

TEXAS REALTOR®

Succeed in Texas Real Estate

April 2020 \$3.50

FAIR HOUSING

It Only Works If You Do Your Part

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IS AN EMAIL AN ENFORCEABLE CONTRACT?

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SHAPING
TEXAS

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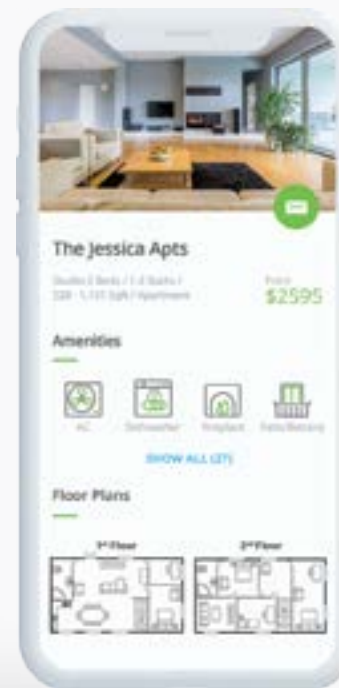
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Resident screening*	✓	✓
Corporate websites*	✓	✓
Property websites		✓
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Chairman

Greetings, Texas REALTORS® Family:

I pen this message knowing full well that by the time it's published, our world will look as different from today as today looks from just two weeks ago when our Texas REALTORS® Leadership Team's biggest challenge was leading a strategic planning session amid unprecedented social, professional, and financial abundance. Today, I pray for our military, first responders, and healthcare workers on the front lines. I pray by the time you read this, the worst is over, you and your loved ones are safe and healthy, and we are on a charted course to recovery.

Most of you will have spent the last weeks selflessly doing your share to mitigate the spread of disease and help your family and community meet urgent health and safety needs, because that is indeed "Who We R." You will have bravely met the challenges of your profession as you sought to safely deliver its essential services to stunned and fearful consumers.

As you were, perhaps still are, fighting those battles on the home front, many of you partnered with your senior Leadership Team, Executive Board, regional vice presidents, governmental affairs directors, committee members, NAR, local association executives, and elected leaders, and stepped up for Texas like never before. A small but mighty army of more than 70 Texas REALTORS® staff members, led by Travis Kessler, mobilized as seamlessly as if it had been a routine fire drill. Operations were moved from our Austin headquarters to the private homes of our staff members with no noticeable disruption of services. Working around the clock, IT systems were built, forms promulgated, shelter-in-place spreadsheets prepared, countless meetings launched, daily website updates built and launched, and much more.

Your decades of advocacy and earned trust put your state and local leaders at the table of the early response conversations, and will ensure they remain in those seats throughout the coming recovery. Those TREPAC dollars you've been investing for all these years in an effort to elect state and local officials who share our commitment to private property rights served you well. In the 100-year existence of Texas REALTORS®, your place in the process of #ShapingTexas has never been more evident, nor critical.

On a personal note, let me just say how proud I am to be in this fight with you, serving next to Chairman-Elect Marvin Jolly, Secretary/Treasurer Russell Berry, our newest teammate, Marcus Phipps, who will be secretary/treasurer in 2021, and the one and only Travis Kessler. Our battle stations are manned on every front with the best and brightest. Texas REALTORS® will not rest until we see our state, our members, and the consumers we serve through this challenge and the epic recovery we know will follow.

Cindi Bulla
Cindi Bulla

YOU WILL HAVE BRAVELY MET THE CHALLENGES OF YOUR PROFESSION AS YOU SOUGHT TO SAFELY DELIVER ITS ESSENTIAL SERVICES TO STUNNED AND FEARFUL CONSUMERS.

Visit texasrealestate.com/coronavirus

for the latest updates on how the coronavirus/COVID-19 is affecting real estate.



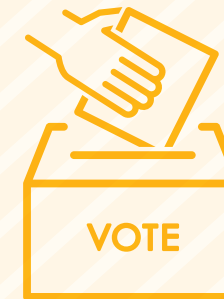
You will find:

- Information about events that have been canceled, postponed, or moved online
- FAQs about brokerage activity, closings, leasing and property management, online notarization, and more
- Updates on continuing education classes
- Links to information from TREC, NAR, and others
- Updates from Texas REALTORS® officers
- Resources for local associations
- The latest about elections and government actions.

How did REALTORS® fare in PRIMARY ELECTIONS?



54 of 56 state and federal candidates with contested primaries supported by the REALTOR® Party either won or advanced to May 26 runoffs.



RUNOFF ELECTIONS

Runoffs have been rescheduled due to the ongoing logistical challenges presented by the coronavirus. Texas REALTORS® will communicate to members about runoff dates as they approach. You can also find the latest information on elections and government actions at texasrealestate.com/coronavirus.

HOW TO VOLUNTEER FOR AN NAR COMMITTEE

● **Deadline is June 1** ●



The National Association of REALTORS® relies on dozens of committees for input and direction, and you can apply to serve. If you have interest and expertise, here's how you submit your information:

Visit nar.realtor/committees. From that page, you can find a list of committees, details about the selection criteria and process, and a button to apply.

Create or update your expertise profile. This is where you list your skills and expertise that pertain to that committee. Note that there are new questions for 2021.

Submit applications for up to five committees. If you have a preference for which committee(s) you want to serve on, note that in your expertise profile. Committee terms range from one to three years.

Request endorsements. Though an optional step, securing endorsements from others about your abilities and qualifications may boost your chances of securing a committee appointment.

Deadline for submitting applications and receiving endorsements is June 1.

