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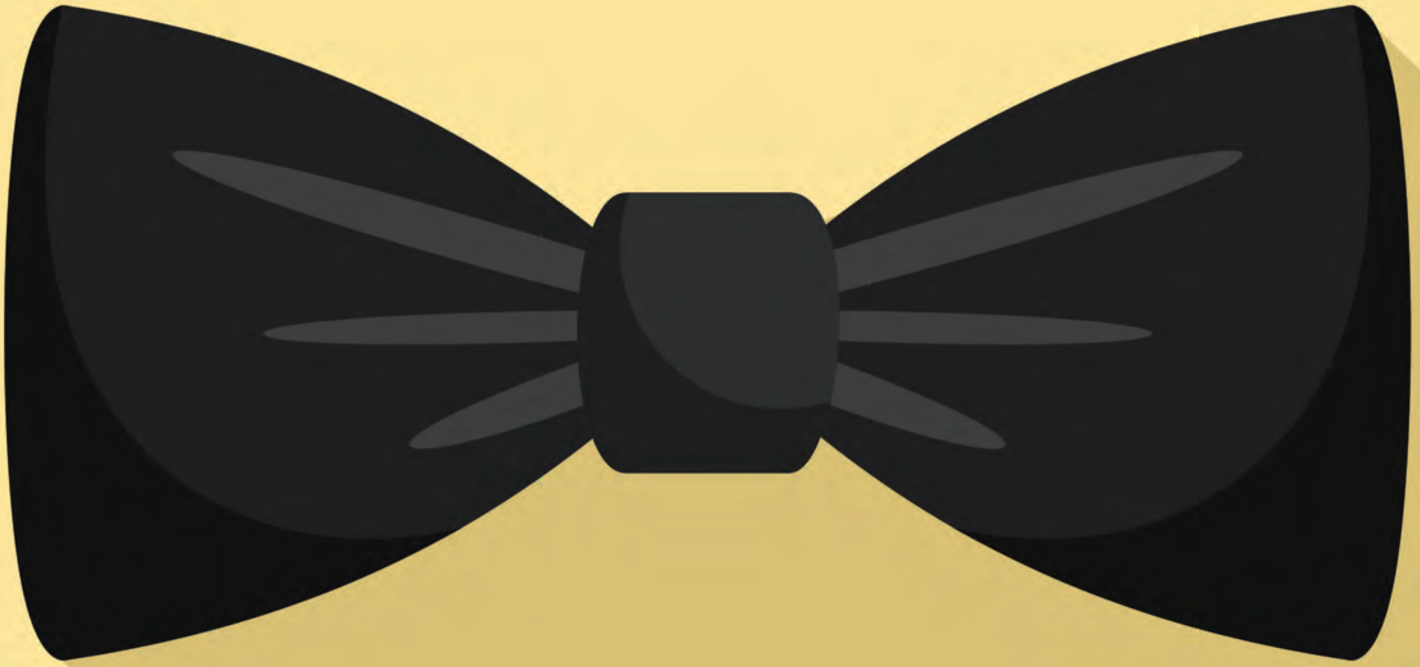

