

# **WEST VIRGINIA REAL ESTATE COMMISSION**

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## ***REAL ESTATE BROKER***

### ***PRE-LICENSE EDUCATION***

### ***COURSE OUTLINE***

For use in the broker pre-license education courses approved by the  
West Virginia Real Estate Commission

Charleston, WV  
2009, revised 2015



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## FOREWORD

The complexity and the dynamics of the real estate industry set high standards, requirements and expectations for Real Estate Brokers, who are running real estate brokerage businesses. The success of the business depends mainly on the broker's knowledge, personal qualities and his/her ability to operate and manage a service business. The role of the Broker is one of a planner, organizer, manager and leader. He/she is the one who directs the sales activities of the sales force.

Recent changes deeply affect and change the way real estate business is done and therefore, change the perception of what a successful real estate business is and what is required from the broker and managers of this business. These changes have increased the demands on brokers to possess wide ranging knowledge, skills and abilities. In order to be successful, the Real Estate Broker needs much more than knowledge and skills on real estate transactions and contracts.

Despite the fact that real estate brokers are individuals, and each real estate brokerage company is unique, there are basic principles of organizing, operating and managing a business which apply to the real estate brokerage business.

Knowing, understanding and following these basic principles will help guide real estate brokers through a wide range of issues and different aspects of managing and operating a business in the fast paced and ever changing business environment of the 21<sup>st</sup> century.

It is the intent of the Commission, by developing this course outline, to provide invaluable resources and help to pre-license education providers in developing their pre-license broker education course. It is also the Commission's belief, that by doing so, we will meet the high professional standards and law requirements set for the Real Estate Brokers, and will help fulfilling the principle responsibility of protecting the public interest.

## **BACKGROUND AND ACKNOWLEDGMENTS**

The Commission recognizes the importance of working together with the real estate industry to develop a comprehensive Broker pre-license education course outline that meets high professional standards, satisfies the needs of the public and the profession, and assures better protection of the public interest.

In March of 2008 a special “Broker Education Task Force” was created with the purpose to combine the efforts and gain the input of industry professionals in order to determine the content of the Broker pre-license education course.

The Task Force was charged with the following main tasks:

- analyze the job of the real estate broker by employing the Job and Task Analysis model, and
- identify the required knowledge, skills and abilities that a new Broker must possess in order to perform the job in compliance with the industry standards.

The final product was a result of the combined efforts and input of industry members and the Commission staff. All members of the Task Force dedicated their time and efforts, and shared their knowledge and experience, to complete the tasks and achieve the goal of developing a comprehensive course outline.

The Commission appreciated the commitment of the Task Force members and acknowledged their contribution:

### Commission staff:

Richard Strader, CPA, Executive Director

Nedka Dineva, PhD, Education Director

### Industry members:

James Booten, Lavalette, Booten Realty

Suzanne Horst, White Sulpher Springs, DPS Sporting Club Development Co.

Bob Kennen, Wheeling, Kennen & Kennen, Inc.

B. Jeanne Kozak, Shepherdstown, Mirandy, Inc, DBA In Action

Mark Madore, Hurricane, Family First Realty Co.

Monica McMellon, Barboursville, Homes & Land Real Estate, Co.

R. Joseph Miller, Charleston, Old Colony Company, Inc.  
Boyce Peele, Martinsburg, Boyce Peele and Associates  
Mark Snider, Morgantown, Alliance Realty  
Nancy Stinard, Clarksburg, Stinard & Associates, Inc.  
Barbara Swick, Moorefield, Classic Properties, LLC  
Vicki Viers, Parkersburg, Select Properties Realty, LLC  
Mike Walbrown, Oak Hill, Walbrown Real Estate & Appraisal

The new economic and real estate business realities in 2015 determined the need of revision and update of the initially developed course outline. The Commission's Executive Director Richard Strader, CPA and Education Director Dr. Nedka Dineva were authorized to make the updates and present the revised version for adoption.

## **NOTE TO THE INSTRUCTOR**

This course outline is intended to guide and assist you in the development of the content of your instructional program for real estate broker pre-license education. Considering the fact that the learners will be real estate professionals with at least two years of experience in the field, the outline emphasizes topics related to organizing, operating and managing a real estate brokerage business. The structure of the outline follows the process and steps of establishing, operation and management of real estate brokerage company. It provides basic requirements derived from existing business laws and regulations, and industry's professional standards, and establishes minimum standards for broker pre-license education in order to follow real estate professional standards and better protect the public interest.

You are encouraged to be creative in selecting the instructional methods and approaches and to consider the specific learning styles and characteristics of your adult learners. How you will select to accommodate the learners' differences will reflect the course's outcomes. To be successful, participants must be taught in a manner that will provide a high level of cognitive understanding of the course content. The content has to address all levels of intellectual behavior-knowledge, comprehension, application, analysis,

synthesis, and evaluation. It is strongly advisable that you select a variety of strategies and tools to help participants learn, such as self-assessment tests, quizzes, case studies, active learning activities, etc. There is no limitation in using different instructional materials to reflect the diversity of your audience.

The outline provides the structure of the course, specifying the amount of hours of instruction which need to be devoted to each of the modules of the course. It is up to you as an instructor to decide if this amount of time should be expanded in order to provide more in-depth information on certain topics and issues, or to achieve a satisfactory level of proficiency.

It is recommended that every participant receive a copy of this outline as part of their course materials.

## **INTRODUCTION.**

### **A. Purpose and Goals.**

#### 1. Purpose.

The purpose of this course outline is to provide guidance and to assist real estate pre-license education providers and instructors in developing the content of their broker education program in a manner to assure that the participants are provided with the knowledge, skills and abilities necessary to start and successfully operate and manage a Real Estate Brokerage Business.

