important enough to show up high in the results, and thus help clients and potential clients find you. And, that bottom line is what it's all about. Otherwise why be online in the first place? **MAR**

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__Andrew Kantor__ is the editor and information analyst for the Virginia Association of Realtors®, and a former business and technology journalist. Article reprinted with permission from Commonwealth Magazine – Virginia Association of REALTORS®

WHEN SOCIAL ISN'T HELPFUL

Why doesn't Facebook (or Google+ or LinkedIn) make a suitable home on the Web? Several reasons:

Most important, things you post there don't show up in search results. So you can post to Facebook till you're blue in the face and no one who isn't your "friend" will see them.

Social media stuff also tends to disappear over time. Even your friends and followers won't see what you post or tweet (that's a Twitter post) if a dozen other people they know also post. Yours will just get pushed off.

Finally, you don't want your central Internet presence to be on someone else's site (other than your broker's). Even beside the enormous privacy issues, remember that fads come and go; the Internet is here to stay.

Imagine if you took someone's advice a few years ago and built your site on AOL or MySpace — both once considered to be solid for the long haul.

Control your space.

NO SITE? NO PROBLEM

Let's say you have no interest in maintaining a website. You still need that Web "home," even if you hardly ever update it. Because even if you don't want to use the Internet for searching, most people do. They should be able to find you to call, fax, email or telegraph.

Assuming you use the Internet, even if just e-mail, take a moment to create a simple signature block that you use wherever you can at the bottom of all your e-mail, anytime you post something on the Web (even if it's a message to a knitting forum or a muscle-car page).

In that block, besides the required real estate disclosures, include a brief mention of what you do and a link to your Web home page. It's not much, but it does mean that every time you post a message you're adding a little cred to your name and home page.

For example:

(Full Name)

I'm a Realtor® in Detroit specializing in first-time buyers.

Call me!

(Web site)

(Phone)

(Real Estate Company)

Licensed in the state of Michigan.

A QUICK RESOURCE

www.seomoz.org/beginners-guide-to-seo

Risk Avoided

MAR's Legal Action Committee administers a legal defense fund. One of the purposes of the Legal Action Committee is to make certain that MAR has input in cases that have the potential to either positively or negatively affect REALTORS® throughout the State of Michigan. MAR became involved in just such a case, which ultimately resulted in a decision by the Michigan Supreme Court on March 21, 2013. If on that date REALTORS® sensed a bullet whipping narrowly by, they had good reason. Fortunately, it missed.

There is an old bromide among lawyers that bad facts can make for bad law. In other words, a plaintiff can be so sympathetic that a court will find in his or her favor without considering the broader potential negative effects of the decision. This was just such a case.

In this case, Plaintiff, Beckie Price, and her then-husband built a house in DeWitt, Michigan. Both Ms. Price and her husband were actually involved in the construction of the house. They raised their children in the house and, undoubtedly, Ms. Price intended to reside in the house for a long time.

The house was originally heated by an oil furnace. The oil tank for the furnace was located in the basement of the house. In 2006, Ms. Price decided to change the means of heating her house from oil to propane. Her neighbor had use for the oil tank and had it removed from her basement. Prior to the removal of the oil tank, Ms. Price had an ongoing agreement with a bulk oil company in which her property was listed on their "keep full list." Obviously, when the oil tank was removed and the propane furnace installed in her home, Ms. Price called the bulk oil company and cancelled her contract.

On November 17, 2007, Ms. Price left her house to go to work unaware that her world as she knew it was about to change in a very negative way, through no fault of her own. Somehow in November 2007, Ms. Price's house had been placed back onto the bulk oil company's "keep full list." On November 17, 2007, the bulk oil company's route driver was in the vicinity of Ms. Price's home. Unfortunately, at the time the oil tank was removed from Ms. Price's property, no one had removed the external oil fill pipe. The bulk oil company's truck driver began pumping fuel oil into the external oil fill pipe unaware that there was no longer an oil tank in the basement. The driver did not notice that he was simply pumping fuel oil into Ms. Price's basement until he had pumped nearly 400 gallons of fuel oil through the oil fill pipe. The truck driver had stopped pumping after a few minutes because he felt that it had gone on too long and that there might be a problem. He then looked into the basement and saw the fuel oil. He called 911 and emergency crews responded. Ms. Price was contacted at work and returned to her home only to find it totally unfit for human habitation.