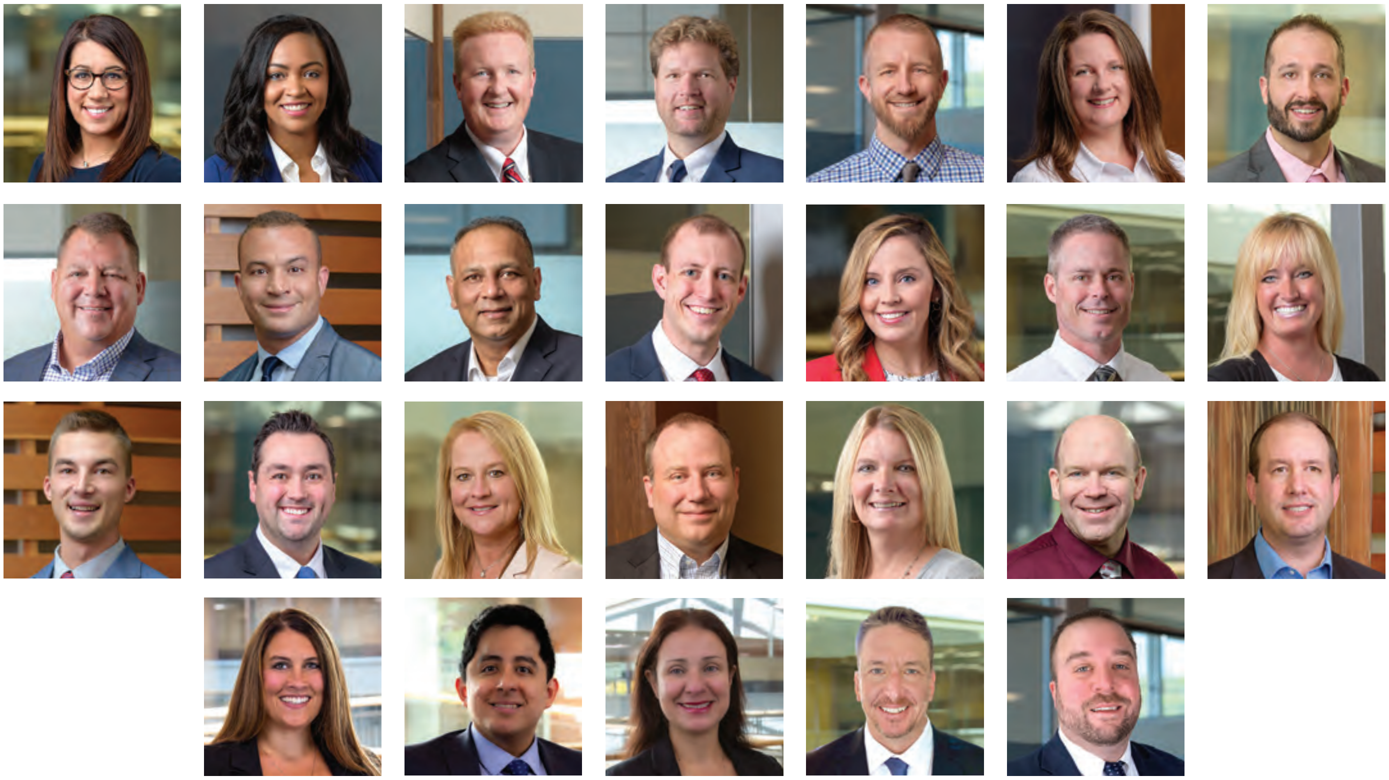

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BY **DAVE CLARK**
PROFESSOR OF ECONOMICS AT MARQUETTE UNIVERSITY
PRINCIPAL AT ECON ANALYTICS, LLC
WISCONSIN MONTHLY HOUSING REPORT

Wisconsin Housing Market Records Record Sales for Summer

It's been quite a run for the Wisconsin real estate market this summer as the re-opening of the state's economy in June combined with record-low mortgage interest rates resulted in a new three-month record in home sales, according to the most recent analysis of the state housing market by the WRA. Focusing on the August 2020 market, sales rose 0.7% relative to August 2019. At the same time, tight inventories drove median prices up 14.1% to $235,000. On a year-to-date basis, existing home sales were just 1% below the first eight months of last year, and median prices rose 8.8% to $219,500.

A review of summer home sales indicates growth of 2.8% compared to the June-through-August period of 2019. Although June home sales saw a modest decline relative to that same month in 2019, very robust sales growth in July and a slight improvement in the August market pushed summer home sales to 27,795, which is the strongest summer sales volume on record for the state.

David Clark, Ph.D., is a professor of economics at Marquette University and principal at ECON Analytics, LLC, and serves as a consultant for 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.

AUGUST HOUSING

9,324
CLOSED SALES, AUG 2020
+0.7%
FROM AUG 2019

$235,000
MEDIAN PRICE, AUG 2020
+14.1%
FROM AUG 2019

ACTIVE LISTINGS BY PRICE

PRICE RANGE	AUG 2020 # OF LISTINGS
$0-$124,999	4,246
$125,000-$199,999	6,257
$200,000-$349,999	8,545
$350,000-$499,999	4,101
$500,000 & higher	3,350