#### 2. Goals.

The main goals pursued by the development of the outline are as follows:

- 2.1. Provide basic requirements for broker education in accordance with the existing business practices, real estate laws and regulations, and professional standards.
- 2.2. Create an innovative broker education course outline.
- 2.3. Establish minimum standards for broker pre-license education to better protect the public interest.
- 2.4. Provide meaningful resources and direction to the developers of the course.
- 2.5. Encourage creative thinking among instructors while selecting methods of instruction, considering the specific learning styles and characteristics of the target audience.

### **B. Organization.**

#### 1. Course description.

The course outline suggests three major modules for the broker pre-license education course:

- Brokerage Operation and Management,
- Human Resources Management & Interpersonal Skills,
- West Virginia Specific Real Estate for Brokers.

The required 90 hours instruction time shall be divided between the modules as follows: Brokerage Operation and Management- 30 hours, Human Resources Management

& Interpersonal Skills- 25 hours, and West Virginia Specific Real Estate for Brokers - 35 hours.

2. Course duration.

West Virginia Code § 30-40-14 states that *"applicants for a broker's license shall show evidence satisfactory to the Commission that they have completed at least one hundred eighty clock hours (twelve credit hours) of formal instruction in a real estate course or courses approved by the Commission. Such courses must cover topics included in the course outlines approved by the Commission."*

*Any applicant for a broker's license who is licensed as a salesperson at the time a broker's application is submitted to the Commission, shall only be required to show evidence satisfactory to the Commission that they have completed the additional ninety clock-hours (six credit hours) of formal instruction in a real estate course or courses approved by the Commission. The applicant shall satisfactorily pass an examination or examinations covering the material taught in each such course."*

3. Instructors.

Broker pre-license education instructors must be approved by and registered with the Commission prior to conducting any course of education. ( WV CSR §174-3 ).

4. Text books and training materials.

The Commission- suggested textbooks and other supplemental training materials may be found in the Bibliography section of the outline.

5. Course completion.

All approved pre-license education providers must strictly adhere to the requirements of Legislative Rule §174-3.2.

*c. The grading scale for all course providers offering mandatory pre-license real estate education shall be:*

*A = 95% - 100%*

*D = 71% - 74%*

*B = 86% - 94%*

*F = 00% - 70%*

*C = 75% - 85%*

*In order to sit for the real estate examination, the applicant must have earned a grade of A, B or C in each subject area.*

*d. After a student has successfully completed an approved pre-license education course, the approved provider shall supply the student with a certificate of course*

*completion which certifies the student's name and address, the course completion date, the number of hours in each subject area, and the letter grade earned."*

## **I. BROKERAGE OPERATION AND MANAGEMENT.**

### **A. MARKET RESEARCH.**

1. Definition.
2. Purpose and scope.
3. Market Research process. Research Methodology and Techniques.
4. Economic Analysis.
  - 4.1. Purpose.
  - 4.2. Main Indicators:
    - 4.2.1. Employment/Unemployment.
    - 4.2.2. Income levels.
    - 4.2.3. Interest rates.
    - 4.2.4. Housing supply and demand.
    - 4.2.5. Taxes.
    - 4.2.6. Inflation rate.
  - 4.3. Sources of information.
    - 4.3.1. Federal and State Government Agencies.
    - 4.3.2. Economic Development Agencies.
    - 4.3.3. Others.
5. Demographic Analysis.
  - 5.1. Purpose.
  - 5.2. Main indicators:
    - 5.2.1. Population growth.
    - 5.2.2. Gender, Race, Ethnicity, Age.
    - 5.2.3. Urbanization.
    - 5.2.4. Migration.
  - 5.3. Sources of information.
    - 5.3.1. Federal, State, County and City Government Agencies.
    - 5.3.2. Economic Development Agencies.
    - 5.3.3. Others.
6. Sales Analysis.
  - 6.1. Purpose.
  - 6.2. Main indicators:

- 6.2.1. Inventory.
- 6.2.2. Sales/List ratios.
- 6.2.3. Absorption rate.
- 6.2.4. Days on market.
- 6.3. Sources of information.
  - 6.3.1. Multiple Listing Service (MLS).
  - 6.3.2. Sales records.
- 7. Competition Analysis.
  - 6.1. Purpose.
  - 6.2. Main indicators.
  - 6.3. Methods of evaluation.
  - 6.4. Sources of information.
    - 6.4.1. Multiple Listing Service (MLS).
    - 6.4.2. Public records.
    - 6.4.3. Sales records.
- 8. Agent mix Analysis.

## **B. LEGAL ISSUES OF ESTABLISHING A REAL ESTATE BROKERAGE COMPANY.**

- 1. Federal and State Laws and Regulations.
- 2. Local Business Laws.
  - 2.1. City & County zoning laws.
  - 2.2. Business permits and licenses.
  - 2.3. Sign laws.
  - 2.4. Taxes.
- 3. Business formats and forms of ownership. Advantages & disadvantages.
  - Criteria for selection.
  - 3.1. Sole Proprietorship.
  - 3.2. Corporations.
  - 3.3. S Corporations.
  - 3.4. General Partnership.
  - 3.5. Limited Partnership.

- 3.6. Limited Liability Companies.
- 4. Type of operation.
  - 4.1. Independent brokerage business.
  - 4.2. Franchise.
- 5. Potential complications, violations and liabilities.

