June 2023 Vol. 39, No. 7

WISCONSIN REAL ESTATE MAGAZINE

A PUBLICATION OF THE WISCONSIN REALTORS® ASSOCIATION

WWW.WRA.ORG / 800.279.1972 / 4801 FOREST RUN ROAD, MADISON, WI 53704

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ADVOCATE.
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THE LATEST VIDEOS

HOUSING MINUTE

Monthly analysis in Wisconsin housing

April 2023 Housing Recap

Tight housing supply in April hampered sales and increased prices in Wisconsin. “Home prices are still going up but at a slower pace than last year. In fact, the median price of Wisconsin homes sold in 2022 was 10.4% higher than 2021 median prices. In contrast, the housing price appreciation rate for the first four months of 2023 was only 7% higher than the first four months of 2022, suggesting demand pressure is easing,” said WRA President & CEO Mike Theo.

Watch: www.wra.org/HousingVideo/April23

TEAM UP AGAINST HUNGER

Be “one in a million” meals

Team Up Against Hunger June 19–23

The Wisconsin REALTORS® Foundation is hosting its Team Up Against Hunger week during June 19–23. That week, join fellow REALTORS® to raise 1 million meals for Feeding Wisconsin to help provide food to Wisconsin children in need. Watch the video at the link below, and turn to page 30 to learn more about how you can make a positive difference.

Watch: www.wra.org/OneInAMillion

MINI COURSES

Mini courses, major training

New Mini Courses Are Here

The WRA’s new Mini Course Series gives you cutting-edge training and original knowledge to help you navigate the market. But a mini course doesn’t mean mini impact. This new course series offers exclusive training you won’t find anywhere else, taught by some of the top subject matter experts in Wisconsin real estate.

Watch: www.wra.org/MajorMini

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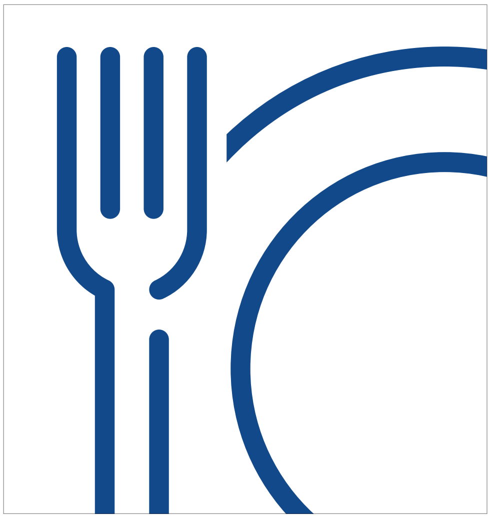

APRIL HOUSING

TIGHT SUPPLY CONTINUES TO HAMPER SALES AND INCREASE PRICES

BY DAVE CLARK

PROFESSOR OF ECONOMICS AT MARQUETTE UNIVERSITY
AND PRINCIPAL AT ECON ANALYTICS LLC

April 2023 Wisconsin housing at a glance:

- April 2023 home sales were 32.5% lower than April 2022.
- Weak inventories continue to be the main constraint on sales.
- Sellers continue to have a strong advantage in the market.
- The median price rose 6.8% compared to April 2022.
- The housing affordability index dropped year over year.

See the full report: **www.wra.org/HSRApr2023**

David Clark, Ph.D., is a professor of economics at Marquette University and principal at ECON Analytics LLC, and serves as a consultant to the WRA in the analysis of home sales data as well as in the preparation of the monthly Wisconsin housing report. For more information, contact Clark at 414-803-6537.

APRIL HOUSING

4,303
CLOSED SALES APR 2023
-32.5%
FROM APR 2022

$283,000
MEDIAN PRICE APR 2023
+6.8%
FROM APR 2022

ACTIVE LISTINGS BY PRICE

PRICE RANGE	NUMBER OF LISTINGS
$0–$124,999	1,243
$125,000–$199,999	2,331
$200,000–$349,999	4,535
$350,000–$499,999	3,550
$500,000 & higher	3,508

15,167
TOTAL STATEWIDE LISTINGS
APR 2023

-20.7%
FROM APR 2022

MEDIAN PRICES BY REGION

CENTRAL	$200,000
NORTH	$230,000
NORTHEAST	$260,000
SOUTH CENTRAL	$340,000
SOUTHEAST	$295,000
WEST	$265,000

AVERAGE DAYS ON MARKET

71 DAYS APR 2023
COMPARED WITH
69 DAYS APR 2022

MONTHS OF INVENTORY

2.5 APR 2023
2.5 APR 2022

HOUSING STATISTICS MONTHLY ACTIVITY

Statewide	April 2023	April 2022	% Change	YTD 2023	YTD 2022	% Change
New Listings	6,322	9,381	-32.6%	N/A	N/A	N/A
Total Listings	15,167	19,130	-20.7%	N/A	N/A	N/A
Closed Sales*	4,303	6,376	-32.5%	15,237	21,291	-28.4%
Median Sales Price	$283,000	$265,000	+6.8%	$267,500	$249,900	-7.0%
Months of Inventory	2.5	2.5	0.0%	N/A	N/A	N/A
Avg. Days on Market	71	69	+2.9%	N/A	N/A	N/A
Affordability Index	139	161	-13.7%	N/A	N/A	N/A

	Median Price			Closed Sales		
Region	**April 2023**	**April 2022**	**% Change**	**April 2023**	**April 2022**	**% Change**
Central	$200,000	$206,667	-3.2%	262	396	-33.8%
North	$230,000	$213,050	+8.0%	333	524	-36.5%
Northeast	$260,000	$241,000	+7.9%	777	1,131	-31.3%
South Central	$340,000	$320,000	+6.3%	897	1,263	-29.0%
Southeast	$295,000	$275,000	+7.3%	1,671	2,478	-32.6%
West	$265,000	$266,450	-0.5%	363	584	-37.8%

*Report criteria: Reflecting data through April 2023. *Total statewide closed sales may differ from the summed regional sales due to a small number of sales not being assigned to a county.*

INSIDE THE WRA

NEW CLIENT BROCHURE

REALTORS® aren't simply real estate licensees. Instead, REALTORS® are real estate licensees who take things up a notch, by subscribing to a Code of Ethics with an enhanced level of professionalism to help clients navigate through one of the biggest decisions of their lives.

You know that already! But do your clients know that? The WRA recently created the "REALTORS® Do More Than Sell Homes" brochure to help your clients learn how you do more than just sell their home.

The brochure outlines four key issues that REALTORS® advocated for on behalf of homeowners: time-of-sale requirements, property tax levy freeze, real estate transfer taxes and pier rights.

Feel free to print and distribute this new, one-page brochure to help consumers understand how you do more than just sell homes!

Visit **www.wra.org/DoMoreThanSell**.

WRA HOLIDAY HOURS

The WRA and the WRA Legal Hotline will be closed on Tuesday, July 4, in observance of Independence Day. Normal business hours for the association and hotline will resume at 8:30 a.m. CDT on Wednesday, July 5. The WRA wishes you a happy and safe holiday!

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WISCONSIN REAL ESTATE MAGAZINE

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POSTMASTER: Send address changes to:
Wisconsin REALTORS® Association
4801 Forest Run Road, Ste. 201
Madison, WI 53704-7337

Wisconsin Real Estate Magazine™ is published by the Wisconsin REALTORS® Association. Trademark issued pursuant to Wisconsin state statute.

Wisconsin Real Estate Magazine™, USPS 597-850, ISSN 1548-0526, is published monthly by the Wisconsin REALTORS® Association, 4801 Forest Run Road, Ste. 201, Madison, WI, 53704. Periodical postage paid in Madison, WI, and additional mailing offices. An annual subscription rate of $17.50 is included in membership dues and a copy is mailed to every paid REALTOR® and affiliate member of the association. Nonmember subscription rate is $60.


RGD
23
REALTOR® & GOVERNMENT DAY
WRA

2023 REALTOR® & GOVERNMENT DAY RECAP

On April 26, 2023, the WRA held its annual advocacy event, REALTOR® & Government Day (RGD), at the state Capitol in Madison. More than 500 Wisconsin REALTORS® showed up in record numbers, ready to lobby their lawmakers on issues impacting their business, customers and property rights!

Before going to the Capitol, Wisconsin REALTORS® gathered at the Monona Terrace Convention Center and learned about current Wisconsin legislative issues that affect real estate. Keynote speakers included Wisconsin Gov. Tony Evers, WRA President & CEO Michael Theo and 2023 WRA Chairman Joe Horning. In addition, the WRA advocacy team prepped attendees for their visits with lawmakers by outlining the issues of the day: workforce housing, the property tax levy freeze, DSPS customer service improvements, slashing the transfer tax, and sales tax exemptions for Wisconsin Multiple Listing Services.

At the Capitol, Wisconsin REALTORS® briefed more than 100 Wisconsin legislators on the five legislative priorities. After a productive afternoon of lobbying, attendees networked over drinks and hors d'oeuvres at a reception to conclude the day.

Plus, those who attended and passed an exam earned one hour of CE credit for the 2023-24 real estate biennium.