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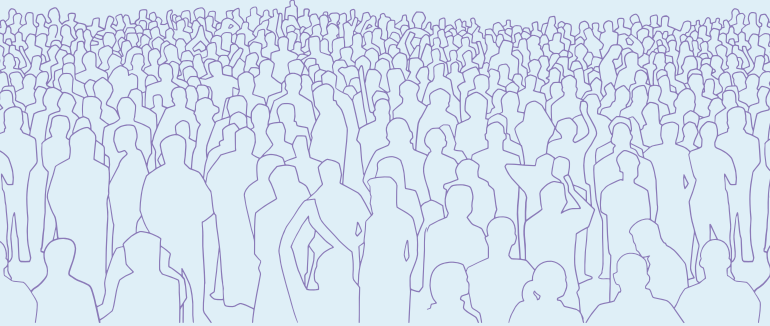
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INSIGHTS

WHAT 7,508 PEOPLE TOLD US

Results from the 2020 Texas REALTORS® Member Survey



Thanks to the 7,508 of you who responded to the 2020 Texas REALTORS® Member Survey. Here are just a few of the major highlights.

Texas REALTORS® Gives You Value

Ninety percent of respondents were satisfied or very satisfied with the value they receive from Texas REALTORS®. You find most value in the forms, professional standards, risk-reduction tools, designations and continuing education, Legal Hotline, and MarketViewer.



You are always fighting for REALTORS®!



The association is responsive, the meetings are very good, and our legislative PAC is well educated and involved.



Publications and emails are full of great information.

Where You Want Texas REALTORS® to Focus in the Future

You're looking for more education, both for experienced and new agents. You want increased professionalism and better technology solutions. You also want the association to help combat the notion that websites know more than REALTORS® about buying, selling, and leasing property.



I want tech tools I can leverage to help my business.



Better educated agents make the entire industry better and advance the reputation of our profession.

What Texas REALTORS® is Doing With These Results

Your feedback is critical. It will help formulate the association's next strategic plan and be used by leaders and staff to provide an even higher level of service to members. Association leaders want to ensure that Texas REALTORS® is providing products and services that are relevant and help you achieve success.

8 QUESTIONS GIVE YOU ACCESS TO MORE THAN \$675 BILLION

United States®
Census 2020

The 2020 census is live. Have you been counted?

As an official Census Partner, Texas REALTORS® is working to encourage members to participate in this year's decennial census to help shape the future and better understand the housing industry.

A simple survey

The census asks questions such as how many people are in your household, demographic information about each person, and whether the home is owned or rented.

How the information is used

An accurate count helps ensure your community receives its share of more than \$675 billion per year in federal funds for schools, hospitals, roads, and other vital programs.

The data is also used for drawing legislative districts to determine how many members of Congress will represent us in Washington, D.C.

2 ways you can help

Your response—and the response of every member of your community—is critical.

There are two ways you can help:

- **Spread the word.** Use the resources at texasrealestate.com/2020census to educate clients about the importance of their response.
- **Do your part.** Complete the survey for your household so you're prepared to answer questions: my2020census.gov.



WHAT'S YOUR SPECIALTY?

Members of Texas REALTORS® have access to information and resources for the following real estate specialties:

- Property Management
- Commercial
- Global
- Farm and Ranch
- Affordable Housing
- Brokers and Managers
- Young Professionals and Diversity

Find information online at texasrealestate.com > For REALTOR® Members > Specialties.



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FINALLY

say yes to success.

Positive culture. Better career.

You deserve a supportive and collaborative office culture. From weekly communication, with up-to-date information, to business planning activities, annual awards and plenty of recognition for your achievements, you'll be plugged into a team that will help your career thrive. Plus up your game with weekly webinars, in-person workshops, and Weichert University e-learning courses to help you stand out from the competition.



Get the support you need from your brokerage. And the career you deserve. Give your local Weichert office a call today or visit jobs.Weichert.com

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HANDLING A PIECE OF HISTORY

Historic properties are different from other homes. Whether your client wants to sell a piece of history or buy one, here's what you should know about these unique properties.

Old may not be historic. Homes can be very old and not be considered officially historic. Property owners must apply to be officially recognized by the Texas Historical Commission (THC). The state honors buildings that are worthy of preservation for their architectural and historic associations.

Historic may not be that old. Homes must be at least 50 years old to be deemed historic. A significant home built in 1970 would qualify this year.

Know your designations. Texas recognizes different designations: the National Register of Historic Places, Recorded Texas Historic Landmarks, State Antiquities Landmarks, and National Historic Landmarks.

These designations may restrict what a homeowner can do with the property, such as requiring owners to maintain the property and notifying THC of any alterations. Some homes may be eligible for state and federal tax benefits for historic rehabilitation, as well as lower property taxes.

Look locally. Your city may recognize local history

through historic landmarks or districts. These districts may have regulations to preserve an area's character. Homes in historic districts may be subject to special requirements such as limiting exterior renovations or requiring maintenance. These homes may also receive tax abatements. Buyer clients will want to check with local planning and zoning departments to learn what rules may apply.

Expect attention. A charming older home has a lot of curb appeal. Walking tours pass by architecturally significant homes and historic districts. Your client's home may be photographed. Other considerations to discuss include loitering, privacy, security, and street parking.

Find the right price. It may be difficult to put a price on history. When possible, look at comparable properties nearby with the same architectural style built around the same time. Be sure to take condition into account.

Set expectations. Sellers need to understand that the market for historic homes may differ from the market for other homes. Buyers should consider whether they are ready for idiosyncrasies that often accompany historic homes, like smaller rooms, less storage, and expensive repairs because of non-standard items.

Property Management

A SMART WAY TO PROTECT PROPERTIES



Smart home technology doesn't just help people living in a residence; it can also benefit property managers and landlords.

Internet-connected "always on" devices can instantly alert tenants and property managers to potential damage. Water-leak sensors, freeze sensors, and smoke detectors not only sound alarms that can be heard in the property; they also send alerts via text or an app. That can drastically reduce response time when tenants are not home. And when it comes to water, fire, and smoke damage, even a few minutes can be the difference between minor damage and a total loss. Some leak sensors even include a device that shuts off the main water supply when triggered.