### **C. DEVELOPMENT OF A BUSINESS PLAN.**

- 1. Purpose and elements.
- 2. Scope of services and specialization.
- 3. Financial goals and objectives.
- 4. Organizational structure.
- 5. Staffing needs and requirements.
- 6. Methods of business financing.
  - 6.1. Start-up capital.
  - 6.2. Operational expenses.
  - 6.3. Sources and amounts of revenue.
  - 6.4. Sources of capital. Business relationships with lending institutions.
- 7. Profit models. Options and criteria for selection.
- 8. Opportunities for future growth.
- 9. Financial reports.
- 10. Business plan evaluation and modification.
- 11. Records required for tax reports.
- 12. Records required for future business decisions.

### **D. BROKERAGE REGISTRATION.**

- 1. Registration with the Office of the Secretary of State and State Tax Department.
  - 1.1. Procedures & Fees.
  - 1.2. Possible complications.
- 2. Registration with the West Virginia Real Estate Commission.
  - 2.1. Requirements.
  - 2.2. Procedures & Fees.

3. Required Government registrations.
  - 3.1. Registration with the IRS, Social Security Administration, Workers Compensation, Federal Tax department, state and local governments.
  - 3.2. Registration with federal and state employment/ unemployment authorities.
4. Membership at National and State Association of Realtors, local Board of Realtors, MLS and professional groups.

***E. ESTABLISHING AN OFFICE.***

1. Office type and location.
  - 1.1. Criteria for selection of the general area.
    - 1.1.1. Growth potential.
    - 1.1.2. Business development.
    - 1.1.3. Demographics.
    - 1.1.4. Competitors.
    - 1.1.5. Seasonal influence.
    - 1.1.6. Market trends and projections.
  - 1.2. Criteria for selection of the specific location.
    - 1.2.1. Access.
    - 1.2.2. Visibility.
    - 1.2.3. Availability of services ( fire, police, DSL, etc.)
    - 1.2.4. Competitors' location.
    - 1.2.5. Daily traffic.
    - 1.2.6. Zoning requirements.
    - 1.2.7. Sign ordinances.
    - 1.2.8. Appearance of the general area.
    - 1.2.9. Types of neighboring businesses.
2. Office characteristics.
  - 2.1. Size.
  - 2.2. Condition.
  - 2.3. Floor plan/layout.
  - 2.4. Visibility.

- 2.5. Image.
- 2.6. Access.
- 2.7. Parking.
- 2.8. Furnishing and decor.
3. Zoning and permit requirements and procedures.
4. Buy vs. lease options. Benefits. Financial options, if buying.
5. Plan and implement improvements.
6. Office and technical equipment and supplies (desks, chairs, copy/ fax machine, telephones, printers, file cabinets, office supplies, etc.). Efficiency considerations.
7. Signage, insurance, utilities.

## **F. FINANCIAL MANAGEMENT.**

1. Purpose and scope.
2. Develop a budget.
  - 2.1. Project income.
    - 2.1.1. Residential.
    - 2.1.2. Commercial.
    - 2.1.3. Property management.
    - 2.1.4. Referrals.
    - 2.1.5. Rentals.
    - 2.1.6. Consulting fees.
    - 2.1.7. Other.
  - 2.2. Project expenses.
    - 2.2.1. Office space (rent or mortgage).
    - 2.2.2. Taxes.
    - 2.2.3. Supplies.
    - 2.2.4. Personnel.
    - 2.2.5. Insurance.
    - 2.2.6. Signage.
    - 2.2.7. Furniture, Fixtures & Equipment.
    - 2.2.8. Computer hardware and software.

- 2.2.9. Memberships.
- 2.2.10. Marketing.
- 2.2.11. Legal and other professional fees.
- 2.2.12. Utilities, including telephone & online services.

## **G. DEVELOPMENT OF A POLICY AND PROCEDURES MANUAL.**

- 1. Purpose.
- 2. Components:
  - 2.1. Agency, Agency Disclosures and Record keeping.
  - 2.2. Risk Management. Procedures to monitor compliance.
    - 2.2.1. Fair Housing.
    - 2.2.2. Anti-trust.
    - 2.2.3. Sexual Harassment.
    - 2.2.4. Do not call.
    - 2.2.5. Equal housing.
  - 2.3. Personnel policies.
    - 2.3.1. Floor duty.
    - 2.3.2. Dress code.
    - 2.3.3. Vacation.
    - 2.3.4. Sick leave.
    - 2.3.5. Leave of absence.
    - 2.3.6. Benefits.
    - 2.3.7. Dues and fees.
    - 2.3.8. Insurance.
    - 2.3.9. Standards of personal and professional conduct.
    - 2.3.10. Responsibilities.
    - 2.3.11. Use of office equipment and internet.
    - 2.3.12. Multiple listing service (MLS).
    - 2.3.13. Special incentives.
    - 2.3.14. Independent contractor relationship.
    - 2.3.15. Confidentiality.
  - 2.4. Commission disbursement policy.

- 2.5. Advertising policy.
- 2.6. Listing procedures.
- 2.7. Selling procedures.
- 2.8. Brokerage relationships:
  - 2.8.1. Multiple listing service (MLS).
  - 2.8.2. Cooperation with other companies.
  - 2.8.3. Referrals.
  - 2.8.4. Builder/ developer relationships.
- 2.9. Contracts.
- 2.10. Dispute resolution (internal & external).
- 2.11. Personal safety.
- 3. Sources of information. Customization of the information to company's needs.
- 4. Acknowledgment and acceptance of policy & procedures.
- 5. Methods and techniques of policy enforcement.
- 6. Training agents and staff.
- 7. Measure compliance.
  - 7.1. Requirements.
  - 7.2. Criteria.
- 8. Periodic Policy review and update.
- 9. Possible complications and violations.
  - 9.1. Discrimination issues.
  - 9.2. Legal issues.
  - 9.3. Tax complications.
  - 9.4. Breach of independent contractor status.
  - 9.5. Poor image.
  - 9.6. Business losses.

