



WASHINGTON, DC ASSOCIATION OF REALTORS®

November 2009
Volume 1, Issue 1

JOIN US FOR...

WDCAR's 2009 Annual Meeting & Holiday Party

Thursday, December 10
6:30 – 8:30 pm

National Museum of African Art
950 Independence Ave, SW,
Washington, DC

Complimentary beer, wine, and
hors d'oeuvres

RSVP at www.wdcar.org

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New Offering on www.WDCAR.org!!!

Share DC's Rich History; Really Know the Ward You're Showing

There's historical significance to each of DC's eight wards—information your prospective buyers would love to know—and WDCAR's placed it at your fingertips. A new resource has been added to www.wdcar.org that not only features a searchable map of DC, but links to everything you need to know about the unique heritage of each individual ward.

Here's how it works:

- Go to www.wdcar.org (no need to login)
- Click the button labeled "Explore DC's Historic Districts" (located under the Find a REALTOR® button)



A ward map of DC will be displayed:

- Hover over a given ward, and its number will be highlighted
- Click the highlighted number to display a drop-down menu containing links to corresponding historic maps and details

Here's a sample of what you'll find with this new functionality:

- The Washington Navy Yard is the U.S. Navy's oldest shore establishment!
- Anacostia is home to the Frederick Douglass National Historic site
- LeDroit Park features 50 McGill houses, designed in the tradition of A. J. Downing's *Country Houses* which first appeared in 1850
- Massachusetts Avenue is the longest of the transverse avenues in the District

Impress your clients with your knowledge, or let them in on the secret. The new historic map functionality is not password protected, so you're free to invite the public to see for themselves how WDCAR celebrates the District it serves!

TRIVIA QUESTION TO SHARE WITH YOUR CLIENTS:

Which ward has the most historic districts?

Answer: Ward 2

How many historic districts are featured in Ward 2?

Answer: Go to www.wdcar.org to find out!



Nathan B. Carnes

Know Thy Neighborhood.....Honor Thy Fellow REALTOR®

2009 has certainly been a challenging year for DC real estate. A daunting forecast for full-out recession in the first quarter evolved into a glimmer of hope by late summer. As home sales stats revealed year over year gains for July, August and September, we have real, consistent movement in a positive direction – the first consecutive monthly increases since January.

There is still a lot of tricky terrain for REALTORS® to navigate in the months ahead and it is our hope that this WDCAR newsletter will help you do your business better and easier. In this edition we unveil two brand new tools being offered to WDCAR members: a highly informative historic map feature and a **Fast Facts** sheet to help all of us understand and be able to communicate to our clients, customers and – most importantly – our elected officials, the prominent role that real estate sales play in powering the local economy. It might surprise you!

Did you know there are over 30 Historic Districts in Washington DC? Please take a minute to go to the WDCAR website and check out the Historic Maps feature recently installed there. You will find details on front page in this newsletter. We all should know the basic boundaries and background (Historical background) of where it is we are taking our buyers or what we may expect to know when we meet face-to-face with a prospective seller about a given neighborhood.

As stated here from the Preservation League:

“Over 30 neighborhoods that vividly illustrate the city’s history and physical make up have been designated as historic districts in the District of Columbia.

LeDroit Park, Capital Park, Strivers’ Section, Cleveland Park, Takoma Park, Massachusetts Avenue, Anacostia, and Georgetown are among the many historic districts spread throughout the city. They were established for a wide variety of reasons. They may be significant as sites or for important historic events, or as outstanding examples of architectural design and workmanship; they may be monumental or simple; they may be commercial or residential. But they all have a special quality worth preserving.

Historic districts reflect pride in the character of neighborhoods and a desire on the part of neighborhoods and the city to protect their assets. Historic districts are an important planning tool for the city, a way to improve the quality of life, and a way to ensure that new development enhances the historic character and scale of a neighborhood.