Property managers may want to consider the following before installing smart home devices:

- Who pays for and owns the smart devices—the landlord or property manager?
- How do the smart devices connect to the internet? Whether directly via Wi-Fi or through a hub such as those from Google, Amazon, or Apple, will you need the tenant's permission to pair the devices?
- Who will receive notifications from the smart devices and what are their responsibilities when receiving alerts?
- What information will be provided to the tenant regarding the information the technology collects, and are privacy issues addressed?

As with other aspects of property management, thorough written documentation will help prevent problems from arising.

9 IDEAS FOR YOUR SOCIAL MEDIA, BLOG, OR NEWSLETTER

Promoting your expertise with shareable content relevant to real estate or your community is a great marketing technique. But where do you get ideas for your social media posts, newsletter, and blog?

Here are nine suggestions to get you started. Also, check out the Texas REALTORS® feeds on Facebook, Twitter, and Instagram for daily, consumer-focused content you can share.

1. Staging and decorating tips
2. Local market statistics (including those at texasrealestate.com/marketviewer)
3. Common seller and buyer mistakes
4. Basics of home inspections
5. What to expect at closing
6. Simple repairs that give sellers the best return
7. The difference between a REALTOR® and a license holder
8. Interesting historical facts about your city
9. Restaurant and business openings in the area

MILLENNIALS' attitudes toward HOMEOWNERSHIP

Millennials are more interested in traveling the world and attaining wealth than owning homes, according to a recent study of more than 13,000 25- to 37-year-olds in 42 countries.

49%

of Millennials indicated they have an ambition to own a home of their own

Of those who want to own their own home

75%

are confident they will get there.

59%

would like to see the world

52%

aspire to wealth





DO YOU OWN YOUR DATA?

Agents and brokerages today use lead generation services, transaction management tools, apps, and customer relationship management tools. While these tech tools can help your business, they also collect and house data about your business and clients.

Here are three questions to consider when using a tool that will collect data about your business.

Who owns or provides the service?

If you're using a tool provided by your brokerage or tied to a franchise, the data you input, such as client information or leads, may belong to the entity that provided the tool.

Is there an agreement in place?

The software's end user agreement may contain provisions about who owns the data in the tool and what you're allowed to do with it. Your independent contractor agreement may also have provisions about who owns the business data you generate. Review all terms and agreements to see how they apply to your data.

Is there a way for you to export and move your data?

Check to see if there's a clearly outlined process for exporting your data and whether it will be in a format you can move elsewhere. For example, does a CRM allow you to export data in a widely used format like CSV or does it restrict exports to a proprietary format that can only be opened by its own products?

Knowing the answers to these questions will help prevent surprises and let you make informed decisions about your data, such as keeping a personal backup or using tools you've vetted and control.

WHAT ARE YOUR BUYERS RISKING?



Choosing to forego certain steps during the sales process can come back to haunt buyers. Here are two areas where your clients should understand their risks.

Not Having an Option Period and a Home Inspection

Considering the expenses involved in purchasing a home, buyers may be reluctant to spend any more money than necessary to close under the sales contract. However, the costs of an option fee and a home inspection are inexpensive compared to related potential savings for your client.

For example, an inspection could reveal a roof problem that requires several thousand dollars to fix. Buyers who obtain an inspection during an option period could negotiate a roof repair with the seller and, if not satisfied with the outcome, exercise their right to terminate the sales contract during the option period. Buyers who skipped the option period and inspection to save a few hundred dollars would likely regret that decision when they eventually discovered the roof condition.

Skipping the Final Walk-Through

The buyers are supposed to receive the property in the condition required by the sales contract. But what if the property's condition has changed since their last visit? Maybe the sellers damaged the home when moving out. What if the sellers were supposed to leave the patio set and washer and dryer but instead took them?

It's easier to resolve these types of situations if the buyers do a final walk-through right before closing. They can then voice their objections to any change in the property's condition or any missing non-realty items before they take possession of the property. Once the buyers close, it's much harder to remedy any issues.

These are only two of the many areas where your expertise as a REALTOR® is vital to your clients' success.

5 FHA LOAN FACTS TO SHARE WITH CLIENTS



Share up-to-date information with your buyers so they can be better informed about the loan options available to them.

FHA Loans Are Available for Individual Condos

Thanks to a change in October 2019, buyers can qualify for FHA loans for individual condos without the entire building needing to be approved. To get FHA approval for a single unit, the buyer's lender will still need to file paperwork with the FHA showing the development meets basic FHA standards.

FHA Offers Loans for Fixer Uppers

An FHA 203(k) loan can be used to purchase and renovate a property. The costs of the renovation are rolled into the total mortgage amount. The property may undergo two appraisals: an "as is" appraisal assessing the pre-renovation condition and an appraisal that assesses what the hypothetical condition would be after renovations are complete.

Gift Money Can Be Used as Part of a Down Payment

An FHA loan allows you to use gifted money as part of your down payment. The donor will need to provide a letter signed and dated by the person giving the gift and the borrower with the giver's contact information, their relationship to you, the dollar amount of the gift, and a statement that no repayment is required.

FHA Mortgage Insurance Cancels After 11 Years for 10% Down Payments

Mortgage insurance is required for all FHA loans, but if a down payment of 10% or more is made, mortgage insurance premiums last only for 11 years rather than the life of the loan.

Debt-to-Income Ratios of 50% Allowed

Under certain conditions, FHA loans will allow a debt-to-income ratio of up to 50%, which means your total monthly debt payments could be up to 50% of your pretax income. Qualifying for this maximum ratio requires a credit score above 580 and compensating factors such as verified cash reserves or additional income not already factored into the ratio. Debts you aren't actively paying count toward this ratio. For deferred student debt, 1% of the total will be used as the monthly payment amount. For other loans you aren't currently repaying, 5% of the loan's total will be used to calculate your ratio.