## **H. DEVELOPMENT OF A MARKETING PLAN.**

- 1. Definition, purpose and objectives.
- 2. Key elements:
  - 2.1. Services and specialization.

- 2.2. Target markets/ customers.
- 2.3. Positioning on the market.
- 2.4. Marketing budget.
- 2.5. Company name and domain.
  - 2.5.1. Requirements.
  - 2.5.2. Procedure for selection.
3. Laws and regulations affecting real estate advertising.
  - 3.1. West Virginia Real Estate License Act and Legislative Rules.
  - 3.2. Fair Housing Act.
  - 3.3. Franchise Rules/Laws.
  - 3.4. Copy Right Laws.
  - 3.5. State/Local Laws and Regulations.
4. Company logo, slogan and branding.
5. Methodology for marketing properties.
6. Standards for agent advertising.
  - 6.1. Legal restrictions.
  - 6.2. Company's policies.
  - 6.3. Professional standards.
7. Possible complications.
  - 7.1. Violation of laws.
  - 7.2. Loss of license.
  - 7.3. Fines & penalties.
  - 7.4. Poor image.
  - 7.5. Low customer satisfaction.

## **I. TECHNOLOGY MANAGEMENT.**

1. Technology needs assessment.
  - 1.1. Determine information needs.
  - 1.2. Hardware/ software needs assessment.
  - 1.3. Web-based needs.
2. User (agents/ staff) needs assessment. Networking alternatives.
3. Data accessibility. Limitations.

4. Data entry needs and procedures.
5. Procedures for office equipment use.
6. Data storage and back up system. Complications.
7. Availability of funds for technology.
8. Outsourcing information technology management.

## **J. INFORMATION MANAGEMENT.**

1. Types of information to be managed.
  - 1.1. Customer/client information.
  - 1.2. Product/services information.
  - 1.3. Demographic information.
  - 1.4. Employee/agent information.
  - 1.5. Internal records.
  - 1.6. Transaction records.
2. Law requirements for information management.
  - 2.1. West Virginia Real Estate License Act.
  - 2.2. Federal record Laws.
  - 2.3. IRS requirements.
  - 2.4. Other State requirements.
  - 2.5. Local Government requirements.
  - 2.6. MLS requirements.
3. Methods of record keeping: hard files, data base, web data, office storage, MLS, back-up system.
4. Security methods and confidentiality.
5. Access to information based on job content and requirements.
6. Information system options and equipment types.
7. Procedures for collecting and recording information. Methods and forms.

## **II. HUMAN RESOURCES MANAGEMENT and INTERPERSONAL SKILLS.**

### **A. STAFFING PROFILE AND NEEDS.**

1. Positions to achieve company's business goals & objectives.
  - 1.1. Clerical staff.
  - 1.2. Sales force.
  - 1.3. Management staff.
  - 1.4. Janitorial staff.
2. Staff profile.
  - 2.1. Potential of sharing responsibilities.
  - 2.2. Revenue available.
  - 2.3. Cost.
3. Outsourcing needs.
  - 3.1. Legal.
  - 3.2. Accounting.
  - 3.3. Information technology.
  - 3.4. Advertisement.
  - 3.5. Other.
4. Compensation and taxes.

### **B. EMPLOYMENT LAWS & REGULATIONS.**

1. Applicable laws and regulations.
  - 1.1. Equal Employment Opportunity Act.
  - 1.2. American with Disabilities Act (ADA).
  - 1.3. Civil Rights Act.
  - 1.4. State Employment Laws.
  - 1.5. Anti-harassment policies.
  - 1.6. Workplace safety rules and regulations.
2. Sources of information. Forms and reporting.
3. Professional services and service providers.
4. Possible complications and violations.

### **C. EMPLOYMENT PROCESS.**

1. Review personnel needs.
2. Develop Job descriptions.
3. Develop recruitment plan.
  - 3.1. Define recruiting targets and sources of recruits.
  - 3.2. Define recruiting methods, approaches & procedures.
    - 3.2.1. State Employment Agency.
    - 3.2.2. Local Employment Service companies.
    - 3.2.3. Direct advertisement: written materials, direct mail, career seminars, career nights, newspaper ads, visits to licensing and continuing education training courses, referral programs, trial training sessions, scholarships, radio & TV adds, etc.
    - 3.2.4. Strengths, benefits, and effectiveness of recruitment activities.
  - 3.3. Develop recruiting message.
  - 3.4. Create written recruiting materials: mailers, post cards, model classified ads, scripts, brochures, flyers, power point presentations, web site, etc. Cost and availability of funds.
4. Develop candidate evaluation criteria.
5. Pre-screening. Purpose, methods, procedures.
6. Interviews.
  - 6.1. Select candidates for interview. Criteria.
    - 6.1.1. Personality profiling.
    - 6.1.2. Real Estate Simulators.
    - 6.1.3. D-I-S-C personality profile test.
  - 6.2. Develop scripts and questionnaires for each position.
  - 6.3. Schedule and conduct interviews.
    - 6.3.1. Location.
    - 6.3.2. Candidate notification.
    - 6.3.3. Conduct interviews and record results.
7. Final selection.
  - 7.1. Selection criteria.
  - 7.2. Means of assessing candidates: rating system, skill oriented tests, personality tests.