26,498
TOTAL STATEWIDE LISTINGS
AUG 2020
-24.9% FROM AUG 2019

MEDIAN PRICES BY REGION

CENTRAL	$186,000
NORTH	$190,000
NORTHEAST	$199,900
SOUTH CENTRAL	$265,000
SOUTHEAST	$260,000
WEST	$235,000

AVERAGE DAYS ON MARKET
88 DAYS AUG 2020
COMPARED WITH
85 DAYS AUG 2019

MONTHS OF INVENTORY
3.9 AUG 2020
5.1 AUG 2019

HOUSING STATISTICS MONTHLY ACTIVITY — AUGUST 2020

Statewide	August 2020	August 2019	% Change	YTD 2020	YTD 2019	% Change
New Listings	10,008	10,583	-5.4%	N/A	N/A	N/A
Total Listings	26,498	35,276	-24.9%	N/A	N/A	N/A
Closed Sales*	9,324	9,261	+0.7%	54,640	55,191	-1.0%
Median Sales Price	$235,000	$206,000	+14.1%	$216,500	$199,000	+8.8%
Months of Inventory	3.9	5.1	-23.5%	N/A	N/A	N/A
Avg. Days on Market	88	85	+3.5%	N/A	N/A	N/A
Affordability Index	188	204	-7.8%	N/A	N/A	N/A

	Median Price			Closed Sales		
Region	**August 2020**	**August 2019**	**% Change**	**August 2020**	**August 2019**	**% Change**
Central	$186,000	$158,000	+17.7%	673	641	+5.0%
North	$190,000	$174,000	+9.2%	1,099	943	+16.5%
Northeast	$199,900	$176,200	+13.5%	1,624	1,640	-1.0%
South Central	$265,000	$241,000	+10.0%	1,778	1,820	-2.3%
Southeast	$260,000	$227,500	+14.3%	3,299	3,265	+1.0%
West	$235,000	$195,000	+20.5%	851	952	-10.6%

*Report criteria: Reflecting data through August 2020. *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

WRA Legal Hotline Hours Extended into Weekends

You're not closed Sundays, and neither is the WRA Legal Hotline. To continue to serve you, the hotline extended its hours effective October 1. In addition to normal business hours Monday-Friday, the hotline is now available on Sunday afternoons from 1:00 p.m. to 4:30 p.m. Members will no longer have to wait until Monday to get a response to a hotline question that arises after-hours on Friday or over the weekend. Visit **www.wra.org/legalhotline**.

SAVE THE DATE

November 26-27, 2020 | WRA Holiday Hours
The WRA office will be closed to celebrate Thanksgiving on November 26-27. Enjoy your pumpkin pie! The WRA wishes all of our members a very happy and safe Thanksgiving. Regular business hours resume on Monday, November 30.

December 14, 2020 | 2019-20 Biennium Deadline
In order to maintain your Wisconsin real estate license, you must complete your 2019-20 CE credits by December 14.
COMPLETE YOUR CE WITH THE WRA: **WWW.WRA.ORG/CE**

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Thank You for Spreading **Virtual Positive Waves!**

2020 CONVENTION RECAP

We had a great time together virtually on September 14–16! Over 500 Wisconsin REALTORS® attended the 2020 WRA annual convention last month. As the first WRA convention ever held during a pandemic, the WRA shifted gears from planning a combined live and virtual event to a totally virtual event, and the event went off without a hitch. The word "pivot" was frequently heard in this year's convention speeches, workshops and discussions — and rightfully so.

For just $69, attendees could watch this year's convention from the comfort of home and partake in one humdinger of a lineup with keynote speakers, national-caliber real estate experts and 35+ workshops. With four different types of workshops for attendees based on their area of focus — commercial practitioners, new agents, veteran agents and brokers — the convention offered something for everyone in terms of professional development.

At the convention opening session ceremony, attendees watched extraordinary REALTORS® who were 2020's award recipients as well as the installation of the 2021 board of directors and 2021 chair Mary Duff. And later, keynote speaker Paul Long made everyone laugh about real-life, relevant topics that affect all of us: having fun, getting out of our heads and connecting with others.

National names like Lawrence Yun, Marki Lemons and Stephen Shedletzky expanded our thinking with industry forecasting as well as strategies for personal and professional success. Local Wisconsin experts like Jennifer Lindsley, Cori Lamont and Ryan Fulcer dove into details about Wisconsin real estate law and brokerage success tactics. Additionally, many REALTORS® met for workshop panels so attendees could watch and learn from a discussion of expert minds coming together.

Other highlights included the Ninja Selling virtual course with Dennis Giannetti prior to the official kickoff of the convention, a virtual yoga session from Mary's husband Peter Duff to kick off Day 2, and a virtual exhibit hall with prize opportunities.