Historic districts are established after action has been proposed by neighborhood organizations or preservation groups and after careful research and evaluation has taken place. They are legally established under the Historic Landmark and Historic District Protection Act of 1978 (DC Law 2-144). This law is the local ordinance that authorizes the designation and protection of historic landmarks and historic districts. While it puts in place a special review process for properties in a historic district, it also recognizes change as an important element in the city’s evolution.

“ In this edition we unveil two brand new tools being offered to WDCAR members: a highly informative **historic map** feature and a **Fast Facts** sheet...”

How can I find out if my property is in a historic district (or proposed district)?

Call the DC Historic Preservation Office (202) 442-8800. It can tell you whether your property falls within the boundaries of a historic district or a proposed one. Providing lot and square number will make the process more efficient. The division's free booklet *Historic Districts in Washington, DC* lists historic districts and describes the significance of each.

Honor thy fellow **REALTOR**[®]. Upon your first encounter with a prospective buyer – yes, even at an Open House – “we” have the affirmative duty asking, “**Are you working with an agent?**”
As stated in the Code of Ethics:

Standard of Practice 16-9

REALTORS[®], prior to entering into a representation agreement, have an **affirmative obligation** to make reasonable efforts to determine whether the prospect is subject to a current, valid exclusive agreement to provide the same type of real estate service.
(Amended 1/04)

This issue dovetails right into another prominent situation that we are seeing a lot of in today's market - **Procuring Cause**. If we abide by the Standard of Practice 16-9 the procuring cause issue will become less prevalent.

Procuring Cause is often a confusing issue for agents and brokers alike. Read on to get a better understanding of this specific issue. You will also find here in sample ethics cases decided by the DC Real Estate Commission in 2009!

We are very pleased to introduce our 2009 WDCAR REALTOR[®] of the Year. This year's recipient truly demonstrates outstanding leadership, not only in WDCAR, but in GCAAR and the National Association of REALTORS[®] as well.

We really do hope that you find this newsletter and these new tools beneficial. The Washington DC Association of REALTORS[®] will continue to search for ever more innovative tools and resources moving forward. Your feedback is always welcome; be sure to let us know how we are doing!

Nathan B. Carnes

2009 WDCAR President

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Standard of Practice 16-9
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WDCAR 2009 REALTOR® of the Year



ELIZABETH BLAKESLEE has been named the Washington, DC Association of REALTORS'® (WDCAR) 2009 REALTOR® of the Year! Elizabeth is an associate broker with Coldwell Banker Residential Brokerage in Georgetown and has been practicing real estate since 1990.

Elizabeth has been actively involved in REALTOR® organizations, including serving as NAR's 2008 RVP for Region 3, 2005 WDCAR President, and serving on the WDCAR Board of Directors, Public Policy Committee, REALTORS® Political Action Committee (RPAC), Independent Expenditures, and Nominating Committees. Elizabeth served on GCAAR's Public Policy, Nominating, and

Grievance Committees, and as a NAR member, she served as Regional Vice President to the DC Federal Political Coordinator, served on the NAR Board of Directors and its Executive Risk Management, Political Involvement, Multiple Listing Service Issues and Policies Committees.

Elizabeth obtained the Graduate REALTOR® Institute designation, giving her advanced knowledge in contract law, sales and marketing, and finance and risk reduction. She specializes in historic properties, luxury properties, relocating buyers, and in rehabbing and development of distressed properties. She has been quoted in the media by CNN, MSNBC, WUSA-TV, the Washington Post and the Washington Business Journal.

Elizabeth's active community involvement includes establishing the Orange Hat Neighborhood Anti-Crime Patrol, serving on the Washington Convention Center Authority Advisory Committee, Mount Vernon Advisory Committee and the Logan Circle Community Association.



Take Advantage of Your DC Association Office

You know that WDCAR's main office is located in the beautiful LEED-certified National Association of REALTORS building, just three blocks from Union Station? Ride the contemporary chrome-trimmed elevators up to suite 310 and you'll be greeted warmly by our own DC Office Manager, **Sheilah Scott**, who will assist you with all of your association needs. While you're there, be sure to stock up on supplies at the REALTOR® store! And be sure to tell any newbies you meet that the DC

office can also serve their needs. They can fill out membership paperwork there and pick up new lockbox keys, too.