8. Job Offer. Terms and conditions.
9. Employment contract.
  - 9.1. Contract Law.
  - 9.2. Format and content of employment contract.
  - 9.3. Terms and conditions of employment.
10. Independent Contractor Agreement ( ICA).
  - 10.1. ICA Laws and regulations.
  - 10.2. Format and content.
    - 10.2.1. General provisions.
    - 10.2.2. Conduct of business.
    - 10.2.3. Obligations of the Broker.
    - 10.2.4. Obligations of the Salesperson.
    - 10.2.5. Compensation.
    - 10.2.6. Expenses.
    - 10.2.7. Relationship between parties.
    - 10.2.8. Termination.
  - 10.3. Governing Laws.

#### **D. DEVELOP COMPENSATION PLANS.**

1. Understand positions: salaried, hourly, independent contractors.
2. Research competition.
3. Develop pay scale: salaried, hourly.
4. Develop compensation scale between broker & independent contractors.
5. Determine capability to offer benefits.
6. Design a benefit package:
  - 6.1. Paid holidays.
  - 6.2. Vacations.
  - 6.3. Sick leave.
  - 6.4. Insurance.
  - 6.5. Retirement plans.
7. Determine incentive plans for all positions ( bonuses, etc.).

## **E. CONDUCT ORIENTATION.**

1. Present company's mission, goals and objectives.
2. Review policy & procedures manual.
3. Explain job responsibilities and expectations.
4. Review compensation plan and benefits.
5. Familiarize with office equipment.
6. Introduce to other staff and contractors of the company.

## **F. DEVELOP AND IMPLEMENT TRAINING.**

1. Define and assess training needs.
2. Purpose, goals and benefits of training.
3. Estimate cost and company's capability to finance training. Sales agents responsibilities to cover the cost.
4. Research availability of training.
5. Develop formal in-house training programs.
  - 5.1. Initial training for new agents.
  - 5.2. On-going training for existing agents.
  - 5.3. Employee training.
  - 5.4. Management training.
6. Identify and select instructors. Criteria for selection.
7. Select training methods and techniques. Consider the variety of learning styles.
8. Monitor implementation of company's training programs.
9. Evaluate effectiveness of training and return on investments.

## **G. CONDUCT SALES/BUSINESS MEETINGS.**

1. Define purpose and select type of meeting:
  - 1.1. Informational.
  - 1.2. Meetings to recognize accomplishments & foster teamwork.
  - 1.3. Problem identification meetings.
  - 1.4. Decision making meetings.
  - 1.5. Idea sharing or brainstorming meetings.

2. Develop agenda. Consider business and agent needs.
3. Establish schedule/frequency. Format. Work patterns, conflicts.
4. Develop attendance policy.
5. Select presentation methods considering the purpose, audience and expected outcomes.
6. Conduct the meeting.
7. Analyze and evaluate effectiveness.

#### **H. MENTORING AND COACHING.**

1. Research and define models and establish criteria for selection.
2. Develop compensation plan for mentors.
3. Identify experienced agents, their strengths and willingness to be mentors.
4. Identify candidates and assess their individual needs.
5. Outline responsibilities for mentor and agent.
6. Assign mentor to agent based on compatibility. Mentoring agreement.
7. Develop coaching program to promote goals achievement & professional development.
  - 7.1. Strengths and benefits of coaching.
  - 7.2. Coaching approaches.
  - 7.3. Characteristics of successful coaching.
8. Monitor and evaluate effectiveness of coaching and mentoring.

#### **I. PERFORMANCE MANAGEMENT. EVALUATION.**

1. Performance criteria and measurements.
2. Frequency of performance reviews.
3. Identify performance problems. Acknowledge success.
4. Develop plan for performance improvement.
5. Monitor ongoing performance.
6. Follow-up and re-evaluate.

#### **J. RETENTION.**

1. Business tools and Communication protocol.

2. Company specific incentives program.
3. Recognition and rewards program.
4. Maintain competitive presence in marketplace.
5. Encourage and maintain positive professional work environment.
6. Provide competitive compensation.
7. Consistent application of office policies.

#### **K. RESIGNATION & TERMINATION.**

1. Policies and procedures for resignation and termination.
  - 1.1. Methods and techniques of policy enforcement.
  - 1.2. Laws and regulations pertaining to resignation & termination.
2. Reasons for resignation. Exit interviews.
3. Termination as an option. Reasons for termination.
4. Do's and Don'ts of termination.
5. Evaluate personnel before termination.
6. Maintain employment records.

#### **L. PAYROLL ADMINISTRATION.**

1. Possible solutions and approaches.
2. Cost, benefits and downfalls of Internal vs. External approach.
3. Accessibility of records.

#### **M. OUTSOURCING.**

1. Outsourcing needs assessment.
2. Availability of service providers. Requirements and cost.
3. Service agreements.
4. Monitoring and evaluation of services received.
5. Policies and procedures for continuation or termination of services.

#### **N. INTERPERSONAL SKILLS.**

1. Management Skills.
  - 1.1. Introduction to Management.

- 1.1.1. Definition.
- 1.1.2. Approaches.
- 1.2. Management functions. Content and performance steps.
  - 1.2.1. Planning.
  - 1.2.2. Organizing.
  - 1.2.3. Leading.
  - 1.2.4. Controlling, or Coordinating.
- 1.3. Management Styles.
  - 1.3.1. Dictatorial style.
  - 1.3.2. Autocratic Style.
  - 1.3.3. Participative Style.
  - 1.3.4. Laissez- Faire Style.
- 1.4. Managing People:
  - 1.4.1. Assessing Behavior.
  - 1.4.2. Managing behavior.
  - 1.4.3. Motivating people.
- 1.5. Assuming the position.
  - 1.5.1. Technical role.
  - 1.5.2. Business management role.
  - 1.5.3. Sales management role.
- 2. Leadership Skills.
  - 2.1. Define Leadership. Leadership theories and models.
  - 2.2. Personal qualities of a leader:
    - 2.2.1. Integrity.
    - 2.2.2. Honesty.
    - 2.2.3. Loyalty.
    - 2.2.4. Respect.
    - 2.2.5. Adaptability.
    - 2.2.6. Self-awareness.
    - 2.2.7. Genuine interest in people.
  - 2.3. Leadership characteristics.
    - 2.3.1. Accountability & personal responsibility.