THANK YOU TO OUR EVENT SPONSORS

Axley Attorneys
Federal Home Loan Bank of Chicago
Godfrey & Kahn S.C.
Platform Communications
Universal Home Protection
Walker Media Agency

SEE YOU NEXT YEAR!

Thank you to the hundreds of Wisconsin REALTORS® who came together to make a positive difference for Wisconsin real estate. Your support is greatly appreciated, and we'll see you again next year on February 7, 2024, at the Monona Terrace and State Capitol for next year's RGD!

FEATURE

THE BUYER AGENCY AGREEMENT IS SHRINKING!

TENANT REPRESENTATION PROVISIONS MOVED TO A NEW FORM

BY DEBBI CONRAD
WRA SENIOR ATTORNEY AND DIRECTOR OF LEGAL AFFAIRS

The 2017 version of the buyer agency agreement offered versatility and flexibility in that it could readily be used for buyer agency or tenant representation or both. However, many Wisconsin REALTORS® found they did not often take advantage of the tenant representation provisions, and those provisions confused clients who were only interested in using the agency agreement for buyer agency.

WB-36 TRANSFORMATION

As a result, the 2017 version of the WB-36 Buyer Agency/ Tenant Representation Agreement has been revised and is becoming a new, shorter WB-36 Buyer Agency Agreement. This evolution occurs this summer: the new edition of the WB-36 Buyer Agency Agreement has an optional use date of July 1, 2023, and a mandatory use date of September 1, 2023.

What is changing in the WB-36?

The content of the 2023 WB-36 Buyer Agency Agreement is largely the same as the content of its predecessor other than the fact that all references and provisions for tenant representation have been removed. Consequently, the new WB-36 is shorter: only six pages instead of seven. It is no longer necessary to strike "Buyer's Agent" or "Tenant's Representative" on the first line of the form. It is all about buyer agency.

The only new material comes near the end of the WB-36, where a new Wire Fraud Warning is placed just before the buyers' signatures. The rest of the provisions are the same as before and should be familiar to those who have worked with the buyer agency agreement in the past. In other words, the new version is streamlined and simplified and should be easy to use for both licensees and buyers.

- **Terminology simplification:** Whereas the 2017 version of the WB-36 at times referred to "Client" when it was possible the party being referenced might be either a buyer or a tenant, that term has been removed from the definitions section of the new WB-36 and no longer appears other than in the mandatory language of the Disclosure to Clients section. Other places where the 2017 version speaks of a client now just say "buyer." For example, the authorization to act as the buyer's agent at the beginning of the form, and the boxed caution about the need to still pay the buyer's firm even if the buyer works directly with others, just refer to the buyer — not a "Client" in sight.
- **Fewer definitions:** Because the references to tenants have been removed from the new WB-36, the section of definitions in the new WB-36 is shorter. Gone are the definitions of client, person acting on behalf of tenant, rental agreement and tenant. Simpler, cleaner and shorter!

INTRODUCING THE NEW WB-39 TENANT REPRESENTATION AGREEMENT

And what happened to the tenant provisions that were removed from the 2017 version of the WB-36 Buyer Agency/Tenant Representation Agreement? They have a new home in the new WB-39 Tenant Representation Agreement. The new WB-39 Tenant Representation Agreement has an optional use date of July 1, 2023, and a mandatory use date of September 1, 2023.

Think of the new tenant representation agreement as the counterpart to the new WB-36. If you start with the 2017 version of the WB-36, remove all of the provisions and references to buyer agency, move the tenant representation provisions that had been on page 6 of the 2017 agreement and put them on the first page where the buyer agency provisions had been, what you have is the new tenant representation agreement.

The balance of the content of the new WB-39 is largely the same as the content of the 2017 version of the WB-36 except that the buyer agency provisions are gone. As a result, the new WB-39 is shorter: only six pages instead of seven. The WB-39 is all about assisting a client looking for a rental property.

There are changes in terminology and fewer definitions. The only new material comes near the end of the WB-39 with a new Wire Fraud Warning placed just before the tenants' signatures. In other words, the new version is streamlined and simplified for the ease of use of both licensees and tenants. The rest of the provisions are the same as before and should be familiar to those who have worked with the agreement for tenant representation situations in the past.

Watch for future news announcing when the WB-36 and WB-39 become available in Transactions (zipForm Edition) as well as in the WRA's subscription-based PDF forms library at **www.wra.org/FormsLibrary**.

For those who need a nuts-and-bolts refresher as to the workings of the buyer agency agreement and how the tenant representation provisions work, see the June 2017 *Legal Update*, "Revised WB-36 Buyer Agency/Tenant Representation Agreement," at **www.wra.org/LU1706**.

Not to fear, the WB-38 Commercial Buyer Agency/Tenant Representation Agreement remains available and is ideal for the client who focuses on the type and function of the property and is open to either a purchase or a lease. The WB-38 is discussed in the July 2017 *Legal Update*, "WB-38 Commercial Buyer Agency/Tenant Representation Agreement," at **www.wra.org/LU1707**.

RED FLAG REMINDER: THE NEW WIRE FRAUD WARNING

In both the revised WB-36 Buyer Agency Agreement and the new WB-39 Tenant Representation Agreement, there is a new provision. The new Wire Fraud Warning tries to speak to the parties in terms they will understand and convince them to not wire funds for their transaction without personally obtaining independent verification from a trustworthy source that the wire instructions they are about to use are indeed correct. This warning, indented and boxed in for emphasis, and placed right above the signature lines where it will get more attention, is believed to be a more effective way of imparting this message.

The following appears in both the revised WB-36 and the new WB-39 just above the signature lines:

> ***WIRE FRAUD WARNING!*** *Wire Fraud is a real and serious risk. Never trust wiring instructions sent via email. Funds wired to a fraudulent account are often impossible to recover.*
>
> *Criminals are hacking emails and sending fake wiring instructions by impersonating a real estate agent, Firm, lender, title company, attorney or other source connected to your transaction. These communications are convincing and professional in appearance but are created to steal your money. The fake wiring instructions may even be mistakenly forwarded to you by a legitimate source.*
>
> *DO NOT initiate ANY wire transfer until you confirm wiring instructions IN PERSON or by YOU calling a verified number of the entity involved in the transfer of funds. Never use contact information provided by any suspicious communication.*
>
> ***Real estate agents and Firms ARE NOT responsible for the transmission, forwarding, or verification of any wiring or money transfer instructions.***

Wire fraud robbery

Both the Real Estate Contractual Forms Advisory Committee as well as the Real Estate Examining Board (REEB) at the Department of Safety and Professional Services (DSPS) are very concerned with the continued prevalence of transactions where a buyer's earnest money or purchase funds are stolen in the blink of an eye; online fraudsters infiltrate transaction emails, provide false wire transfer instructions, steal the money when it is wired to a crooks' bogus account, and swiftly channel the money overseas or to parts unknown.

The ever-present danger of wire transfer fraud and other cybercrimes aiming to steal private identification information, personal identities and money led to the inclusion of a wire fraud warning in the 2020-21 WB offers to purchase, appearing at the end of the Closing section. The caution tells parties who receive wire transfer instructions to personally contact the title company or other party hosting the closing to confirm the details of any wire transfer. This contact should be by telephone or in person, is the responsibility of the parties and does not involve licensees.

But the REEB and the DSPS no longer believe that is enough. Real estate professionals have been warned of the dangers lurking when email is used to transmit sensitive information, including wire transfer instructions. But sometimes it seems like some licensees just tune it out. Maybe they think this is just something that happens to others but not to them, and they believe they are bulletproof. Unfortunately, wire fraud continues to plague the real estate industry and devastate potential homeowners who see earnest money, down payments and, in the worst case, the entire purchase price stolen by criminals who disguise fraudulent wiring instructions in emails that look legitimate.

FBI reports increased fraudster sophistication

According to the Federal Bureau of Investigation (FBI) Internet

Crime Report for 2022, the number of real estate-related fraud complaints reported to the FBI grew to 11,727 in 2022 from 11,578 in 2021. Despite a significant decrease in the number of transactions during the year-over-year periods, there was a slight growth in the number of FBI-reported fraud complaints, meaning the rate of fraud complaints per transaction increased significantly. In addition, the amount lost by real estate victims climbed from $350,328,166 in 2021 to $396,932,821 in 2022. Clearly the problem is not going away and is getting worse each year. According to the FBI, "cyber risk is business risk" and "cyber security is national security."

In 2022, the FBI received 21,832 business email compromise (BEC) complaints with adjusted losses over $2.7 billion. The FBI has seen cyberthreats emanate from around the world and witnessed the scope and sophistication of these scams and attacks deepen. As fraudsters have become more sophisticated and preventative measures have been put in place, the BEC scheme has evolved from simple hacking or spoofing of business and personal email accounts and a request to send wire payments to fraudulent bank accounts. Reports reveal an increasingly prevalent tactic where BEC bad actors spoof the phone numbers victims use to confirm fraudulent banking details. For example, victims report they have called a title company or real estate agent and later discover the phone number was spoofed. Thus, procedures should be put in place to verify payment instructions and purchase requests outside of email communications. According to the FBI, this can include direct phone calls but only to known verified numbers, not relying on information or phone numbers included in email communications. Other best practices include carefully examining the email address, URL and spelling used in any correspondence and not clicking on anything in an unsolicited email or text message asking for an update or verification of account information.