6 FACTS

Real Estate's Role in the DC Economy*

While Washington, DC is a small area (approximately 64 square miles), its annualized sales of existing homes is only 2,000 to 4,000 fewer than the state of Vermont, and 3,000 to 5,000

fewer than the state of North Dakota.

Definitions

Real Estate: This major group includes real estate operators, and owners and lessors of real property, as well as buyers, sellers, developers, agents, and brokers. This major group includes real estate operators, and owners and lessors of real property, as well as buyers, sellers, developers, agents, and brokers.

In 2008, residential sales of real property totaled 5,563 units in DC, with an average price of \$539,621. This amounted to over **\$3 billion in total sales volume**. In 2009, we are on track for \$3.2 billion in volume.

2 All together, FY 2007 real estate revenues totaled **\$1.823 billion** and made up over **32% of total General Fund revenues**.

3 In 2007 the Real Estate Gross Domestic Product was **\$8.917 billion**.

The estimated FY2009 property, deed recordation and deed transfer tax revenues total approximately **34.7%** of total General Fund and local source revenues. They also will account for about **40.7%** of total tax revenue for the city.

Based on the most recent figures for median single-family home sales prices, the price of a home in the District of Columbia of about **\$415,00** places the District higher than that for the metropolitan area of San Francisco-Oakland-Fremont (**\$402,000**), and just lower than for New York-Wayne-White Plains (**\$429,900**).

Data compiled by Frederick E. Flick, Ph.D.
for the Washington, DC Association of Realtors.

*Data Sources: Bureau of Economic Analysis, State Data, U.S. Department of Commerce, WDCAR/GCAAR and MRIS, Inc., National Association of Realtors, Existing Home Sales for States, and Metropolitan Area Median Prices, Q1 2009, September 2008, Government of the District of Columbia, Office of the Chief Financial Officer, Office of Revenue Analysis, pp. 1-2

DC Real Estate Commission Rulings, Spring 2009

Below, you will find the most recent samples of agent and /or broker infractions that incurred fines of up to \$17,000 a piece in the District. Should you have questions about your ethical obligations as a REALTOR®, please refer to the NAR website, www.realtor.org. Type “ethics” in the search box on the homepage to access a wide array of resources.

ORDER TO CEASE AND DESIST

Pursuant to DC Official Code Section 47-2844.01, the District of Columbia Real Estate Commission issued an official order to a property management company in the District to cease and desist operation. An investigation revealed that the company operated a property management business in violation of District of Columbia law. The respondent violated 17 DCMR Section 2701.3, which requires each real estate brokerage or property management firm to be managed by a licensed real estate broker or property manager who shall adhere to the supervision requirements of 17 DCMR 2614 et seq. Additionally, respondent violated 17 DCMR Section 2614.3 which provides: If the real estate broker is an organization licensed pursuant to Section 2601.11 of this chapter, the supervision shall be carried out by the licensed real estate broker who manages the particular branch where the subordinate licensee is employed. Also, the respondent failed to notify the Board of a change in its business address in violation of 17 DCMR Section 2701.5.

INADEQUATE SUPERVISION

By consent order, the Commission imposed a fine of \$1000.00 against a brokerage for failing to provide the appropriate amount of supervision as the supervising broker of a real estate salesperson. DC Official Code 47-2853.161 requires that a real estate broker shall be held accountable for the day-to-day job-related activities of her or his employees.

FAILURE TO MAKE A TIMELY DEPOSIT

By consent order, the Commission imposed a fine of \$5,000 for violation of DC Official Code Section 42-1704 and 17 D.C.M.R. Section 2702 for failure to deposit monies within seven calendar days into an escrow account and for violation of DC Code Section 47-2853.197(29) for failure to place money, valuable documents, or other property entrusted into the custody of the employing broker.