The bulk oil company, its insurer and Ms. Price's insurer all responded immediately. An environmental consulting company was hired to assess the damage. Initially, it was determined that most of Plaintiff's personal items in her basement were not salvageable, although some personal items located on the main floor were salvageable. Porous items, wherever located, such as mattresses, clothing and pillows could not be salvaged because they had absorbed oil fumes. The personal items that could be salvaged were placed in storage or in a pole barn on Ms. Price's property. Ultimately, it was determined that the fuel oil had leaked into the soil and that Ms. Price's house itself was unsalvageable. It was completely demolished. It was not until April 18, 2008, that the Michigan Department of Environmental Quality advised Ms. Price that the excavation and cleanup of the soil had been completed and no further action was required.

Ms. Price stayed in an extra bedroom in her parents' house from November 17, 2007 through March 1, 2008. From March 1, 2008 until late-September 2009, Ms. Price stayed in a duplex. In the meantime, the bulk oil company, its insurer and Ms. Price's insurer were working to remedy the situation. Together, they paid for the construction of a new home for Ms. Price on the same property, although the new home had to be built on a different footprint on the property due to the instability of the soil where the excavation had occurred for environmental remediation.

Ms. Price sued the bulk oil company in August of 2008, alleging claims of negligence, gross negligence, negligent infliction of emotional distress, nuisance, trespass and an environmental claim. She requested compensation for the economic harm suffered by her (*i.e.*, the loss of her house and personal property), as well as non-economic damages for annoyance, inconvenience, pain and suffering, mental anguish, emotional distress and psychological injuries caused by the destruction of her house.

Ultimately, the bulk oil company asked the trial court to dismiss Ms. Price's claims. The basis for the request for the dismissal was Ms.

by Gregory L. McClelland, Esq. MAR Legal Counsel, McClelland & Anderson, LLP

Price's admission that she had not in fact suffered any economic loss from the destruction of her house because the bulk oil company, its insurer and her insurer had replaced everything and Ms. Price had suffered no out-of-pocket expense. It was no surprise that the trial court determined that the bulk oil company was negligent. This fact was uncontestable. However, the trial court agreed with the bulk oil company's position that since Ms. Price had suffered no out-of-pocket expense, she could not proceed with her claims based on the economic damage to her property.

"There is an old bromide among lawyers that bad facts can make for bad law… This was just such a case."

However, the trial court determined that Ms. Price could proceed forward with her claims for non-economic damages, *i.e.*, mental anguish. Ms. Price testified that she felt a great sense of loss as a result of the destruction of her house, which held special memories for her. She also testified that she was embarrassed as an adult to have to move into her parents' house and she suffered from sleeplessness and inability to concentrate due to the stress of the situation. She also took an antidepressant over the course of several months. Ultimately, the jury awarded Ms. Price $100,000 for her mental anguish.

The bulk oil company proceeded with an appeal to the Michigan Court of Appeals, presumably with great confidence. Prior to this case, there had been no case in the history of Michigan common law, which had allowed an award of non-economic damages for the negligent destruction of property. In other words, the general rule in Michigan had always been that a person could not recover for the negligent destruction of his or her property other than for economic injury. If the bulk oil company was confident in its position before the Court of Appeals, its confidence was misplaced. The Court of Appeals interpreted Michigan's historical prohibition on the recovery of non-economic damages (*i.e.*, mental anguish) as a result of the destruction of property as applying only to personal property. In other words, persons could recover mental anguish damages as a result of the negligent destruction of their real property.