REAL ESTATE STATS AND TRENDS AT YOUR FINGERTIPS

Texas REALTORS® publishes a variety of reports that can help you better understand factors related to your work as a real estate professional:

- Relocation trends
- Quarterly and year-end housing sales statistics
- Homebuyer and seller demographics, behaviors, and desires
- Small-land sales
- Texas home sales to international buyers
- Condominium sales
- Luxury home sales
- Remodeling valuations
- Texas REALTORS® member demographics, business characteristics, and practices.

Visit texasrealestate.com > For REALTOR® Members > Research to view and download the reports.



YOUR DATA IS SAFE WITH TEXAS REALTORS®

Texas REALTORS® is committed to protecting your privacy. The association collects certain personal information about members and uses that information to provide the best possible membership experience. It is sometimes necessary to give access to association data to vendors and partners working on the association's behalf. However, the association follows strict policies when providing such access and does not sell your personal information.

See the full Texas REALTORS® privacy policy at texasrealestate.com/privacy-policy.



IS AN EMAIL AN ENFORCEABLE CONTRACT?



Emails can be useful for planning and negotiating a real estate deal. When exchanging emails while negotiating a transaction, you may want to consider whether you are creating an enforceable contract. Two recent rulings from the Texas Supreme Court provide some guidance on when an email exchange can form an enforceable contract.

Clear Agreement

A pipeline company, Copano Energy, began negotiations via email with a group of landowners for the company to purchase an easement to build a pipeline. The final compensation offer was significantly lower than the amount previously discussed via email, however, and the pipeline was never built. The landowners sued the company for breach of contract.

In *Copano Energy, LLC vs. Stanley D. Bujnoch, Life Estate*, the court ruled that the series of emails exchanged during negotiations, when taken together, did not form an enforceable contract because essential elements of the agreement were not clear from the writings. Texas Supreme Court Justice Jimmy Blacklock wrote that there was no “written memorandum which is complete within itself in every material detail,” as required. Emails can be considered binding if both sides agree to the same terms—what the law calls “intent to be legally bound.”

Make it Official

In *Chalker Energy Partners III, LLC vs. Le Norman Operating LLC*, the court also ruled that emailed negotiations did not constitute a binding contract. In the case, Chalker and 17 individual owners planned to sell their oil and gas assets through a bidding process. The terms of the deal required a mutually agreed upon purchase-and-sale agreement (PSA) to move forward. Le Norman Operating, LLC, the failed bidder, argued that the owners breached an agreement reached through email negotiations. The owners, however, argued there was no contract because no PSA existed. The court ruled in favor of the owners because the execution of a PSA was an essential part of the agreement.

REMEMBER: The law on contracts formed via email or text message is continuing to evolve. While emails and other forms of electronic communication are commonly used in real estate transactions, be clear about the intent of any electronic communication with clients and other parties to avoid unintentional legal obligations.

Contract Closeup IS THAT LEASE 90 DAYS OR LESS?

When a seller will occupy the property after closing, use the *Seller's Temporary Residential Lease* (TXR 1910). However, this form is intended to be used only for leases of 90 days or fewer. A separate lease agreement is needed between the seller and buyer if the seller will occupy the property after the initial 90-day period.



Legal Hotline

800-873-9155

We have callers to the Legal Hotline ask when the fee to extend an option period should be delivered. To extend an option period, you would use TREC's *Amendment of Contract* (TXR 1903) and fill in the additional fee amount in Paragraph 6. Note that putting \$0 in Paragraph 6 may risk the extension being held unenforceable. There is no time period stated in the *Amendment* for delivering the fee to extend the option period—the language presumes it has already been paid. The best practice would be to deliver the fee at the same time the *Amendment* is executed.

—Laura Miller, staff attorney



Fact or Fiction?

You must include your TREC license number on all real estate signs.

FICTION. TREC does not require license numbers on signs or other advertising. However, make sure you follow TREC rules and Code of Ethics requirements regarding information that *must* appear on all ads, including signs.

WHO OWNS THE LISTING PHOTOS?

The Texas REALTORS® Legal Department created model policies to help you establish rights regarding ownership and use of photos. They are designed to work together and separately—you can use all of them or only one.



Model Work Made for Hire Agreement

This form states that the broker is the owner and author of the photographs from their creation.

Model Assignment Agreement

This form states that a photographer assigns all rights to the photographs to the broker.

Model License Agreement

This form states that the photographer retains ownership of the photographs but grants to the broker a license to use the photographs.

Find these model policies at [texasrealestate.com](https://www.texasrealestate.com) > For REALTOR® Members > Legal & Ethics > Resources > Manuals and Guides.

Your Forms



Real estate transactions include many terms that may be unfamiliar to people. Use *General Information and Notice to Buyers and Sellers* (TX 1506) to bring your clients up to speed on key terms and major topics that may come up during transactions. This form can be used with residential, commercial, or farm and ranch clients. This is just one of more than 130 forms exclusively for members of Texas REALTORS®.

Your membership in Texas REALTORS® is

Your path to a **thriving**
real estate market, **satisfied**
clients, and a **growing**
business.

Learn more at texasrealestate.com

It Takes a **VILLAGE**

by Joe Olivieri

How commercial member Will Northern teamed up with property owners, developers, and the city of Fort Worth to create an urban village and win the 2019 William C. Jennings Award for commercial transaction of the year.



WILL NORTHERN of WNC Commercial (**center**) poses with the Texas REALTORS® Leadership Team after winning the William C. Jennings Award for commercial transaction of the year. Northern received the award at the 2020 Winter Meeting in Austin earlier this year.

Fort Worth civic leaders saw potential for an urban village in the Six Points neighborhood. It had history, culture, diversity, and a great location northeast of downtown. It needed public infrastructure improvements and private investment to realize its potential as a mixed-use area with a sense of place.

Enter REALTOR® Will Northern, a commercial broker with Northern Realty Group. He represented a property owner who wanted to sell to a developer, and Northern understood the city's vision for Six Points.

Welcome to Six Points

Six Points is roughly defined as the area between McLemore Avenue, Blevins Street, Noble Avenue, East Belknap Street and Oakhurst Scenic Drive.