PRACTICING WITH AN EXPIRED LICENSE

Respondent entered into a Settlement Agreement with the Real Estate Commission, where a fine of \$5,000.00 was imposed and a requirement that the respondent completes a 60-hour DC Principles and Practices for Salespersons course at a school approved by the Commission. The Commission determined that the respondent continued to practice real estate in the District of Columbia after licensure expiration in violation of DC Official Code 47-2853.02.

FAILURE TO MAKE TIMELY REMITTANCE OF OTHERS' FUNDS

Respondent was ordered to pay \$17,500.00 for violation of DC Code Section 47-2853.197(10) for failing to timely account for or remit money belonging to others; DC Code Section 47-2853.197(1) for making substantial misrepresentations as a real estate broker; and DC Code Section 47-2853.197(3) for pursuing a continued and flagrant course of misrepresentation; respondent's license was also revoked.

MISREPRESENTATION OF BEING A PROPERTY MANAGER

By consent order, the Commission imposed a fine of \$1500.00 for violating DC Official Code Section 47-2853.143 in that unless licensed, no person shall use the term or word "property manager" to imply that he is licensed as a property manager in the District. Respondent violated DC Official Code Section 47-2853.197(1) in that he made a substantial misrepresentation of being a property manager, by signing and initialing all property management related documents when in fact was only licensed in the District as a real estate salesperson.

Source: THE COMMENTATOR, Spring 2009 edition

The Guiding Rule: There is No Predetermined Rule

Nancy K. Kalodner, ABR®, CRS®

Have you ever heard something like this: "Because I'm the buyer's representative, I'm the procuring cause of sale"?

Well, as the refrain from the wonderful show tune goes, "It ain't necessarily so."

Agency and entitlement to compensation are addressed in Factor No. 1, "No predetermined rule of entitlement," Appendix II, Arbitration Guidelines, *Code of Ethics and Arbitration Manual*:

"Agency relationships, in and of themselves, do not determine entitlement to compensation. The agency relationship with the client and entitlement to compensation are separate issues. A relationship with the client, or lack of one, should only be considered in accordance with the guidelines established to assist panel members in determining procuring cause."

The issue of "predetermined rule" is often mistakenly thought to apply only to that old saw "First over the threshold." Or, more recently, to "I got the check and their signature on the contract."

“ The issue of “predetermined rule” is often mistakenly thought to apply only to that old saw “*First over the threshold.*” Or, more recently, to “*I got the check and their signature on the contract.*” ”

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Continued from “Agency and Procuring Cause” from page 7

No rule to determine procuring cause may be applied by an arbitration panel. Each case must be considered on its own merits to determine who initiated the unbroken chain of events that resulted in a successful transaction. For example, a panel might be faced with a situation in which a buyer has entered into a contract with a buyer’s representative who never provides any service; then later, but still within the time frame of the contract, the buyer looks at and ultimately purchases a home through the services of a company representing the seller.

A panel might find that although a contractual relationship exists between the buyer and the buyer’s representative, the listing broker, in fact, has led the buyer through the uninterrupted series of causal events that have resulted in the successful transaction and is therefore the procuring cause of sale under NAR guidelines. It’s possible, of course, that the buyer’s representative could be entitled to compensation from the buyer as a result of the terms of their contract.

Alternatively, the buyer might have received substantial services and information from and seen the property through his representative but then later determined that he wished to go “direct” to the listing broker to “write it up” and (potentially) “get a better deal.”

In the absence of any demonstrable break in the continuity of the events (such as abandonment or estrangement--Factor No. 4), a panel would most likely find in favor of the buyer’s representative, but on the basis of procuring cause, not on the basis of the agency relationship.

During the arbitration process, a panel looks at many factors for a comprehensive understanding of the relevant events to arrive at the ultimate determination of procuring cause—all with the goal in mind to reach a fair and equitable decision.

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