Even though convention attendees couldn't meet together in person this year, that didn't stop anyone from having fun! The convention was filled with exciting events to keep everyone upbeat. From a virtual dance party to bingo to a caricature artist, the virtual excitement did not disappoint!

We might not have been together in person, but we still had a blast together virtually. Mark your calendar for the 2021 annual convention on October 4–6 at the Wisconsin Center in Milwaukee.

THANK YOU TO CONVENTION SPONSORS, EXHIBITORS AND ADVERTISERS

The WRA would like to give a special thanks to the following companies for their support of the 2020 WRA Annual Convention.

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Wisconsin CRS
Wisconsin REALTORS® Foundation
Wisconsin Young Professionals Network
Women's Council of REALTORS®
WRA Real Estate School
WRA Real Estate Store

Session Recordings Available Now Through October 26
Convention attendees, did you miss a workshop? Want to re-watch a panel? Need to laugh again with Paul Long? No problem! The convention may be over, but the recordings of all the sessions are now available.

Watch recordings before October 26 on the convention website at virtualconvention.wra.org.

BY **PAUL LONG**
MOTIVATIONAL SPEAKER AND
MASTER OF SHENANIGANS
FEATURE

Fundamism
Connecting Work and Life Through F.U.N.

What's GOOD?! What is the best concert you ever attended? What is the best thing that has happened to you today? What do you do for fun? When was the last time you had a gut-busting laughter and what created it? If you could sit down with anyone in history and have a conversation, with whom would you choose?

While searching for the answers to the questions above, how did you feel? Let me be more specific. Did you smile? How many questions can one author place in the beginning of what is supposedly intended to be an informative article?

My desired outcome in asking these questions is simple. The intent is to create an environment where you can think about things that lift you up at a time where there are a lot of things in society that can get you down. It is my belief that by focusing more on what's working and what makes you smile, the things that create anxiety, negative thoughts or fear are mitigated. It is with this basic premise that we'll begin our quest in connecting work and life through F.U.N.

Being a REALTOR® or working in the real estate business certainly has its rewards. So too come the challenges. On the surface, business in our industry feels great with interest rates at all-time lows and demand being high. However, the lack of inventory may have you frustrated or feeling like you can't meet the needs of your clients. Couple that with a public health crisis, concern over your child's school situation, the political landscape and the current social divide, and you may be spending an excessive amount of time in your head worrying about things completely outside of your control.

As all of these negative thoughts begin creeping into your mind, they impact all aspects of your life. Open houses on a Saturday become boring and cumbersome as the time drags. Prospecting becomes less than desirable to do. You may not be as present at home with your family or friends. You might even lose a sense of all the amazing things going on in your life, the beauty around you and the value you offer others.

If you've ever experienced any of what I've outlined above, this article is for you. If you haven't experienced any of what I've outlined above, congratulations. You're currently living an existence of which many can only dream. However, that doesn't mean this article isn't for you too. Connecting work and life through F.U.N. will improve your overall quality of life regardless of where it currently stands.

To maximize quality of life both at work and at home, there are two primary things that one must be deliberate in creating: strong mental health and quality relationships. Think about it. What differentiates you or your organization? Specifically, what do your family, friends and clients appreciate or value most in you? People like being around others who have a generally happy disposition and show a genuine interest in them.