In 2005, Fort Worth designated Six Points as an urban village with the goal of revitalizing the area. The city drafted a master plan in 2007 after conducting public meetings and market analysis.

Residents said the area faced challenges: It wasn't pedestrian friendly and lacked lighting and housing inventory. There were

blighted buildings and public safety issues. The area also needed street and drainage improvements.

Residents agreed that a future Six Points urban village should embrace key principles:

- Celebrating the area's historic values and traditions
- Creating and maintaining living for working-class residents
- Creating an entertainment district
- Making the area pedestrian friendly
- Incorporating a Main Street/Deco urban and Texas oasis of landscape designs.

Envisioning an Urban Village

The area south of Race Street between Sylvania Avenue and Riverside Drive presented the greatest opportunity to create an urban village realization, according to the master plan. It had common area parking lots, enough land for an anchor site and village public plaza, and plans for mixed-use development.

That's the area where Northern's client owned property.

To sell the property, Northern needed to showcase what Six Points could become. He delved into the city's documents and found zoning maps and renderings. He found older urban village studies. Northern pulled these pieces together to make his marketing materials.

He then worked to identify suitable buyers who shared the same vision as the city and community stakeholders. Northern's efforts led to the property owner and Criterion Development Partners in September 2013 executing a two-phase contract to develop the property. Phase I included an apartment complex, and Phase II included an entertainment district. However, Phase II wouldn't close until the city made some improvements.

Negotiations and Construction

Fort Worth voters approved \$6 million for street and transportation improvements for urban villages as part of the 2014 Bond Program. Unfortunately, \$6 million wasn't enough to improve all 16 proposed villages. Developers had to apply and compete for the money to be awarded to their projects.

Northern and Criterion shared their dream for Six Points with city officials. They said improving the area would make development lucrative and beneficial to the community. They proposed workforce housing, lighting, and a public art installation.

"I represented the two parties and facilitated the real estate deal," Northern says. "Criterion handled the negotiations with the city of Fort Worth. I helped tell the story of what could be and shared the information that the city told developers."

The city backed up its commitment to Six Points by dedicating a large chunk of the bond money, as well as

a Federal Highway Administration grant, toward Race Street. That money would reconfigure traffic and add the city's first back-in angled parking. Those funds would also go toward lighting, bike lanes, wide sidewalks, pedestrian crossings, and landscaping.

"Six Points received bond money with the rationale of, 'Here's this incredible project. Let's make a real impact that will be a real catalyst for the area,'" Northern says.

Next Steps

"Criterion built the apartment complex in tandem with the city doing street construction, but there was a significant amount of time between when we closed on the land and when they started construction. That's when they were negotiating with the city and when the city was negotiating with other private property owners along Race Street to secure rights-of-way for the back-in parking. That's why the transaction for Phase II took so long to close," Northern says.

In 2019, Criterion began leasing the mixed-use apartment complex, The Union at River East. It included retail and commercial spaces as well as studio and one- and two-bedroom units, according to the developer's website.

After nearly five years of planning, competition for funding, and construction, Six Points was developed. With the city's commitment fulfilled, Criterion could focus on closing on Phase II and complete the vision and planning for a proposed entertainment district, now called River East.

Northern also provided commercial leasing when Criterion purchased buildings lining the

north side of Race Street—many of which were purchased out of foreclosure—to include in River East's master plan. Northern was able to bring tenants to the table, providing an anchor and office tenants that otherwise would have relocated elsewhere.

"Price points have gone up," Northern says. "Rent rates have gone up. Business is up. All the people living in single-family homes immediately around the mixed-use zone are now living that urban village lifestyle. They are walking from their house to the businesses, the restaurants, the shops."

Today, Phase I's apartment complex is almost fully occupied, the streets have been rebuilt, and Phase II has closed. Northern has since merged with another company and rebranded as WNC Commercial.

"Truly, we just created an urban village," Northern says. "Before there were a bunch of rundown buildings, and no one wanted to be there. But because of a public-private partnership and a lot of money and a vision, we now have a thriving urban village that is successful."

JOE OLIVIERI is assistant editor for Texas REALTOR®.

Improving the area would make development lucrative and beneficial to the community. The proposal included workforce housing, lighting, and a public art installation.

WANT TO BE PART OF TEXAS REALTOR?
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FAIR HOUSING FOR ALL

There is no community without unity. There is no justice without equality. The Fair Housing Act protects all from discrimination based on race, color, national origin, religion, sex, familial status, or disability in housing transactions.

As stewards of the right to own, use and transfer private property, REALTORS® are committed to upholding fair housing laws and providing equal professional service to all in their search for real property.

For fair-housing information to share with consumers, see page 27 of this issue or visit texasrealestate.com/sharethis



FAIR HOUSING ONLY WORKS IF YOU DO YOUR PART



The aim of the Fair Housing Act is simple: to prevent discrimination in housing-related matters. People should have equal access to housing and housing-related services regardless of race, color, religion, sex, disability, familial status, or national origin. Realizing that goal, though, has proven challenging. Unfair practices—on purpose and unintentional—persist that lead to detrimental effects on individuals, families, and communities. Through training, awareness, and action, REALTORS® can lead the effort to ensure the Fair Housing Act achieves the objectives laid out more than 50 years ago.

An Investigation Reveals Troubling Practices

An investigative report aired in November 2019 by Newsday garnered attention in the real estate industry and beyond. The three-year probe took place on Long Island, New York, and provides insights into ways real estate brokerages and agents engaged in practices that showed evidence of unequal treatment.

The investigation relied on pairs of testers to assess whether real estate agents were treating people unfairly. Paired testing—often used by fair housing advocates and the U.S. Department of Justice and local governmental authorities—can reveal methods of housing discrimination that are more subtle than obvious violations.

The testers were actors who were given details to memorize about their lives and situations. Testers in a pair presented themselves with similar circumstances, such as financial situation and housing-related requests; however, race or ethnicity among a pair of testers was different.