MAR, along with the building industry, filed amicus briefs with the Michigan Supreme Court urging it to overturn the Court of Appeals' decision and restore the Michigan common law on this issue. The real estate industry understood that the effect of the Court of Appeals' decision would be to expose REALTORS®, builders and others involved in the real estate industry to potential incalculable exposure to sympathetic plaintiffs.

On March 21, 2013, the Michigan Supreme Court found that Michigan common law had never permitted recovery of non-economic damages for the negligent destruction of property, whether that property was real or personal property. Further, the Michigan Supreme Court determined that it was not appropriate to change the common law on this issue, but rather that such a decision was best left up to the Legislature.

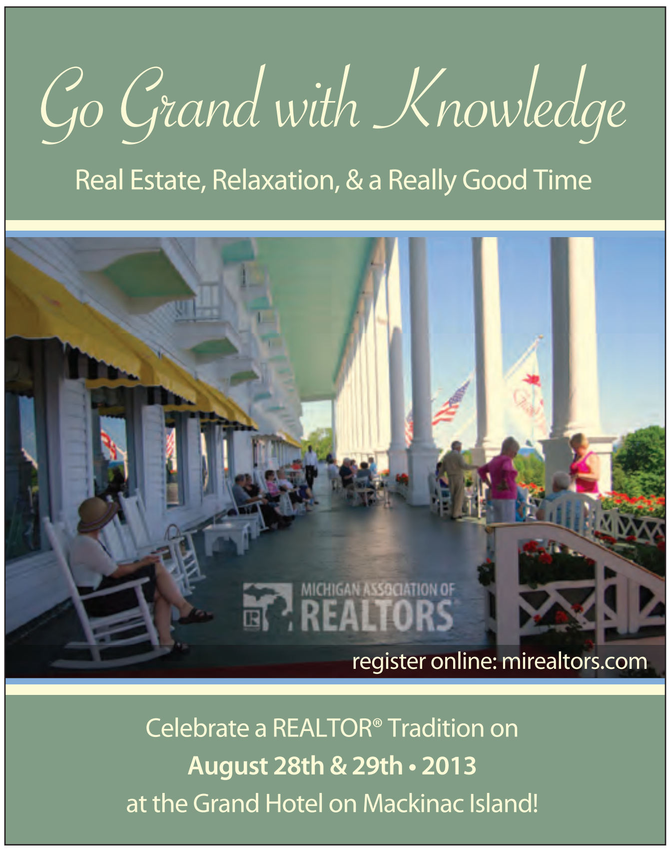
In rendering its decision, the Michigan Supreme Court acknowledged that Ms. Price undoubtedly suffered real emotional distress. However, in determining not to change Michigan's common law in this issue, the Court also acknowledged the potential exposure such a change would have to those involved in the real estate industry and the inconsistent damages that would result depending on whether a jury believed the plaintiff had a significant emotional attachment to his or her property or was otherwise sympathetic to the plaintiff.

The Michigan Supreme Court did not directly address a specific concern of MAR, *i.e.*, the potential for a growth industry in pursuing mental distress claims for property damage against REALTORS®, builders and anyone else involved in the real estate industry based on a contingent fee. In this case, the bulk oil company, its insurer and Ms. Price's insurer did everything possible to make certain she suffered no economic loss of any kind. In the end, Ms. Price's 30-year-old house was entirely replaced and people in the real estate business need not worry that they may be subject to mental anguish damages in the event of the destruction of real property. **MAR**

Michigan REALTORS® can stay informed of legal issues with updates through our Legal Lines.

MARket Place

The MAR Marketplace provides a cost-effective way for members and service providers to advertise to over 22,000 REALTORS® across the state of Michigan. To have your business card sized ad (2" x 3.5") featured in the next issue for only $200 for MAR members and $250 for non-members, contact Joe Kras at 800.454.7842 or ***jkras@mirealtors.com***.



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