- 2.3.2. Decisiveness.
- 2.3.3. Ability to motivate others.
- 2.3.4. Purposefulness.
- 2.3.5. Collaborative skills.
- 2.3.6. Ability to communicate effectively.
- 2.4. Attributes to a good leader.
  - 2.4.1. Technical competence.
  - 2.4.2. Conceptual skills.
  - 2.4.3. Track record.
  - 2.4.4. People skills.
  - 2.4.5. Judgement.
  - 2.4.6. Character.
- 2.5. Steps to develop leadership skills.
  - 2.5.1. Assess what others think about your leadership style.
  - 2.5.2. Be a good listener.
  - 2.5.3. Communicate effectively.
  - 2.5.4. Respect others' capabilities and ideas.
  - 2.5.5. Lead by example.
  - 2.5.6. Share leadership.
  - 2.5.7. Evaluate your strengths and weaknesses, positive attitude, and ability to delegate.
  - 2.5.8. Evaluate your work and success.
- 3. Communication Skills.
  - 3.1. Essentials of communication.
    - 3.1.1. The process.
    - 3.1.2. The sender.
    - 3.1.3. The receiver.
    - 3.1.4. The atmosphere.
    - 3.1.5. The message.
    - 3.1.6. The response.
  - 3.2. Principles of effective communication.
  - 3.3. Forms of communication:

- 3.3.1. Alphabet.
- 3.3.2. Body language.
- 3.3.3. Emotions.
- 3.3.4. Image.
- 3.3.5. Language.
- 3.3.6. Symbol.
- 3.4. Types of communication.
  - 3.4.1. Oral communications
  - 3.4.2. Non-verbal communication.
  - 3.4.3. Empathy.
  - 3.4.4. The power of silence.
  - 3.4.5. Public speaking.
- 3.5. Strategies and tools for assessing communication skill level.
- 3.6. Active listening.
  - 3.6.1. Characteristics.
  - 3.6.2. Steps to improve your listening skills.
- 3.7. Writing effectively. Business correspondence.
- 3.8. Communications planning ( what, how, where, to whom).
- 3.9. Cross cultural communication.
- 3.10. Techniques for communicating in difficult and extreme situations.
- 3.11. Communicating internationally.
- 4. Decision making.
  - 4.1. Types of decisions.
    - 4.1.1. Institutional or entrepreneurial decisions.
    - 4.1.2. Corrective decisions.
    - 4.1.3. Resource decisions.
    - 4.1.4. Mediation decisions.
  - 4.2. Steps in decision making process.
    - 4.2.1. Define the situation.
    - 4.2.2. Develop alternatives.
    - 4.2.3. Evaluate alternatives.
    - 4.2.4. Select the appropriate alternative.

4.2.5. Implement the decision.

4.2.6. Follow through.

4.2.7. Evaluate the outcome.

5. Problem solving.

5.1. Steps in the problem solving process.

5.1.1. Define the problem.

5.1.2. Gather information. Look at potential causes.

5.1.3. Develop solutions.

5.1.4. Consider the consequences.

5.1.5. Make a decision.

5.1.6. Plan the implementation of the solution ( action plan).

5.1.7. Implement the solution.

5.1.8. Monitor and evaluate the solution.

5.1.9. Verify the problem has been resolved.

5.2. Assessing the problem for its:

5.2.1. Magnitude and scope.

5.2.2. Urgency: potential problem, actual problem, critical.

5.2.3. Impact.

5.3. Strategies to resolve problems.

5.3.1. Direct intervention.

5.3.2. Indirect intervention.

5.3.3. Delegation.

5.3.4. Purposeful inaction.

5.3.5. Consultation or collaboration.

5.4. Problem solving styles.

5.4.1. Adaptors.

5.4.2. Innovators.

5.4.3. Mixed teams.

### **III. WEST VIRGINIA SPECIFIC REAL ESTATE FOR BROKERS.**

#### **A. WEST VIRGINIA REAL ESTATE LICENSE ACT. WV Code §30- 40-1 et seq.**

1. Definition of a Real Estate Broker.
2. Broker's scope of practice. Exceptions.
3. Responsibilities and obligations.
  - 3.1. To clients and customers.
  - 3.2. To sales agents.
  - 3.3. To community.
  - 3.4. To the profession.
4. Qualifications for broker's license.
  - 4.1. Age.
  - 4.2. Education.
  - 4.3. Experience.
  - 4.4. Licensing non- resident broker.
5. Application for license.
6. Place of business.
  - 6.1. Branch offices.
  - 6.2. Display of certificates.
  - 6.3. Custody of license certificates.
  - 6.4. Change of address.
  - 6.5. Change of employer by a salesperson or associate broker.
  - 6.6. License certificates.
  - 6.7. Term of license.
7. Refusal, suspension or revocation of license.
8. Penalties and violations.