The testers visited 93 agents in 12 different brokerages on Long Island. They secretly recorded 240 hours of interactions. Experiences for the two testers in a pair were compared to note disparate treatment.

Unequal treatment of minorities was observed in 40% of the tests.

- Asian testers received unequal treatment 19% of the time
- Hispanic testers received unequal treatment 39% of the time
- Black testers received unequal treatment 49% of the time.

Examples of how agents treated testers differently included:

- Asking a minority tester to get pre-approved before showing that tester homes, while not requiring pre-approval from a similar white tester.
- Steering the two testers in a pair to different communities despite the testers presenting the same requirements and goals.
- Requesting ID from a minority tester without asking for ID from a white tester.
- Providing information about crime or ethnic makeup of neighborhoods only to the white tester in a pair.

Often in the tests, the actions of an agent were not indicative of a fair housing violation when viewed in isolation. Unequal treatment only became apparent when comparing the experiences of the two testers in a pair. For example, it is not a violation to ask a buyer to get prequalified for a mortgage prior to showing that person

homes if the agent asks that of all buyers. It becomes a fair housing issue when the agent makes showing homes conditional on prequalification based on one of the protected classes, like race.

The investigation also found problems with fair housing training for agents and brokers on Long Island. Newsday reporters visited six training sessions and showed notes and transcripts to fair housing experts. The experts deemed five of the six classes “sometimes or often inaccurate, incomplete, confusing, or lacking in quantity and quality,” according to the report.

The Basics of the Fair Housing Act

When signed into law in 1968, the Civil Rights Act prohibited discrimination related to the sale, rental, and financing of housing based on four protected classes: race, color, religion, and national origin. An amendment in 1974 added sex as a protected class. Handicap and familial status were added in 1988.

The Fair Housing Act prohibits the following activities:

- Refusing to rent or sell housing
- Refusing to negotiate for housing
- Making housing unavailable
- Denying a dwelling
- Setting different terms, conditions, or privileges for sale or rental of a dwelling
- Providing different housing services or facilities
- Falsely denying that housing is available for inspection, sale, or rental
- Engaging in blockbusting practices
- Denying anyone access to or membership in a facility or service (such as multiple listing service) related to the sale or rent of housing
- Threatening, coercing, intimidating, or interfering with anyone exercising a fair housing right or assisting others who exercise that right
- Advertising or making any statement that indicates a limitation or preference based on one of the protected classes.

A New Chapter in Fair Housing Action from NAR

In January this year, National Association of REALTORS® leadership unanimously passed a fair housing action plan called ACT, which stands for Accountability, Culture change, and Training. The goal of the plan is to ensure that all REALTORS® do everything possible to protect housing rights.

The plan calls for the following:

- Work with state REALTOR® associations to ensure that state licensing

VIEW NEWSDAY'S INVESTIGATION

Newsday has published an extensive interactive article about its investigation outside its paywall. Access the article at projects.newsday.com/long-island/real-estate-agents-investigation/ or search the term *Long Island Divided*. You can also find the full 41-minute documentary about the three-year investigation on that page.

Photo: © vartabed - stock.adobe.com

The REALTOR® Code of Ethics also includes sexual orientation and gender identity as protected classes.

Cities or other jurisdictions may include other protected classes, such as age.

WHAT DO YOU KNOW ABOUT THE CLIENTS YOU SERVE?

What sellers want most from you

- 1 Help seller market home to potential buyers **22%**
- 2 Help sell the home within specific timeframe **20%**
- 3 Help price the home competitively **19%**
- 3 Help seller find ways to fix up home to sell it for more **19%**
- 5 Help find a buyer for the home **7%**

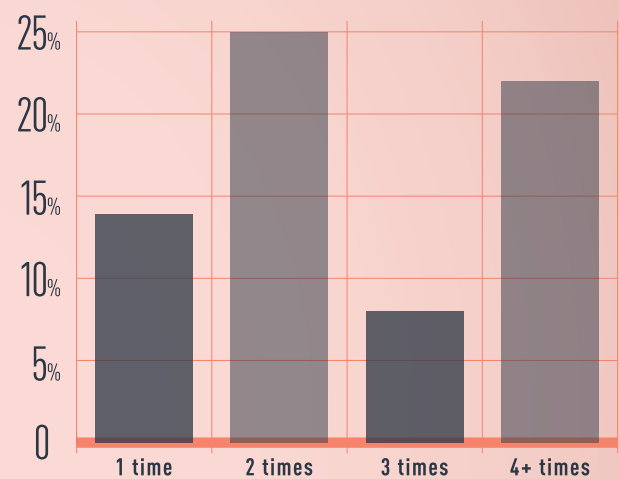
89%
of sellers worked with an agent



68%
of sellers found their agent through a referral or had worked with the agent before



75%
of sellers contacted only one agent



How many times a seller recommended agent after selling

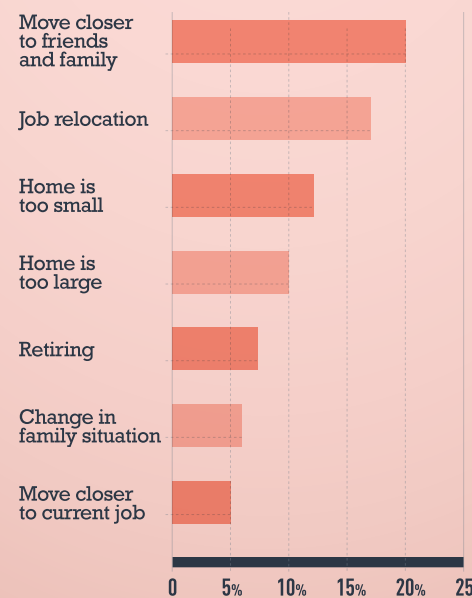
12 years
Median tenure Texas sellers stayed in their home before selling