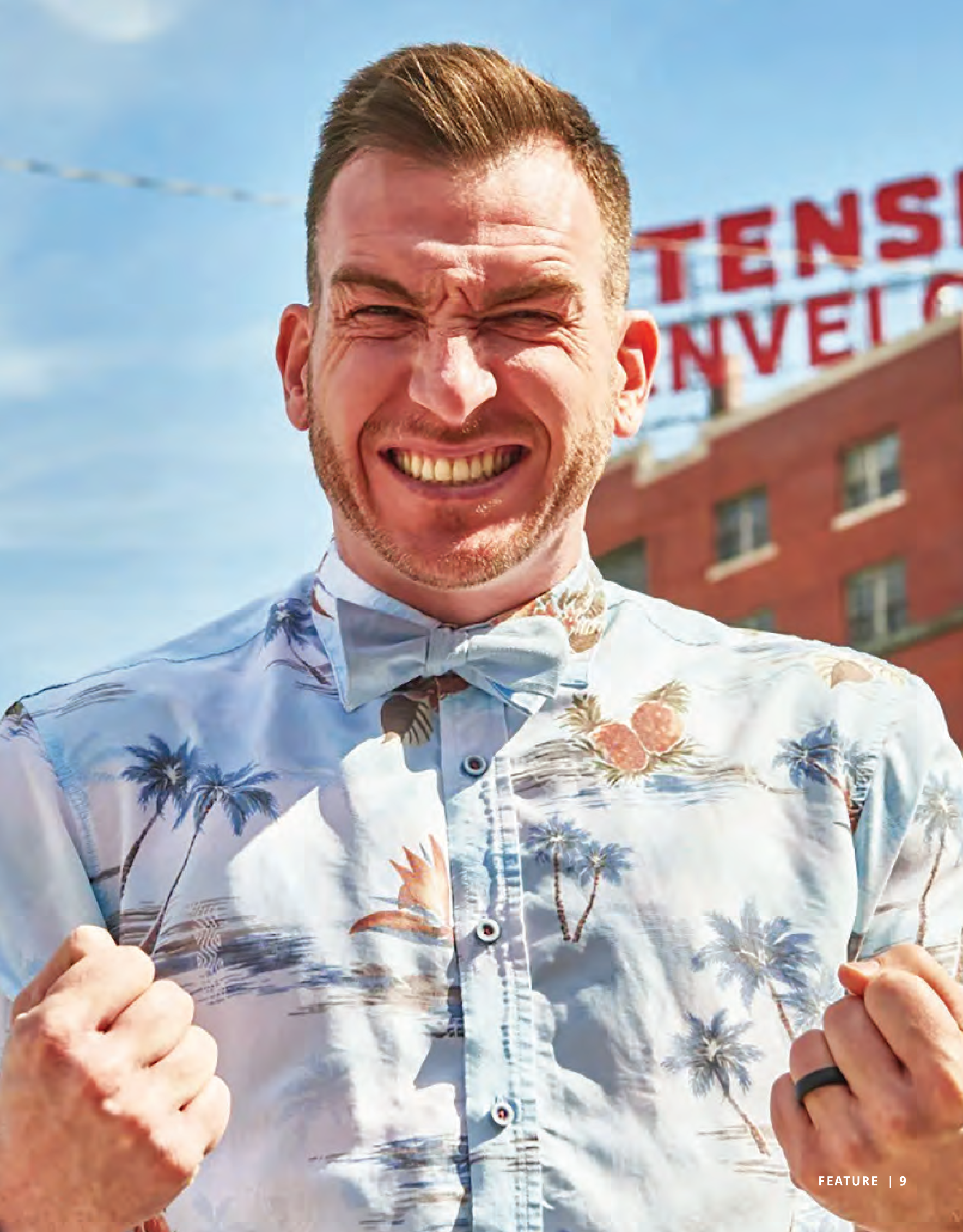
Want to know how you differentiate yourself in the real estate industry and create a life filled with joy, FUN and fulfillment at home? Create experiences that people value. Facilitating memorable client and family interactions is the key to mitigating stress, building brand loyalty, creating repeat business and improving your overall quality of life. In addition, genuinely connecting with others can challenge your own negative brain patterns and improve your own mental state. It's easy at times to identify what can improve our experience in life. Now we'll focus our attention on the part that's a little more challenging, which is how to make it happen.

In 2019, I had an opportunity to keynote a conference for Santa America, a national association of Santa Claus representatives and Santa helpers. Following the keynote, we did a brief Q&A session. One Santa helper stood up and emphatically asked the following:

"In a world filled with negativity, social injustice, racism, heartache and challenge, what advice would you give us … Santa Clauses, to turn society's mindset from one of negativity to positivity?"

What a daunting task or goal! Could you imagine being burdened with the thought of how to change the mindset of all of society? How about changing the mindset of the community in which you operate? How overwhelming is it to think about shifting the culture or mindset of just your organization? Your family?

My answer to this particular Santa's helper was simple. One interaction at a time. If we can show a genuine interest in one person and connect at a deeper level by creating conversation about things that make them smile, that interaction may change the trajectory of their day. It may be exactly what is needed to move them past a challenging moment, stressful day or something



that has been burdening them. If we can impact one individual, that person may then go on to inspire another who in turn would help lift up another. One interaction at a time could create the groundswell necessary to alter the mindset of a whole family, organization, community or society!