Therefore, parties should be urged to contact the title company or other closing provider using contact information from an independent source and to not rely on contact information that appears in an email from a party providing wire transfer instructions. If that email is from a scammer, the crook has likely made a tiny change to the email address, phone numbers or other contact information such that reliance on those contacts may lead back to the crook and not to the title company. The parties should not use the agents in the transactions as conduits for wire transfer information because this only increases the possibility of a hack and a crook being set up to steal the parties' money.

WIRE FRAUD WARNING IN MORE WB FORMS

The DSPS and the REEB consider this new Wire Fraud Warning to be so important that the REEB plans to add the warning to most WB forms including the offers and listing contracts. The DSPS and REEB believe it would be well worth it if this warning, indented and boxed for emphasis, and placed right above the signature lines where it will get more attention, will save a few or just one buyer from losing their money because they participated in a real estate transaction. These changes will likely occur near the end of the year or the beginning of next year.

Stay tuned for news about the addition of the new Wire Fraud Warning to the WB forms!

WIRE FRAUD RESOURCES

- Federal Bureau of Investigation Internet Crime Report 2022: **www.ic3.gov/Media/PDF/AnnualReport/2022_IC3Report.pdf**
- "Wire Fraud: Warning to Consumers," in the August 2022 *Wisconsin Real Estate Magazine*: **www.wra.org/WREM/Aug22/WireFraud**
- "This Is Not a Test," in the December 2018 *Wisconsin Real Estate Magazine*: **www.wra.org/WREM/Dec18/Cybercrime**
- "The Risks of Sending Wire Transfer Instructions," in the October 2017 *Wisconsin Real Estate Magazine*: **www.wra.org/WREM/Oct17/WireTransferFraud**

THE

BEST

OF THE LEGAL HOTLINE

BY WENDY HOANG
WRA STAFF ATTORNEY

I'M GONNA MAKE THIS PLACE YOUR HOME

Phillip Phillips sings, “just know you’re not alone / I’m gonna make this place your home,” in his 2012 song “Home.” The lyrics reassure the listener that there is someone out there who supports them. In a similar manner, buyer’s agents can put their clients at ease by reassuring the buyers that the agent will help them throughout the homebuying process. Although the homebuying process is exciting, it can also be unfamiliar and stressful. Buyers want to know they are not alone during their homebuying journey. The following discussions highlight some frequently asked questions regarding buyer agency.

BUYER AGENCY FEES

Can a buyer request in the offer to purchase that the seller pay the buyer's firm's fee?

While REALTORS® shall not use the offer to attempt to modify a listing firm's offer of compensation per the REALTOR® Code of Ethics, as specifically stated in Standard of Practice 16-16, a buyer's firm may ethically suggest or recommend that the buyer ask the seller to pay some or all of the buyer's firm's fee pursuant to Article 16 of the Code of Ethics and NAR Case Interpretation #16-17. The buyer may condition the offer upon the seller paying some or all of the buyer's firm's fee on behalf of the buyer, as a seller's expense at closing.

For example, if the listing firm is offering compensation on the MLS of 2.0% and the WB-36 Buyer Agency/Tenant Representation Agreement sets compensation at 3.0%, the offer could state, "Seller shall, on Buyer's behalf, pay to Buyer Agent's Firm, XYZ Realty, 1.0% of the sale price." The offer might also explain that this was in addition to the offer of compensation from the listing firm in the MLS, or the buyer's agent could include an explanation to the listing firm in the email accompanying the offer that the contribution being requested from the seller is in addition to the MLS offer of compensation.

If, on the other hand, the buyer's firm is waiving the MLS compensation and relying on the seller to pay the buyer's firm's entire fee as agreed in the offer, that separate communication must be directed to the listing firm. The seller may wish to amend the listing contract to reduce the amount of commission owed to the listing firm should the offer wherein the seller pays the buyer's firm's commission be accepted.

Wis. Stat. § 452.133(3)(a) provides that the buyer's firm must have the prior written consent of the buyer and seller to accept compensation from the seller because the seller is not the buyer's firm's client. The WB-36 Buyer Agency/Tenant Representation Agreement authorizes the buyer's firm to accept compensation from the owner/seller while the consent from the seller would need to be obtained in the offer.

See the June 2017 *Legal Update*, "Revised WB-36 Buyer Agency/Tenant Representation Agreement," at **www.wra.org/LU1706**, pages 15-17 of the November 2007 *Legal Update*, "WB-36 Buyer Agency Agreement — 2008 Revisions," at **www.wra.org/LU0711**, and the September 2005 *Legal Update*, "Buyer Agency Practice," at **www.wra.org/LU0509**.

A buyer's agent asked the title company to add additional buyer agency brokerage fees to the buyer's closing statement. The listing agent does not understand how a buyer's agent can add these additional buyer agency fees over and above what the listing firm is paying the buyer's agent's firm right before closing. Can a buyer's agent tell the title company to add additional buyer agency fees to the buyer side of the closing statement?

The WB-36 Buyer Agency/Tenant Representation Agreement addresses the amount of commission at lines 33-36. The amount negotiated between the buyer and the buyer agency firm may be in excess of what has been offered in the MLS by the listing firm. Therefore, is it possible for a buyer's agent to receive commission from one or multiple sources to satisfy the amount due.

For example, the WB-36 Buyer Agency/Tenant Representation Agreement may be negotiated so the buyer will pay the buyer's agent a success fee. This amount may be reduced by the amounts the broker receives from the seller or the listing broker.

If the buyer is responsible for commission in excess of what is collected from the seller or seller's agents, the additional amount, per the WB-36 Buyer Agency/Tenant Representation Agreement, would be due and payable at the time of closing. The buyer's agent may request the title company to include the amount as a buyer expense on the closing statement. The buyer's agent's request to add the buyer's payment to the buyer's closing statement is perfectly legal and ethical.

BUYER AGENCY DISCLOSURE

A listing agent is asking for the buyer agency agreement when the buyer's agent is submitting an offer. The buyer's agent is wondering if there is any reasoning behind such a request. Is this allowed since the contract is between the buyer's agent's firm and the buyer?

For agents working with buyer clients, once an agent is a buyer's agent, the buyer's agent on first contact with the listing firm discloses the buyer agency. Then when drafting the offer, lines 1-2 of the WB-11 Residential Offer to Purchase reaffirm the agent is acting as a buyer's agent. Although a listing firm may request a copy of the buyer agency agreement or the Disclosure to Clients embedded therein, the cooperating agent is not required to provide a copy because it is a confidential contract between the buyer and the firm. According to document retention rules, there is no statutory requirement for the listing firm to have a copy of the buyer agency agreement or agency disclosure document.

What are the requirements for a licensee writing an offer for an entity, which does not have a real estate license, in which the licensee has an interest?

The entity is a separate party and is the buyer. The licensee may provide brokerage services as either a buyer's agent with a WB-36 Buyer Agency/Tenant Representation Agreement or as a subagent of the listing firm. Although a buyer agency agreement is not required by law, it avoids the appearance of a conflict of interest that occurs when the licensee has an interest in the buyer entity but is acting on behalf of the listing firm. Per Wis. Stat. 452.133(3)(b), the licensee must obtain written consent from all parties to the transaction because the licensee is acting on behalf of a business entity in which the licensee has an interest. A licensee shall obtain the written consent in the offer to purchase, option, lease or other transaction contract.

Example:
Disclosure of Licensee Entity Interest as Buyer or Seller

> *All parties understand licensee, __________, has an interest in the (Buyer) (Seller) [STRIKE ONE] entity or organization and consent to the licensee serving as a real estate agent for that entity or organization in this transaction.*

This example presumes the licensee is acting in a licensed capacity on behalf of the firm in the WB-36 Buyer Agency/Tenant Representation Agreement and not just a signatory for the unlicensed entity.

For more questions and answers related to an agent's personal transactions, see **www.wra.org/FAQ/PersonalRealEstate**.

AGENCY AND REPRESENTATION

Must an agent have a buyer sign a buyer agency agreement upon first meeting, or can the agent have the buyer sign a buyer agency agreement simultaneous to drafting the offer?

It is up to the firm to decide when to have a buyer sign a buyer agency agreement and become the firm's client, but this must be done before any negotiations or the drafting of an offer. If an agent is working with a buyer and the buyer has not yet decided whether to become a client or a customer, the agent and the buyer are in what is referred to as "pre-agency." During this time, the agent is a neutral information provider who represents neither party. The agent cannot say or do anything that would put the buyer's interest ahead of the interests of the other party in the transaction.

If an agent was in "pre-agency" with a buyer and the buyer decided it was time to write an offer or engage in any other negotiations, at that time the agent would need the buyer to pick whether the buyer would be the agent's client and sign a buyer agency agreement or be the agent's customer and the agent would give the buyer a Disclosure to Customers prior to drafting the offer.