95%
of sellers were very or somewhat satisfied with the process



7 years
Median tenure in 2009

Why sellers move



\$64,050
Median amount over their purchase price Texas sellers cited selling for



9%
of homes sold for more than the asking price



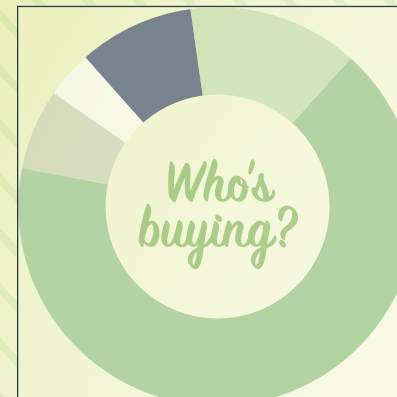
38%
of sellers offered incentives



25%
of clients brought up negotiating the commission



58
median seller age



- MARRIED COUPLES **67%**
- SINGLE FEMALES **17%**
- SINGLE MALES **10%**
- UNMARRIED COUPLES **5%**
- OTHER **2%**

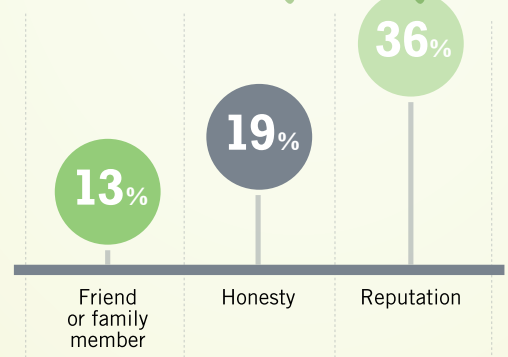
9
Median number of homes a buyer visited



\$250,500
Median purchase price

9% paid above asking price
28% paid full asking price

Most important factor when choosing an agent



What buyers want most from you

- 1 Find the right home **53%**
- 2 Negotiate price or terms **18%**
- 3 Determine what comps are selling for **8%**
- 4 Help with paperwork **7%**

65% consider commuting costs very or somewhat important
15 years Buyers expect to live in their homes a median of 15 years

24% purchased new homes

51%
were referred to agent by friend or relative, or used agent previously

91%
would use their agent again or recommend to others

16%
purchased homes for a multi-generational household


41%
first step was looking online at properties

	2019	2009
Median age of buyers	52	40
Buyers under 35 years old	20%	35%
First-time buyers	31%	47%
Median home search	10 weeks	10 weeks

Most difficult steps in buying a home
FINDING THE RIGHT PROPERTY: **54%**
PAPERWORK: **17%**
UNDERSTANDING THE PROCESS: **16%**

Results excerpted from the 2019 Profile of Texas Homebuyers and Sellers, a Texas oversample of NAR's nationwide homebuyer and seller survey. Responses are buyers who purchased a primary residence in the 12-month period between July 2018 and June 2019. Respondents had the option to fill out the survey via hard copy or online. The online survey was available in English and Spanish.

How Well Do You Know Your Texas REALTORS® History?



SHAPING TEXAS 1920-2020

Celebrate the Centennial!

Be sure to participate in the activities and festivities commemorating 100 years of REALTORS® shaping Texas.



COME TO SAN ANTONIO FOR A GRAND CELEBRATION: AUGUST 31 - SEPTEMBER 3

The 2020 Texas REALTORS® Conference returns to the city that hosted the association's first convention 100 years ago. Enjoy special events, presentations, and parties, right on the San Antonio River Walk.

VIEW THE 3D ART PIECE IN PERSON

The 5' x 5' piece adorned with milestones and mementos will be on display at the Texas REALTORS® Conference in San Antonio. The art piece will be permanently displayed in the lobby of the Texas REALTORS® office in Austin. You can also view an interactive version of this art piece with captions and videos at texasrealestate.com/100.



NOMINATE A REALTOR® FOR "100 ACTS OF KINDNESS" RECOGNITION

This recognition shows the many ways REALTORS® help their communities. Any member, brokerage, or local association can submit entries. Deadline for nominations is June 1. Find more information and the nomination form at texasrealestate.com/100.



As the association celebrates its centennial and looks forward to the next 100 years of REALTORS® shaping Texas, test your knowledge of the organization's history.

- The first attempt to create an association of real estate professionals in Texas began in 1911 but dissolved during World War I. One focus of that association was to bring professionalism to the industry by ridding real estate of unscrupulous dealers known at the time by what term?
 - Freestoners
 - Curbstoners
 - Zipflammers
 - Whiplashers
- What was the association's name when it formed in 1920?
 - Texas Real Gentlemen's Association
 - Realty Association of the Great State of Texas
 - Texas Real Brokerage Association
 - Texas Association of Real Estate Boards
- Which of the following took place during the association's first convention in 1920 at the Gunter Hotel in San Antonio?
 - Four of the delegates shot wild turkey, duck, venison, and quail, which hotel staff prepared for a banquet.
 - The 89 delegates and their spouses had a swimming party in the San Antonio River.
 - Delegates re-enacted the Battle of the Alamo.
- One of the association's first goals was to create a state licensing law for real estate professionals. How long did it take to realize that aim?
 - 7 months
 - 2 years
 - 7 years
 - 19 years
- When the association started in 1920, what percentage of its members were women?
 - 0%
 - 1%
 - 12%
 - 21%
- What percentage of the association's members are women now?
 - 40%
 - 50%
 - 60%
 - 70%
- Which of the following has not been an official publication of the association?
 - The Texas Landsman
 - The Landsman
 - Texas Real Times
 - The Texas REALTOR®

8. TRUE OR FALSE? In the late 1940s, the Texas attorney general ruled that the Texas Real Estate Commission could not require license applicants to pass a competency test.