Although I provided an answer, I advised that I believed that we were asking the wrong question. Think about individuals going through challenging moments in life. Consider clients who have experienced a long day searching for the perfect place to live. Maybe they worked a full day before going out and touring homes. Balancing all that's going on in life, looking at home after home and potentially even worrying about whether they can sell their own, that client could be both physically and mentally exhausted. Ponder your spouse, a family member, friend or peer struggling to balance a career while managing the at-home learning experience of their children. Where do all of these individuals spend the bulk of their time when faced with these troubling thoughts? The same place you do when trying to manage your own personal struggles and mitigating the challenges of being in business: **IN YOUR HEAD**.

How do you differentiate yourself based on the experience you provide? Challenge yourself to get out of your head and help your clients, family, friends, peers and others do the same.

Fundamism can be defined as the FUNdamentals of a F.U.N. and optimistic lifestyle. Simply put, whatever you do that gives you strength or find FUN is a FUNdamental and falls under the fundamism philosophy. It is my belief that you can't be in your head about something that makes you anxious, sad or apathetic, while at the same exact time doing something that makes you smile. Shouldn't our goal then be to gravitate more toward the things that lift us up as opposed to those that don't? That's fundamism.

So, what was the best concert you ever attended? What memories come to mind from the experience? When you are thinking about this FUN time in your life, you know what you aren't thinking about? Drama. The fact that you are showing houses in the evening while your family is home and the only place you want to be is relaxing on the couch. That's the power of someone showing a genuine interest in you and asking questions that force you to think about things that make you smile. These are what I call your FUNdamentals.

In my experience, I've found that three topics come up in nearly every conversation. We ask about these topics to those we love, friends, co-workers, clients and complete strangers. These topics are work, family and weather. Think about how you engage with those around you. How often do you hear questions like, "what do you do for work?" "How are the kids?" Or, "it sure is cold out there, isn't it?" These questions are so common that we don't even have to think about the answers. In addition, sometimes these innocent questions we ask to spark up a conversation or connect with others can actually bring up thoughts of things that are currently stressing out those with whom we interact.

I'm guessing a very common question that you ask your clients, peers or friends is, "how is your day going?" What if their day isn't going well? What if they just got into an argument with their spouse, found out some terrible news or have been doing things all day that they don't enjoy? Your question could send them right back to the negative place that they so desperately want to escape, their head.

"What's the best thing that happened to you today?" This question is asking how your day is going with a twist. It forces people to think about something good! Do you know what happens when you create an environment that makes people smile? They remember you. People want to work, shop and interact with people who make them feel good. Showing a genuine interest in others and asking more meaningful questions could be a differentiator that makes your personal brand stand out. Your questions could get them out of their head and challenge them to think about things that give them joy, their FUNdamentals.

Creating a culture of experience based on the philosophy of fundamism will improve your success in the real estate industry and most importantly, your overall quality of life. Remember that fundamism is defined as the FUNdamentals of a F.U.N. and optimistic lifestyle. Tony Robbins once said that, "energy flows where attention goes." If your attention is focused on making others feel valued, optimism, things that make people smile and F.U.N., an energy will be created within your organization that attracts the energy you desire.

Let fundamism and F.U.N. be the guiding principles to moving yourself and your organization forward. F.U.N. is not just a word that creates a sense of joy and fulfillment; it also is an acronym that provides direction on what to do next.

F – Foundation
U – Understanding Others' Perspective
N – Next Steps

The F stands for foundation and is everything in which you or your organization is built upon. What is your personal mission statement, core values, value offering and what makes you, you? Build a foundation rooted in placing others first and creating an experience that brings them joy, FUN and fulfillment. In doing so, you'll find that challenges are mitigated while the right clients find YOU.

The U is understanding others' perspective. You have an idea of what a world-class service experience looks like. What do your clients, loved ones or friends value in an experience? Understanding others' perspective allows you to find what others value by asking more meaningful questions, showing a genuine interest, altering your communication style to meet others where they are, and appreciating the differences in our personalities.

The N is next steps because without the N in F.U.N., it's just F.U.! Next steps are where you identify your implementation strategy to creating the culture of experience that will drive the desired outcomes you seek. How do you showcase your foundational strengths and understand others' perspective while mitigating your areas of opportunity as they are being developed?