See the June 2006 *Legal Update*, "Revised Agency Law Implementation," at **www.wra.org/LU0606** for further discussion of agency law issues and the services that may be provided in the pre-agency stage and to a customer. Also see the October 2010 *Legal Update*, "Agency Law Revisited," at **www.wra.org/LU1010**.

A firm has a listing contract and a buyer agency agreement. Both the seller and the buyer have agreed to multiple representation without designated agency. Does the agent draft the offer as "Agent of Buyer and Seller"? Does the agent remain neutral? What if the seller and buyer agreed to multiple representation with designated agency and the buyer's designated agent drafts the offer?

If the buyer and seller both agreed to multiple representation without designated agency, the agent remains neutral between the parties and drafts the offer as "Agent of Buyer and Seller."

If the buyer and the seller agreed to multiple representation with designated agency, the seller and the buyer each get their own agents, who do not remain neutral, and the buyer's designated agent would draft the offer as "Agent of Buyer."

See the discussion on pages 12-15 and 16-17 of the October 2010 *Legal Update*, "Agency Law Revisited, at **www.wra.org/LU1010**.

An agent has a seller lead who does not want to sign a listing contract but would be willing to do a one-party listing if the agent finds a buyer. Can the agent do buyer agency with the buyer, and then take the buyer to the home and do a one-party listing with the seller at that time?

Yes. The agent can enter into a buyer agency agreement with the interested buyer and then draft a one-party listing with the seller if the buyer is interested in submitting an offer to purchase. Because the firm will be representing both clients in the transaction, both the seller and the buyer will have to agree to multiple representation in their respective agency agreements. If the buyer and the seller consent to the one agent negotiating the whole transaction, the buyer and the

seller would have to consent to multiple representation without designated agency, and the agent would remain neutral between the parties as to their negotiations.

CONTRACT DRAFTING

In an effort to fill out paperwork using best practice, an agent is wondering whether line 12 of the WB-36 Buyer Agency/Tenant Representation Agreement can be completed by writing in "any and all" on that line instead of actual numbers to indicate the purchase price range?

Not including actual numbers in the purchase price range section of the WB-36 Buyer Agency/Tenant Representation Agreement is creating a risk that a buyer could argue the agency agreement is not valid under Wis. Stat. § 240.10, which lists the requirements for a valid agency agreement. One requirement is that the contract must express, "the price for which the same may be sold or purchased." If the agency agreement is not valid because it is missing a requirement, such as a statement of the price range, the buyer could argue no commission is due to the firm even if the buyer purchased a property during the term of the agreement. Best practice is to include a price range with actual numbers.

The firm can still earn a commission if the buyer purchases a property outside of the price range stated on line 12. Lines 37-40 of the WB-36 Buyer Agency/Tenant Representation Agreement specify when a firm earns a commission:

> *COMMISSION EARNED: The Firm has earned the Firm's commission if during the term of this Agreement (or any extension of it), Buyer or any Person Acting on Behalf of Buyer acquires an Interest in Property or enters into an enforceable written contract to acquire an Interest in Property, at any terms and price acceptable to owner and Buyer, regardless of the purchase price range.*

See pages 15-17 of the November 2007 *Legal Update*, "WB-36 Buyer Agency Agreement – 2008 Revisions," at **www.wra.org/LU0711** and the LegalTalks video, "Buyer Agency Agreement Form Changes with Debbi Conrad," at **www.wra.org/LegalTalks/BuyerAgencyAgreement**.

All references in this article to the WB-36 Buyer Agency/Tenant Representation Agreement refer to the 2017 version of the WB-36 form.

AND... ACTION!

THE WRA'S LEGAL ACTION PROGRAM AT WORK

BY CORI LAMONT
WRA SENIOR DIRECTOR OF LEGAL AND PUBLIC AFFAIRS

The WRA's Legal Action Program is one of the WRA's most powerful advocacy tools. When a local ordinance overreaches its authority, or when litigation is challenging fundamental property rights, the Legal Action Program can help.

The Legal Action Program is currently involved in several ongoing cases as well as cases where recent decisions have been made by the court. Here are just a few examples.

FORECLOSURE EQUITY THEFT

Case: *Tyler v. Hennepin County* (Minnesota)
Status: U.S. Supreme Court heard arguments heard on April 26.

On March 2, 2023, the WRA filed an amicus brief with the U.S. Supreme Court on the issue of foreclosure equity theft.

Under the Fifth Amendment of the U.S. Constitution, the government is prohibited from taking property for a public purpose without just compensation. In 2022, the WRA helped enact a new law, 2021 Wis. Act 216, that eliminates the ability of counties in Wisconsin to keep the net proceeds in a property tax foreclosure sale.

Despite the passage of Act 216, Wisconsin case law still maintains that as long as the property owner receives sufficient notice of a tax foreclosure action to satisfy due process requirements, a taking does not occur when the government retains any net proceeds. Therefore, the WRA submitted an amicus curiae brief, also known as a "friend of the court" brief, to ensure both the common law and statutory rights of property owners are protected.

SELLER DISCLOSURE

Case: *Pagoudis v. Keidl* (2020AP225)
Status: Decided. The Wisconsin Supreme Court dismissed the case against Pagoudis and Kearns and remanded the case back to the lower court regarding Sead.

On February 16, 2022, the WRA filed an amicus brief with the Wisconsin Supreme Court to support that sellers should not be held liable to subsequent buyers for information contained in a real estate condition report provided in a previous transaction, and that commonly owned limited liability companies (LLCs) should be treated as separate entities.

In 2017, Louis Pagoudis wrote an offer to purchase on a property as "Louis or assigns" on the Keidl family's 20 acres of land, which included a house, farmland and a building site for a pole barn. Sead Properties LLC closed on the property on April 24, 2017. In October 2017, Sead transferred the property to Kerns Management LLC. Pagoudis owns and operates both Sead and Kerns. In August 2019, Sead, Kerns and Pagoudis filed a lawsuit against the Keidls for misrepresentation, among other things.

The consequence of the appellate court decision would arguably subject sellers to indefinite liability even when the seller had no contractual relationship with the party. The court's decision to treat commonly owned LLCs as separate entities has significant consequences for individuals in Wisconsin. Most Wisconsin LLCs are single-member entities, and many individuals have multiple LLCs for liability protection. This ruling would have had far-reaching implications for Wisconsinites statewide.

On April 4, 2023, the Wisconsin Supreme Court dismissed the case against Pagoudis and Kearns and remanded the case to the lower court regarding Sead's rights against Keidl.

BIRD GLASS

Case: City of Madison Bird Glass Ordinance (2022AP001468)
Status: On appeal, Court of Appeals District 4.

In July 2021, the Wisconsin Institute for Law & Liberty (WILL) filed a lawsuit against the city of Madison on behalf of the WRA and four other coalition parties: the Associated Builders and Contractors of Wisconsin Inc., Commercial Association of REALTORS® Wisconsin Inc., NAIOP Wisconsin Chapter Inc., and the Wisconsin Builders Association. This lawsuit challenged the city's bird-safe glass ordinance.

In 2020, the city of Madison adopted an ordinance that new buildings over 10,000 square feet must meet new bird-safe glass treatment requirements. Adding bird-safe glass to a project increases the cost for developers and building owners, and this cost is often passed on to tenants.

However, Wisconsin's uniform building code established in 2014 provides that no city "may enact or enforce an ordinance that creates minimum standards for constructing, altering or adding to buildings unless the ordinance 'strictly conforms' to the uniform dwelling code." See SPS § 361.03 (5)(a)1. The coalition argued the city of Madison's ordinance undercuts and disregards Wisconsin's uniform building code.

The Dane County Circuit Court ruled in favor of the city of Madison, holding the ordinance was valid. The coalition appealed, and this case has been appealed. Oral arguments were heard on April 26, 2023, before the Court of Appeals District 4.

LOCAL ORDINANCES

Time of sale ordinances

Manitowoc county
Status: Lawsuit has been filed.

The ordinance requiring a full Private Onsite Wastewater Treatment System (POWTS) inspection after transfer of property violates Wis. Stat. § 706.22. While the county amended the ordinance to no longer prohibit occupancy if there is not a time-of-sale POWTS inspection, the ordinance still imposes restrictions — such as lawsuits, fines, jail and liens — if the buyer does not conduct the inspection.

Short-term rental ordinances

Case: Wisconsin REALTORS® Association, INC. v. Polk County (2023CV072)
Status: Lawsuit filed in circuit court.
On March 20, 2023, the WRF filed a lawsuit in circuit court against Polk County. The ordinance requires short-term rentals of no more than seven days per month within the months of May through September. This requirement is a violation of Wis. Stat. § 66.1014.

City of Stevens Point
Status: Waiting for a lawsuit to be filed.
This ordinance requires a short-term rental tourist rooming house to be the owner's primary residence and be occupied by the owner during the time of the rental — requirements that violate Wis. Stat. § 66.1014. The WRA Legal Action Committee approved financial support for legal services related to filing a lawsuit to challenge the city of Stevens Point's tourist rooming house ordinance.