9. Which of the following has Texas REALTORS® played a significant role in creating? (Select all that apply)

- A real estate license law
- The Texas Real Estate Commission
- The Real Estate Center at Texas A&M
- TREC's Broker-Lawyer Committee
- Standardized real estate contracts
- Home equity legislation with homeowner protections
- Eminent domain laws limiting government overreach
- An exemption for real estate brokerages from the DTPA
- A commercial lien law to help collect commissions
- A constitutional ban on most real estate transfer taxes
- Minimum requirements brokers must provide clients

10. In what year did the association first offer a Caribbean cruise with real estate courses offered onboard?

- 1950
- 1960
- 1970
- 1980

11. Which of the following designations and programs has Texas REALTORS® created? (Select all that apply)

- Texas REALTORS® Leadership Program
- Texas Minimum Services Broker
- Texas Residential Property Manager
- Texas Residential Leasing Specialist
- Texas Affordable Housing Specialist

12. TREPAC reported \$17,250 in contributions from 923 investors in 1972. How much did members invest in TREPAC last year?

- \$575,000
- \$1.2 million
- \$3.8 million
- \$5.7 million

13. Which of these Texas REALTORS® committees is the newest?

- Texas REALTORS® Commercial
- Diversity
- MLS & Technology
- Texas Young Professionals Network

14. TRUE OR FALSE? The Legal Hotline started in the 1970s with a limit of one call per month per member.

15. Which three of these options are the association's pillars?

- Resources & Tools
- Strength
- Advocacy
- Flexibility
- Professionalism



CHECK YOUR FEED FOR #SHAPINGTEXAS

Weekly posts on Facebook, Instagram, and Twitter celebrate the association's rich history. Be sure to use #shapingtexas to add your own memories.



GET YOUR CENTENNIAL MERCHANDISE

Limited edition centennial merchandise will be available for purchase—get yours to show your Texas REALTORS® pride! Visit texasrealestate.com/100.



ENTER YOUR DESIGN FOR THE CENTENNIAL T-SHIRT

The winning design will be printed on T-shirts and available for purchase online and during the Texas REALTORS® Conference. The winner will also receive \$500. Deadline for submissions is May 1. Learn more at texasrealestate.com/100.



VIEW VIDEOS OF THE ASSOCIATION'S HISTORY

Watch a mini-documentary of the first 100 years of REALTORS® in Texas, plus see videos of past chairmen discussing important association achievements and milestones.

ANSWERS: 1) b. The Houston Post described curbstoners as "...men who make it a business of laying for suckers." 2) d. 3) a. 4) d. 5) a. 6) d. 7) c. 8) True. In 1955, though, Texas REALTORS® persuaded the state Legislature to pass a bill authorizing the commission to require an exam and a surety bond. 9) All of these and many, many more. 10) b. The next Texas REALTORS® International Cruise sets sail January 13, 2021. 11) a, c, d, e. 12) d. 48% of members invested in TREPAC. 13) b. 14) False. The Legal Hotline launched in 1993. Designated REALTORS® could make unlimited calls to the hotline. In 2009, the hotline was opened up to all REALTORS®. 15) a, c, e.

SAVE THE DATE

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2020 CONFERENCE



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Texas REALTORS®
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in San Antonio!
Aug. 31 - Sept. 03

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a one-day trade expo.
More details coming soon.



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DID YOU KNOW?

REALTORS® PLEDGE TO UPHOLD FAIR HOUSING

The federal Fair Housing Act makes it illegal to discriminate in housing based on race, color, national origin, religion, sex, familial status, or disability. Prohibited actions include refusing to sell or rent housing, setting different terms for housing or a mortgage, discouraging the purchase or rental of a property, and other discriminatory behaviors.



REALTORS® GO BEYOND THE BASICS OF FAIR HOUSING

All real estate agents and brokers must uphold fair housing laws. However, only REALTORS®—those agents and brokers who join the REALTORS® association—pledge to abide by a Code of Ethics. That Code of Ethics includes additional protected classes: “REALTORS® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity.” The REALTOR® Code of Ethics also prohibits REALTORS® from discriminatory employment practices against those same classes.

REALTORS® CONTINUE TO CHAMPION FAIR HOUSING RIGHTS

Though Texas REALTORS® recognized the 50th anniversary of the Fair Housing Act in 2018, strides must still be taken to protect housing rights for all. In 2020, the National Association of REALTORS® created an action plan that emphasizes accountability, culture change, and training to ensure that all REALTORS® uphold the law and the Code of Ethics.

FAIR HOUSING IS YOUR RIGHT!

If you suspect your federal fair housing rights have been violated, you can file a complaint at hud.gov. If you believe a REALTOR® has not upheld the standards set out in the Code of Ethics, you can file a complaint at texasrealestate.com.

TAKE 5

Photo: © JeroenKlaman - stock.adobe.com

GET MORE FROM YOUR TECH TOOLS

Apps and devices promise to make our lives easier, better, and more efficient, but are you getting the most out of your technology?

MAKE TIME TO LEARN WHAT YOUR TOOLS CAN DO.

Simply exploring all the settings on your phone can reveal features you didn't know it offered. Could you use a level, a measuring device, larger text, or dictation? Many other devices and apps also offer a tour of features or a list of tips.

CREATE SHORTCUTS FOR REPETITIVE TASKS.

When you find yourself repeatedly sending the same text message, going through a consistent routine in an app, or otherwise taking the same steps over and over, explore if the device or app provides a way to automate that task.

ASK OTHERS FOR THEIR MOST USEFUL TECH TIPS.

Your colleagues and friends use many of the same tools you do. Even simple actions you weren't aware of—like how to move or delete an item with one swipe rather than three taps—can make your tech life easier.

FIND ONLINE TRAINING.

You can find free online tutorials from the companies that make your devices and applications, such as Microsoft, Adobe, and Apple. A quick internet search also often turns up dozens of videos and instructions from people happy to share their knowledge.

PERFORM YOUR OWN TECH HELP.

When your apps or devices aren't working properly, chances are that others have faced—and solved—the same issues. Before calling an expert, try a search with keywords pertaining to your issue. You may be able to solve it yourself.



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