#### **B. WEST VIRGINIA REAL ESTATE COMMISSION LEGISLATIVE RULES.**

1. WV CSR §174-1-1 et seq.
2. WV CSR §174-2-1 et seq.
3. WV CSR §174-3-1 et seq.
4. WV CSR §174-4-1 et seq.

## **C. TRUST FUND ACCOUNT MANAGEMENT.**

1. Trust Funds definition. Examples of trust funds.
  - 1.1. Earnest money deposits.
  - 1.2. Tenant security deposits.
  - 1.3. Rents.
  - 1.4. Escrow deposits.
  - 1.5. Down payment.
  - 1.6. Money received as part of final settlement.
2. Trust Fund Accounts ( WV Code § 30-40-18).
  - 2.1. Definition.
  - 2.2. Purpose.
3. Legal requirements. WV Code § 30-40-18.
4. Establishing a Trust Fund Account.
  - 4.1. Requirements.
    - 4.1.1. Financial Institution which is insured against loss by an agency of the federal government.
    - 4.1.2. Deposited amount can not exceed the amount that is insured against loss.
    - 4.1.3. No interest earning account.
    - 4.1.4. Withdrawal of funds without notice.
    - 4.1.5. No minimum balance requirement.
  - 4.2. Procedures.
    - 4.2.1. Select a financial institution.
    - 4.2.2. Complete a "Trust Fund Account and Consent to Examine" form.
    - 4.2.3. Submit the form to the Real Estate Commission.
5. Depositing Funds.
  - 5.1. What must be deposited?
  - 5.2. Time requirements.
6. Disbursing Trust Funds.
  - 6.1. Access to trust funds. Control.
  - 6.2. Use of trust funds.

- 6.3. Disbursement in connection with “sales” transaction.
- 6.4. Disbursement in connection with “lease” transaction.
- 7. Record-keeping and Accounting.
  - 7.1. Required records.
    - 7.1.1. Checkbook, check register, and checks (cancelled, void & unused).
    - 7.1.2. Bank statements & reconciliations.
    - 7.1.3. Deposit slips (original and/or duplicate).
    - 7.1.4. Bookkeeping system (Ledgers & journals).
    - 7.1.5. Transaction files ( pending & closed).
  - 7.2.Type of information to record.
    - 7.2.1. Date funds received and date deposited.
    - 7.2.2. Property identified.
    - 7.2.3. Amount.
    - 7.2.4. Nature and purpose of funds.
    - 7.2.5. From whom funds have been received.
    - 7.2.6. Date and purpose of each withdrawal, to whom paid, amount, current running balance.
  - 7.3. Forms and work aids to be used.
    - 7.3.1. General ledger.
    - 7.3.2. Subsidiary ledgers.
    - 7.3.3. Checks and deposit slips.
    - 7.3.4. Bank Statements.
  - 7.4. Common mistakes.
- 8. Changing the Trust Fund Account. Requirements, procedures, and forms.
- 9. Closing the Trust Fund Account. Requirements and procedures.
- 10. Possible complications and violations.
  - 10.1. Commingling.
  - 10.2. Insolvency.
  - 10.3. Not sufficient funds deposit.
  - 10.4. Back charges, uninsured deposits, stop payment.

## **D. AGENCY.**

1. Law of Agency.
  - 1.1. Creation of Agency. Defining relationship.
  - 1.2. Fiduciary responsibilities & duties.
  - 1.3. Termination of Agency.
  - 1.4. Evolution of Agency practices.
2. Types of Agency relationships.
  - 2.1. Single Agency.
  - 2.2. Seller representation.
  - 2.3. Buyer representation.
  - 2.4. Dual Agency.
    - 2.4.1. Disclosed
    - 2.4.2. Undisclosed
    - 2.4.3. Consensual
  - 2.5. Disclosure of Agency.
3. Customer level services.

## **E. REAL ESTATE TRANSACTION MANAGEMENT.**

1. Real Estate Transaction Contracts.
  - 1.1. Contract Law.
  - 1.2. Elements of a contract.
  - 1.3. Types of real estate contracts: listing agreements; buyer agency agreements; sales contracts; options; leases; escrow agreements; land contracts or contracts for deed
  - 1.4. Discharge of contracts.
    - 1.4.1. Cancellation
    - 1.4.2. Rescission
    - 1.4.3. Release
2. The offer & acceptance. Counter Offer.
3. Closing the Real Estate Transaction.
  - 3.1. Pre-closing procedures, responsibilities and requirements.
  - 3.2. Preparation of Closing statement.

- 3.3. Conducting the closing.
- 4. Transaction documentation management.
- 5. Tracking and reporting transaction information.
- 6. Archiving transaction information.
- 7. Web-based platforms for Transaction Management.

## **F. RISK REDUCTION MANAGEMENT.**

- 1. Industry specific risk factors.
- 2. Analysis of company's needs.
- 3. Required insurances and warranties.
  - 3.1. General Liability Insurance.
  - 3.2. Errors and Omissions Insurance.
- 4. International, Federal, State, Local and Industry Laws and Regulations.
  - 4.1. WV Real Estate License Act and Administrative Rules.
  - 4.2. RESPA.
  - 4.3. Truth in Lending, Regulation Z.
  - 4.4. Antitrust Laws.
  - 4.5. ADA.
  - 4.6. OSHA.
  - 4.7. Health Department disclosures and requirements.
  - 4.8. Local ordinances.
  - 4.9. Local MLS rules and regulations.
  - 4.10. Agency, Disclosures, Inspections, Title Insurance.
  - 4.11. Landlord/ Tenant Law and regulations.
  - 4.12. Federal Fair Housing Laws. State and Local Fair Housing Laws.
  - 4.13. HUD Regulations.
  - 4.14. Major Environmental Legislation.
  - 4.15. NAFTA.
- 5. Contract Management System. General Contract Law.
- 6. Dispute resolution.
  - 6.1. Process.
  - 6.2. Procedures.

- 6.3. Mediation.
- 7. Internal control system to insure compliance.
  - 7.1. Compliance requirements.
  - 7.2. Methodology and procedures to ensure compliance.
- 8. Possible complications and violations. Frequent causes of litigation.