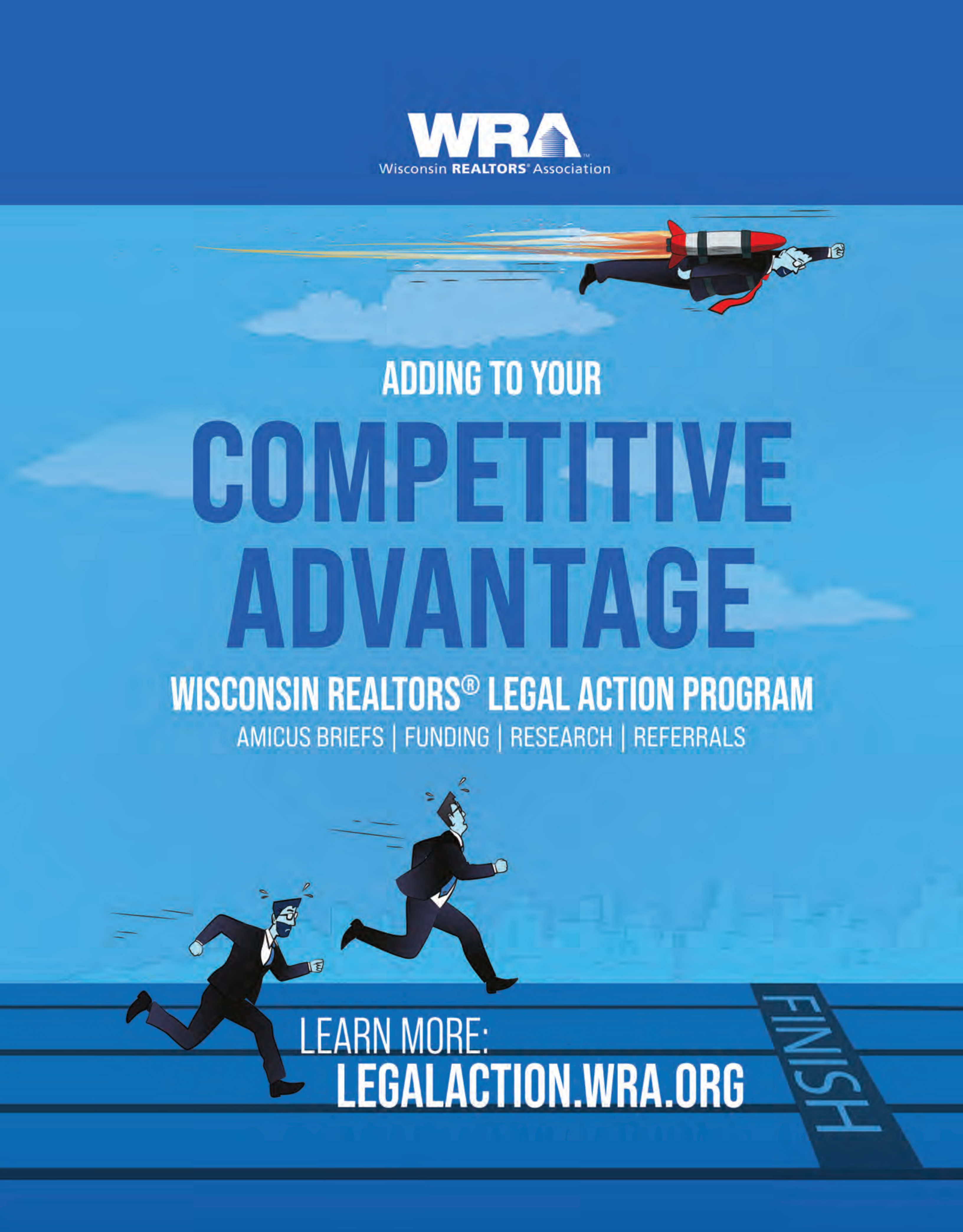
THE LEGAL ACTION PROGRAM WORKS FOR YOU

If you believe a local ordinance or an action infringes upon property rights or your business, the WRA's Legal Action Program may be able to help. Learn more and contact the program at **legalaction.wra.org.**

Village of Plover
Status: Waiting for a lawsuit to be filed.
This ordinance requires a short-term rental tourist rooming house to be the owner's primary residence, which violates Wis. Stat. § 66.1014. The WRA Legal Action Committee approved financial support for legal services related to filing a lawsuit to challenge Plover's short-term rental ordinance.

Town of Rib Mountain
Status: Waiting for a lawsuit to be filed.
This ordinance requires short-term rentals to be owner-occupied for a certain number of days and violates Wis. Stat. § 66.1014. The WRA's Legal Action Committee approved financial support for legal services related to filing a lawsuit to challenge the town of Rib Mountain's short-term rental ordinance.

Village of Sister Bay
Status: Waiting for a lawsuit to be filed.
This ordinance prohibits short-term rentals in R-2 multifamily residential zoning districts, which violates Wis. Stat. § 66.1014. The WRA Legal Action Committee approved financial support for legal services related to filing a lawsuit to challenge the Sister Bay short-term rental ordinance.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Wisconsin REALTORS® Association
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COMPETITIVE ADVANTAGE
WISCONSIN REALTORS® LEGAL ACTION PROGRAM
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LEGAL RESOURCES

THE LATEST UPDATES AND RESOURCES ABOUT WISCONSIN REAL ESTATE LAW FROM THE WRA

LEGAL UPDATES

Included with WRA membership is access to the WRA's *Legal Update* publication. Recent issues include:

May 2023: "Lead-based Paint Disclosures"
Review the requirements related to disclosing the presence of lead-based paint in properties built before 1978.

April 2023: "Landlord-tenant Law Refresher"
Review a variety of landlord-tenant issues as well as resources to use when handling rental agreements.

See more: **www.wra.org/LegalUpdates**
(WRA login required)

LEGAL HOTTIPS

WRA membership gives you access to the WRA Legal Hottips online library: a collection of discussions from the WRA Legal Hotline. The library dates back several years with hotline discussions about liability, disclosures, fair housing and much more. New hottips are published weekly.

Search the Q&As: **www.wra.org/LegalHottips**
(WRA login required)

WRA LEGAL HOTLINE

Find out applicable legal standards, alternatives and possible solutions for your real estate practice questions with this members-only service.

SUBMIT YOUR QUESTION
By phone: 608-242-2296 or 800-799-4468
Online: Visit the hotline webpage

HOTLINE HOURS
Monday-Friday, 8:30 a.m. to 4:30 p.m. Central

The WRA Legal Hotline will be closed on Tuesday, July 4, in observance of Independence Day. Normal business hours resume on Wednesday, July 5.

www.wra.org/LegalHotline


FREE
LINE BY LINE
FORMS TRAINING
The most in-depth Wisconsin real estate forms training is now free for WRA members.
Previously a subscription-based series, Line by Line is now available for free as part of WRA membership* and gives all members equal access to the best Wisconsin-based real estate forms training on the market.
GET STARTED: @ WWW.WRA.ORG/LINEBYLINE
*This video series is free for WRA REALTOR® members and legal section members.

MEET A 2023 MAJOR INVESTOR

"The WRA's success in legislative advocacy depends on our political advocacy effectiveness. Electing the right people into office who support free markets, private property rights, and maintain a quality of life in Wisconsin is critical to a strong real estate market and healthy economy. The purpose of RPAC is to help elect candidates from both parties who will promote and defend issues that matter to homeowners, property owners and the livelihood of every WRA member. I urge my fellow REALTORS® to become a major investor today! It's a wise investment in your business."

Kevin Marciniak
RE/Max Realty Pros, New Berlin

RPAC

REALTORS® POLITICAL ACTION COMMITTEE

REAL ESTATE ADVOCACY

2023 MAJOR INVESTORS

The REALTORS® Political Action Committee (RPAC) major investors are a passionate group of REALTORS® whose investments shape the future of the real estate industry. It's critical for REALTORS® to join forces and speak with one voice about the the statewide real estate industry and its positive effects on the state of Wisconsin.

To become a major investor, contact your local association executive, government affairs director, or the WRA's Joe Murray at **jmurray@wra.org** or Sandy Bolgrihn at **sandyb@wra.org**.

PRESIDENT'S CIRCLE

This icon designates an influential group of REALTORS® who contribute $2,000 directly to REALTOR®-friendly candidates in response to requests from NAR and RPAC trustees.

RPAC HALL OF FAME

This icon designates members of the RPAC Hall of Fame with an aggregate lifetime investment of $25,000 or more.

PLATINUM "R"s
($10,000) $7,000 Direct Giver; $3,000 NAR RPAC

Jim Imhoff
First Weber Inc.
Madison

Mary Rufledt
Elite Realty Group
Eau Claire

GOLDEN "R"s
($5,000) $3,500 Direct Giver; $1,500 NAR RPAC

Brad Lois
Bear Realty of Burlington Inc., Burlington

Tom Larson
Wisconsin REALTORS® Association, Madison

Mike Theo
Wisconsin REALTORS® Association, Madison

Joe Horning
Shorewest REALTORS®
Brookfield

John Horning
Shorewest REALTORS®
Brookfield

John Flor
Keller Williams Realty Diversified, Chetek

Mary Gilbank
Shorewest REALTORS®
Janesville

KC Maurer
RE/MAX 24/7 Real Estate LLC, Appleton

Rita Blenker
Century 21 Gold Key Realty Inc., Marshfield

CRYSTAL "R"s
($2,500) $1,750 Direct Giver; $750 NAR RPAC

Peter Ogden
Ogden & Company Inc. AMO, Milwaukee

Rose Bogosian
Gonnering Realty Inc.
Kenosha

Joe Murray
Wisconsin REALTORS® Association, Madison

Cori Lamont
Wisconsin REALTORS® Association, Madison

Brittany Voigt
Century 21 Ace Realty
Neenah

Becky Merwin
Berkshire Hathaway Starck Real Estate, Lake Geneva

Michael Zahrt
First Weber Inc.
Wausau

Chuck Olson
Coldwell Banker River Valley REALTORS®
Onalaska

Lori Muller
Exit Elite Realty
Appleton

Mike Didier
RE/MAX United LLC
Port Washington

RPAC major investors are current as of May 15, 2023, and appear in the order in which they pledged contributions.

STERLING "R"s

($1,000) $700 Direct Giver; $300 NAR RPAC

Mark Bourque
Berkshire Hathaway HomeServices Epic Real Estate, Kenosha

Scott Revolinski
Founders 3 Real Estate Services, Milwaukee

Ned Purtell
Founders 3 Real Estate Services, Milwaukee

Andrew Hess
Founders 3 Real Estate Services, Milwaukee

Robert Flood
Founders 3 Real Estate Services, Milwaukee

David FitzGerald
Kleven Real Estate Inc.
Eau Claire

Roger Mater
RE/MAX Service First LLC, Brookfield

Chris Carrillo
Metro MLS
Milwaukee

Brett Moravitz
Dane Arthur Real Estate Agency, Cumberland

Darin Moravitz
Dane Arthur Real Estate Agency, Turtle Lake

Kevin Marciniak
RE/MAX Realty Pros
New Berlin

Lindsey Kate
Acre Realty
Appleton

Judy Hearst
Coldwell Banker Realty
Milwaukee

Stacey McKinney
McKinney Realty
Cable

Joe Germain
Woods & Water Realty Inc.
Chippewa Falls

Stacey Hennessey
Century 21 Affiliated
Appleton

Catherine Bade
Edina Realty Inc.
Bloomer

Jeff Hoffman
The Boerke Company Inc., Milwaukee

Robert Morrone
Prime Realty Group
Kenosha

Shawna Alt
First Weber Inc.
Madison

Stephen Provancher
Newmark
Milwaukee

Gary Grolle
Keating Real Estate
Genoa City

Tim Besaw
Besaw & Associates Realty Ltd., Green Bay

Jeff Theisen
RE/MAX Real Estate Group, Eau Claire

Cora Frank
RE/MAX Affiliates
Menomonie

Steve Anderson
Anderson Commercial Group LLC, Franklin

Dan Lawler
Feather Real Estate Group, Rice Lake

MaryKay Shumway
Kellerstrom Ray Agency
Sister Bay

Ted Dentice
Shorewest REALTORS®
Brookfield

Jackie Kumm
Edina Realty Inc.
New Richmond

Michael Pietrek
Berkshire Hathaway HomeServices North Properties, Onalaska

Char Glocke
La Crosse Area REALTORS® Association
La Crosse

Todd Schwartz
Chippewa Valley Real Estate, Eau Claire

Scott Bush
Greater Milwaukee Association of REALTORS®
Milwaukee

Barbie Murawski
Coldwell Banker Real Estate Group, Fitchburg

Denise Schultz
Lakes Area REALTORS® Association, Elkhorn

Dan Lee
First Weber Inc.
Madison

Tom Didier
RE/MAX United LLC
Port Washington

Dan Kruse
Century 21 Affiliated
Madison

Jack Drzewiecki
Acre Realty
Appleton

Ray Leffler
RE/MAX Newport Elite
Racine

Matt Moroney
Metropolitan Builders Association, Milwaukee

STERLING "R"s continued

($1,000) $700 Direct Giver; $300 NAR RPAC

Andy Hay
Guy Lloyd Inc.
Racine

Peter Sveum
Coldwell Banker Real Estate Group, Stoughton

Margaret Labus
Berkshire Hathaway Starck Real Estate, Lake Geneva

Becky Kirchner
RE/MAX Plaza
McHenry, IL

Stan Hill
Stark Company REALTORS®, Madison

Jan Stroud
Southshore REALTORS® Association, Kenosha

Anthony Nudo
Nudo Realty LLC
Kenosha

Pat Kaster
River City REALTORS®
Green Bay

Kel Svoboda
Compass Real Estate
Wauwatosa

Don Timmerman
Keller Williams Integrity Realty MN/WI, Baldwin

Fred Prassas
PMC Management of Northern Wisconsin
La Crosse

Macy Walter
Shorewest REALTORS®
Janesville

Peggy Kman
Coldwell Banker Realty
Iron River

Connie Reiter-Miller
RE/MAX The American Dream, Marshfield

Alicia Chovan
Shorewest REALTORS®
Kenosha

Robert Proctor
Axley Brynelson Law Firm, Madison

Andy Szymanskyj
Launch Realty Group
East Troy

Tricia Chartier
Coldwell Banker Realty
Wauwatosa

Carey Maurer-Martin
RE/MAX 24/7 Real Estate LLC, Appleton

Tom Telderer
RE/MAX Realty Pros
Milwaukee

Michael Sewell
Coldwell Banker Real Estate Group, Green Bay

Southshore MLS
Kenosha

Lakes Area REALTORS® Association
Elkhorn

WISCONSIN SUPREME COURT RACE RESULTS IN A NEW MAJORITY

BY JOE MURRAY
WRA DIRECTOR OF POLITICAL & GOVERNMENTAL AFFAIRS

On April 4, Wisconsin voters elected judicial liberal Janet Protasiewicz to the state Supreme Court, flipping control to a liberal majority ahead of rulings on the Wisconsin abortion ban and other critical issues. The result of the April 4 election turns a court with a 4-3 conservative majority to a liberal majority after 15 years, which will likely affect several hot-button issues that have polarized voters in Wisconsin and other states, including voting rights and partisan control over drawing new legislative maps.

While Supreme Court elections are technically nonpartisan, neither Protasiewicz nor her conservative opponent Dan Kelly tried to hide their judicial philosophy or ideological bent.

The state Democratic and Republican parties poured millions of dollars into their favored campaigns, and outside special interest groups spent millions more.

Democrats viewed the race as an opportunity to erode GOP dominance in Wisconsin that began with Gov. Scott Walker in 2010 — a victory that was followed by the passage of legislation to end collective bargaining for most public employees, turn Wisconsin into a right-to-work state and other significant policy changes over the last 13 years.

For over a decade, Republican lawmakers have set Wisconsin's policies on everything from labor laws to voting rights, taxes and more. For that same decade, conservatives on the state Supreme Court have protected those GOP priorities. That could all change when Justice-elect Protasiewicz takes her seat on the Supreme Court in August.

WHAT DOES THIS MEAN FOR WISCONSIN?

In the immediate future, there are four big issues that were discussed and debated during the spring election that are almost certain to make their way to the Wisconsin Supreme Court, including abortion, legislative and congressional district maps, voting rules and regulations, and public employee collective bargaining. Only time will tell which other major issues will make it to the state's highest court.

There are several issues that could come before the state Supreme Court that would have a significant impact on the real estate industry. One such issue could be the state's prohibition on rent control. Since 1990, Wisconsin has prohibited local municipalities or the state from implementing any form of residential rent control. This issue has emerged in a big way in several states and cities across the U.S. since 2020. It's not a stretch to anticipate a case before the state Supreme Court that challenges the constitutionality of the rent control statute in Wisconsin.

Here's a brief look at those four major issues from the 2023 election that are expected to be taken up by the soon-to-be 4-3 liberal majority on the Wisconsin Supreme Court.

- **1849 abortion law:** The Wisconsin abortion ban, which was enacted in 1849, again became law after the U.S. Supreme Court overturned *Roe v. Wade* in 2022. This law is currently being challenged by democratic Wisconsin Attorney General Josh Kaul. This case is all but certain to advance on appeal to the state Supreme Court later this year. Protasiewicz made the 1849 abortion law central to her campaign. During her victory speech on April 4, she made it clear this would be a priority: “Our state is taking a step forward to a better and brighter future where our rights and freedoms will be protected.”

- **Congressional and legislative district maps:** The Protasiewicz win guarantees a legal challenge to the state’s current legislative and congressional district maps. State legislative maps were drawn by Republicans in 2011 and 2021, with very little change. Jeffrey Mandell, the president of Law Forward, a progressive law firm that has represented Gov. Tony Evers, said he would file a legal request for the Supreme Court to hear a redistricting case the “day after” Protasiewicz is seated. Protasiewicz called the maps “rigged” and made her position clear: “They do not reflect people in this state. I don’t think you could sell any reasonable person that the maps are fair,” she said.