## **G. LEGAL AND ETHICAL STANDARDS.**

- 1. West Virginia Real Estate License Act and Commission Rules.
- 2. National Association of Realtors (NAR) Code of Ethics.
- 3. Professional standards and conduct.

## **H. PROPERTY MANAGEMENT.**

- 1. The role of the property manager.
- 2. Functions and responsibilities of the property manager.
- 3. Property management contracts and agreements.
- 4. Management plans.
- 5. Operating and capital expenditure budgets.
- 6. Management fees.
- 7. Marketing and advertising of the property.
- 8. Leases.
  - 8.1. Type of leases.
  - 8.2. Provisions of a valid lease.
  - 8.3. Lease negotiations.
  - 8.4. Qualifying a tenant.
  - 8.5. Tenant relationship.
  - 8.6. Rent collection.
  - 8.7. Lease renewals.
  - 8.8. Terminating the tenancy.
- 9. Preventive maintenance programs.
  - 9.1. Inspections.
  - 9.2. Negligence.
  - 9.3. Theft prevention.

- 9.4. Insurance audits.
- 10. Management of operating funds and trust accounts.
- 11. Reports for tax purposes.
- 12. Laws affecting Property Management.

## **I. COMMERCIAL REAL ESTATE.**

- 1. Types and classification of commercial properties.
- 2. Economic cycles of commercial real estate.
- 3. Understanding motivation for buying commercial properties.
- 4. Interacting with commercial clients.
- 5. Valuation of commercial properties.
  - 5.1. Methods of valuation.
  - 5.2. Understanding risk and return.
- 6. Identifying the goals of investors, developers and users of commercial and industrial property.
- 7. Permits and regulatory approvals.
- 8. 1031 Exchanges.
- 9. Title, Survey and Environmental concerns.
- 10. Financing and Tax considerations.
- 11. Marketing Plan for sale and/ or lease of commercial property.

## **J. NEW CONSTRUCTION.**

- 1. Land development.
  - 1.1. Research.
  - 1.2. Highest and best use.
  - 1.3. Public/private utilities.
  - 1.4. Planning, zoning and permits.
  - 1.5. Hazardous waste.
  - 1.6. Development plan.
- 2. New home sales considerations.
  - 2.1. Builder's expectations.
  - 2.2. The reality of the business.

3. Construction terms and timetables.
  - 3.1. Stages of home or building construction.
  - 3.2. Blueprints.
  - 3.3. Systems.
  - 3.4. Architecture.
  - 3.5. Features and benefits as sales tools.
4. Builder relationships.
  - 4.1. Inventory.
  - 4.2. Representation.
5. Marketing.
  - 5.1. Target market.
  - 5.2. Marketing/ Advertising plan.
  - 5.3. Marketing/ Advertising budget.
6. New construction contracts.
  - 6.1. Lot reservations.
  - 6.2. Sales contracts.
  - 6.3. Plans & specifications.
  - 6.4. Addendums.
  - 6.5. Warranty.
  - 6.6. Covenants and restrictions.
7. Servicing the sale.
  - 7.1. Creating value.
  - 7.2. Service after the sale.

## **K. CHANGES AND UPDATES.**

1. West Virginia Real Estate License Act/Commission Rules - recent changes and updates.
2. Recent economic and financial changes affecting the real estate industry.
3. Changes in mortgage industry.
4. Updates in appraisal industry.
5. Other law changes affecting real estate industry (Federal, State & local)

## **REQUIRED PRIMARY TEXTS**

The following are **REQUIRED TEXTS** for ALL Pre-License Broker Education Courses:

***West Virginia Real Estate License Act and Legislative Rules.***

Charleston, WV: West Virginia Real Estate Commission, 2014.

A PDF copy of the *Act and Rules* may be found at: [www.wvrec.org](http://www.wvrec.org)

**Trust Fund Account Manual for Real Estate Brokers**

West Virginia Real Estate Commission, Charleston, WV, 2007

## **SUGGESTED TEXTS**

It is suggested that the following texts be utilized as primary texts in the development of the 90- hour Broker pre-licensing education course and course materials.

**Real Estate Brokerage: A Management Guide, 8<sup>th</sup> Edition**

McAdams, Laurel D. and John E. Sobeck, Dearborn Real Estate Education, 2013

**Real Estate Brokerage: A Guide to success**

Hamilton, Dan. Thomson South-Western, Mason, OH, 2007

**Real Estate Office Management, 4<sup>th</sup> Edition**

Dearborn Real Estate Education, Council of Real Estate Brokerage Managers, 2004

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**The Fundamentals of Listing and Selling Commercial Real Estate**, Keim, Loren, Infinity Publishing Co., 2007

**Entrepreneurial Management**, Calvin, Robert J., New York: McGraw-Hill, 2002

**Full Steam Ahead!: Unleash the power of vision in your company and your life**, Blanchard, Ken, and Jessie Stoner, San Francisco: Berrett Koehler, 2003

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**Property Management and Managing Risk**, Kyle, Robert C. And Baird, Floyd M., Dearborn Real Estate Education, 1998

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**Top 7 Steps to Develop Leadership Skills**, Shahani, Akhil, [http:// www.aykya.com](http://www.aykya.com)

**The 7 Attributes of Top Leaders**, Garner, Eric, [www.ManageTrainLearn.com](http://www.ManageTrainLearn.com)

**The 7 Qualities of Leadership**, Farrington, Jonathan, <http://jonathanfarrington.com>

**Trust Fund Account Manual for Real Estate Brokers**, West Virginia Real Estate Commission, Charleston, WV, 2007

**West Virginia Real Estate License Act and Legislative Rules**, West Virginia Real Estate Commission, Charleston, WV, 2007