- **2024 voting rules:** The state Supreme Court could reset the rules for the 2024 presidential election if potential legal challenges to current voting laws make it to the court. Two issues raised during the election included the current requirement for a state-issued voter identification as well as the current ban on ballot drop boxes.

- **Public employee collective bargaining:** Protasiewicz said she believes the law that limited collective bargaining abilities for most public employees, known as Act 10, is unconstitutional. The Wisconsin Supreme Court upheld the law on a 5-2 vote in 2014. Protasiewicz also said she would consider recusing herself from a case involving Act 10 because of her participation in protests against the law back in 2011.

Again, these are the four issues that are most likely headed up to the state’s highest court. It’s very possible other issues, including those that are related to real estate, could be on the Supreme Court agenda in the future.

BE “ONE IN A MILLION” MEALS

Team Up Against Hunger with fellow REALTORS® to raise 1 million meals for Feeding Wisconsin

“There is a REALTOR® in every community, and as the REALTOR® community, we can make a ‘real’ difference throughout Wisconsin. Through donations and volunteerism, the Wisconsin REALTORS® Foundation makes a positive and meaningful impact at a grassroots level. REALTORS® have a passion for where they live, and having an organization like the WRF to help facilitate and organize giving back where REALTORS® identify a need is not only important — it’s vital.”

— WRF Chair Tina Balaka

As a REALTOR®, you can make a difference in your community. When you support organizations in your community through a financial donation or volunteering your time, you help to build a stronger, more resilient community and improve the quality of life for others.

WHAT IS THE WRF?

Your foundation, the Wisconsin REALTORS® Foundation (WRF), shares the same goal. By unifying Wisconsin REALTORS® behind charitable causes to make Wisconsin a better place to live, work and play, the WRF aims at making a real difference for Wisconsin's children and our communities.

The WRF strives to be an advocate for causes, communities, housing and the REALTOR® brand in a manner unmatched by any other REALTOR® association foundation in the nation. Specifically, the WRF focuses on helping children and families statewide in the spaces of community, shelter and food.

Community

The WRF provides financial support for Wisconsin disaster relief by allocating a portion of the funds from voluntary contributions on WRA membership renewals to help those affected by natural disasters in Wisconsin. Additionally, the WRF has donated more than 1,100 bags and books statewide for Wisconsin children in crisis.

Shelter

In 2023, the WRF announced its new partnership with Habitat for Humanity, which will allow the WRF to build and rehabilitate houses as well as donate building materials to Habitat for Humanity chapters throughout the state.

Join your fellow REALTORS® this October at the 2023 WRA Annual Convention in the Dells to take part in a 5k race benefiting the local chapter of Habitat for Humanity.

Food

In 2018, the WRF partnered with Feeding Wisconsin to combat food insecurity among Wisconsin children. One in six children in Wisconsin, totaling 182,000 children, face hunger every day. Since its partnership with Feeding Wisconsin in 2018, the WRF has raised almost 1 million meals!

In addition to raising meals, the WRF supplied more than 14,000 emergency food boxes to Feeding Wisconsin during the pandemic. Also during the past few years, the WRF has partnered with communities in Beloit, the Fox Valley, Madison and Milwaukee to build and coordinate the distribution of meal kits.

TEAM UP AGAINST HUNGER WEEK

During the WRF's Team Up Against Hunger week during June 19-23, 2023, the WRF aims to raise 1 million meals.

Typically, every $1 donation to the WRF provides three meals — but your financial contributions during Team Up Against Hunger week make an even bigger impact. During the WRF's Team Up Against Hunger week of June 19-23, 2023, the WRF will double-match every donation of $25 or more until the WRF reaches the total matching limit of $5,000.

The more you donate, the more meals you provide. Every dollar counts. If you donate $50 or more during Team Up Against Hunger week, as a thank you, you'll automatically receive VIP status at the icebreaker party at the 2023 WRA Annual Convention in the Dells on October 1, 2023.

Help the WRF achieve its goal of raising 1 million meals for Feeding Wisconsin during the week of June 19-23, 2023.

The WRF is a 501(c)(3) charitable organization and may receive tax deductible donations. All contributions to the WRF are tax deductible. Contributions can be made payable to the Wisconsin REALTORS® Foundation Inc., or by visiting ***www.wra.org/wrf****.*

DONATE DURING JUNE 19–23

Be "one in a million" meals and make a difference during Team Up Against Hunger week!

Donate during the week of June 19–23 online at **www.wra.org/TeamUp**.

WISCONSIN REALTORS®
FOUNDATION INC.
ENRICHING LIVES AND COMMUNITIES

LINE BY LINE FORMS TRAINING

Are you tired of dealing with drafting errors that lead to transaction delays? Look no further than the WRA's Line by Line online video series to get back on track to speedy and smooth closings. With Line by Line training, you'll be ready to draft forms with confidence and conduct a smooth closing! The best part? Line by Line is completely free with WRA membership. That's right, as long as you are a WRA REALTOR® member or legal section member, you have free access to the most comprehensive WB forms training in all of Wisconsin.

With Line by Line, you have access to hours of online training, hosted by WRA Attorney and Director of Training Jennifer Lindsley, providing in-depth walk-throughs of the WB forms used in your transactions. By improving your understanding of forms, you're also helping to elevate the entire industry by raising the bar of professionalism and enhancing consumer protection.

START WATCHING TODAY

No need to place an online order or grab your credit card — the entire video series is accessible for free in your myWRA online account. Visit **www.wra.org/LinebyLine**, log in with your myWRA credentials and you'll be ready to watch! If you need help with your myWRA username or password, visit **www.wra.org/help**.

Forms included in Line by Line

- WB-1 Residential Listing Contract
- WB-2 Farm Listing Contract and WB-42 Amendment to Listing
- WB-3 Vacant Land Listing Contract
- WB-4 Residential Condominium Listing Contract
- WB-5 Commercial Listing Contract
- WB-6 Business Listing Contract — Exclusive Right to Sell
- WB-11 Residential Offer to Purchase
- WB-12 Farm Offer to Purchase
- WB-13 Vacant Land Offer to Purchase
- WB-14 Condominium Offer to Purchase
- WB-15 Commercial Offer to Purchase
- WB-16 Offer to Purchase — Business with Real Estate Interest
- WB-17 Offer to Purchase — Business Without Real Estate Interest
- WB-24 Option to Purchase
- WB-28 Cooperative Agreement
- WB-35 Simultaneous Exchange Agreement
- WB-36 Buyer Agency/Tenant Representation Agreement
- WB-37 Residential Listing Contract — Exclusive Right to Rent
- WB-38 and WB-47 Commercial Buyer Agency/Tenant Forms

SUPERCHARGE YOUR CUSTOMER RELATIONSHIPS

Your WRA membership comes with some amazing perks. Not only do you get exclusive benefits tailored just for WRA members, but partnerships with external companies take your membership to the next level by adding even more value. And as you strive to enhance and streamline your customer relationships this year, the WRA's collaboration with Realtyzam CRM has what you need.

Realtyzam CRM: The ultimate tool for real estate agents. Say hello to a streamlined, effortless experience with your customer relationship management (CRM) efforts. With Realtyzam CRM, managing your contacts becomes a breeze. See some of Realtyzam CRM's benefits below:

Simple software
Realtyzam's clean and easy-to-understand interface takes no time to learn and makes tracking your sales activity a breeze.

Enhanced client data
Realtyzam CRM offers you a complete breakdown of client activity, including buyer and seller conversion rates, average commission and prospecting rates.

Organization and storage
Store pertinent contact information, follow-up dates, notes, documents and client interactions. With one click, you can export email addresses or format mailing labels for email and postcard campaigns.

Smartphone app
You're always on the go — and Realtyzam CRM goes with you. The free mobile app lets you manage your sales activity from anywhere.

Ready to get started? Visit **www.realtyzam.com/wra** to learn more about this exciting product.

WRA EXCLUSIVE PARTNERS

Save on products and services with the WRA's exclusive benefit partners.

PAPERLESS AGENT MARKETING CLUB
Resources for your real estate marketing.

PEARL INSURANCE
Insurance designed for the real estate industry.

REALTYZAM CRM
Simple CRM for your business.

SPECTRUM INSURANCE
Save on health insurance premiums.

Learn more about these exclusive partners:
WWW.WRA.ORG/EXCLUSIVEPARTNERS

WRA MEMBERSHIP BENEFITS

The WRA offers members-only products and services to give you a competitive edge.

ADVOCACY
The WRA advocates for a healthy real estate market by working with state lawmakers and pro-real estate candidates.

LINE BY LINE FORMS TRAINING
Enhance your contract knowledge with Wisconsin's most in-depth real estate forms training video series.

TRANSACTIONS (ZIPFORM EDITION)
Make your transactions paperless with Transactions (zipForm Edition).

WRA LEGAL HOTLINE
Discuss your real estate practice questions with a real estate attorney.

INMAN SELECT SUBSCRIPTION
Get the latest news, award-winning commentary, special reports and more.

Learn more about all WRA member benefits:
WWW.WRA.ORG/MEMBERBENEFITS

SALES PRE-LICENSE

Sales pre-license training course: July 10-14, 17-19

Brokers, get your recruits ready for their new career with the WRA's accelerated eight-day training course this summer. This course meets Wisconsin's 72-hour education requirement for real estate licensees and covers crucial topics such as financing, contracts, land use controls, valuation and more. Give your recruits a head start in the industry and set them up for success with this comprehensive training program.

- Course: "Sales Pre-license Course"
- Date/time: July 10-14, 17-19, 8:00 a.m. – 5:00 p.m.
- Format: Live training at the WRA headquarters in Madison
- Fee: $345 + $59.99 book fee

Register: www.wra.org/SPL

EMBRACE DIVERSITY IN YOUR PRACTICE

AHWD virtual course: July 26-27

Help buyers of all cultural backgrounds achieve homeownership with At Home With Diversity (AHWD) training. Instructor Amy Peterson will give you strategies to expand your client base in the multicultural real estate market. You'll finish this course with the knowledge and skills needed to help buyers of diverse backgrounds achieve homeownership.

- Course: "At Home With Diversity"
- Date/time: July 26-27, 9:00 a.m. – 12:00 p.m. each day
- Format: Virtual
- Fee: $95 early bird pricing good through July 11

Register: www.wra.org/AHWD

2023 WRA ANNUAL CONVENTION

Wisconsin Dells: October 1–3

Rev those engines. Join us for this high-octane event with three days full of training, networking and entertainment. You'll learn to handle sharp turns in the market and upgrade your practice into a well-oiled machine. Real estate is a wild ride. But with the convention, you're ready for the journey.

- Dates: October 1-3, 2023
- Location: Kalahari Resort & Convention Center in Wisconsin Dells
- Fee: Watch for details coming soon

Register: www.wra.org/ThrottleUp

MINI COURSE SERIES

Mini courses with big impact — just $15 each

In a constantly changing industry, staying ahead requires constant learning. That's where the WRA's Mini Course Series comes in. In this new education series, you'll receive top-notch training and original insights to keep you ahead of the game. And despite its name, these courses pack a big punch.

Available now are mini courses about the inspection process, community involvement, developing CMAs, professionalism, water rights and more. New courses are released weekly!

Register: www.wra.org/Mini

OFFERING	FORMAT	DETAILS & REGISTRATION
EVENTS		
Annual Convention: October 1-3, 2023	Wisconsin Dells	www.wra.org/ThrottleUp
PRE-LICENSE TRAINING		
SCHEDULED TRAINING		
Sales Pre-license Course: July 10-14, 17-19, 2023	Madison	www.wra.org/SPL
Sales Pre-license Course: October 9-13, 16-18, 2023	Blended (On Demand & virtual)	www.wra.org/SPL
ONGOING TRAINING		
Broker Pre-license Course	On Demand	www.wra.org/BPL
Sales Pre-license Course	On Demand	www.wra.org/SPL
PROFESSIONAL DEVELOPMENT TRAINING		
SCHEDULED TRAINING		
AHWD Certification Course: July 26-27, 2023	Virtual	www.wra.org/AHWD
ONGOING TRAINING		
GRI On Demand	On Demand	www.wra.org/GRI
Line by Line Forms Training	On Demand	www.wra.org/LinebyLine
Mini Course Series	On Demand	www.wra.org/Mini
Quick Start	On Demand	www.wra.org/QuickStart
WEBINARS AND FORUMS		
SCHEDULED TRAINING		
July 12, 2023	Virtual	www.wra.org/BLF
APPRAISER CONTINUING EDUCATION		
SCHEDULED TRAINING		
Cost Approach Course: August 9-10, 2023	Virtual	Save the date
Challenging Repairs Course: August 16, 2023	Virtual	Save the date
Desk Review: August 23, 2023	Virtual	Save the date
Moving Parts Course: August 30, 2023	Virtual	Save the date
Land Valuation Course: September 6, 2023	Virtual	Save the date
Unacceptable Appraisal Practices: September 18, 2023	Virtual	Save the date
Appraisal Mistakes Course: October 6, 2023	Virtual	Save the date
REAL ESTATE CONTINUING EDUCATION		
SCHEDULED TRAINING		
Courses 1 & 2: June 20, 2023	Virtual	www.wra.org/CEVirtual
Courses 3 & 4: June 22, 2023	Virtual	www.wra.org/CEVirtual
Courses 5 & 6: June 27, 2023	Virtual	www.wra.org/CEVirtual
Courses 7 & 8: June 29, 2023	Virtual	www.wra.org/CEVirtual
Courses 9 & 10: July 11, 2023	Virtual	www.wra.org/CEVirtual
Courses 11 & 12: July 13, 2023	Virtual	www.wra.org/CEVirtual
Courses 13 & 14: July 18, 2023	Virtual	www.wra.org/CEVirtual
Courses 15 & 16: July 20, 2023	Virtual	www.wra.org/CEVirtual

See the complete calendar: www.wra.org/coursecatalog


2023 WRA CONVENTION
REV
UNLEASH YOUR POTENTIAL
Rev your engines October 1.
Register @ wra.org/throttleup.

TO AI OR NOT TO AI?

WHAT ARE THE RISKS AND REWARDS?

The real estate industry is poised to adopt rapid technological advancements quickly, and artificial intelligence (AI) is at the forefront of these innovations. For real estate agents, the question is no longer whether to use AI but how to use it effectively and responsibly.

Here are some examples and insights to help you make informed decisions about AI.

THE REWARDS

Increase efficiency
AI is being integrated into all-in-one real estate marketing platforms to help automate many tasks, such as data analysis, lead generation, and communication with current and potential clients. Responding quickly to online leads is one of the biggest challenges real estate agents face. Studies have shown long average response times to internet inquiries. AI can help solve this, as intelligent responses to initial requests can be automated with AI. This will save you significant time and effort, allowing you to do what you do best: interact directly with your clients.

> *Example: AI-powered chatbots can handle initial customer inquiries and schedule appointments, freeing agents to concentrate on building relationships and closing deals.*

Enhance the customer experience
AI can help personalize marketing content and streamline your sales process. AI analyzes a customer's preferences, past interactions and online behavior and can instantly provide tailored recommendations and messaging, ensuring potential clients feel understood and valued. Delta Media is doing this for brokers and its agents right now.

> *Example: An AI-driven platform could analyze the content your clients click on in your newsletter and automatically send them more stories that are most likely to appeal to them.*

More accurate predictions
Many real estate tech firms are using AI to process large volumes of data to make highly accurate predictions about who will likely list their home for sale within the next few months. This information can give agents valuable insights to inform their business and marketing strategies and precisely know when to reach out to a client before deciding which agent they will be working with next.

> *Example: AI algorithms are being used by real estate lead generation firms using historical data, online behavior and other market information to help agents identify the prospects they should contact now.*

Competitive advantage
Embracing AI for real estate can set you apart from competitors who may be slower to adopt this technology. By leveraging AI tools, you can offer your clients cutting-edge services and stay ahead of industry trends.

> *Example: An agent who uses AI-powered virtual staging, such as Matterport, can provide prospective buyers with a more immersive and realistic experience of a property, helping their listings stand out in a crowded market.*

THE RISKS

Data security and privacy

As AI relies heavily on data, it's crucial to ensure that the information collected and processed is secure and compliant with privacy regulations. Failing to protect your clients' data can result in legal and reputational risks. In addition, more tools and plugins for advanced AI tools like ChatGPT are increasing how agents can use AI directly.

> *Example: An agent who uses AI tools to scrape social media data without permission might face legal consequences for violating privacy laws.*

Algorithmic bias

AI algorithms can unintentionally perpetuate biases if trained on biased data or if the developers inadvertently incorporate their own biases. This can lead to unfair treatment of certain groups, hinder your ability to provide equal services to all clients, and put you and your brokerage at risk of violating fair housing laws.

> *Example: An agent uses an AI tool that recommends properties. That tool takes into account race, gender, or other protected characteristics that could expose the agent and their brokerage to discrimination lawsuits.*

Overreliance on AI

While AI can offer valuable insights and predictions, it's important not to rely solely on it for all communications. Your intuition, expertise and personality influence what you say and how you say it. Moreover, relying only on AI for the content you provide your clients can be hazardous, as AI is imperfect.

> *Example: An agent uses AI to write all their content without careful research and editing. Now that primary AI tools such as ChatGPT 4, Bard and others are connecting to the internet, agents who do not carefully review the content AI provides increase their risk of making mistakes. After all, no one edits the internet.*

AI makes mistakes

AI tools make mistakes, and sometimes create false information. Media reports show dozens of real-world examples where AI made significant errors in its output. In one case, AI plagiarized a news story. When the infraction was identified, and AI was asked about it, AI admitted the mistake and apologized. Because we are early into the advanced AI cycle, it is fraught with risks from providing inaccurate information to agents.

> *Example: A real estate agent uses AI to write property descriptions for his listings. However, the agent is unaware that certain words in his narrative — while permitted by fair housing law — are not allowed by his local MLS. AI does not know this, so the agent and his brokerage will have violated MLS rules.*

In the deadline-driven world of real estate, AI has the potential to help streamline the way agents market properties and serve their clients. However, like any technology, it comes with its risks and rewards.