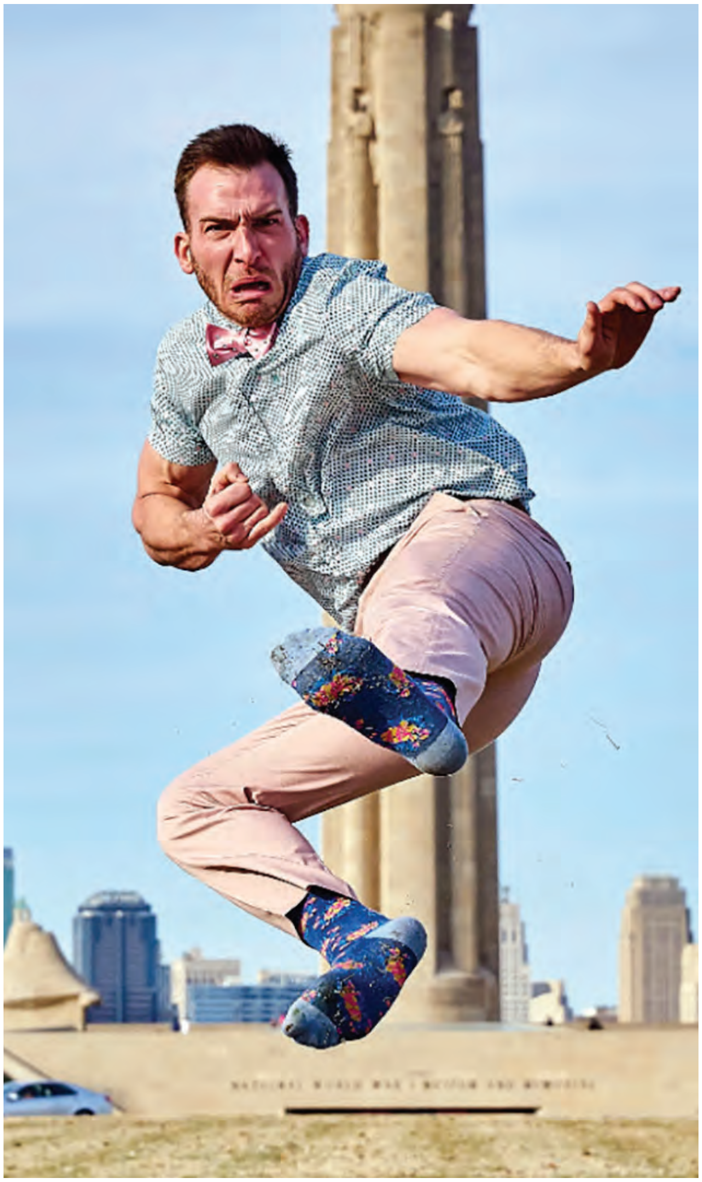
I can't provide all the answers in this 2000-word article, so I guess identifying your next steps will take some self-reflection and individual thought. If you're really ready to dive in, want to learn more and are ready to commit to growth, you can check out my bestselling book, Fundamism: Connecting to Life Through F.U.N., which can be found on Amazon, Audible or www.fundamism.com.

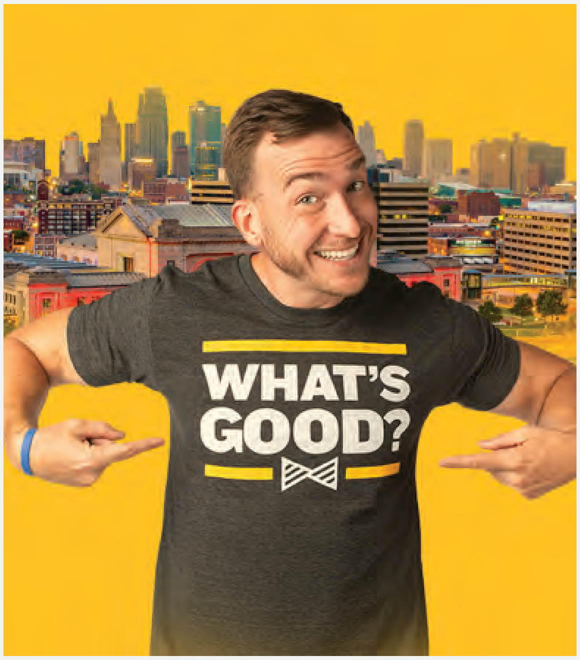
Challenge yourself to find ways to get out of your head and help others do the same. It could be the very strategy necessary to differentiate yourself while moving forward in the creation of your very own culture of experience. One that you enjoy working for, clients enjoy working with, and an added bonus? You are reinvigorated by the energy of an environment overflowing with joy, F.U.N. and fulfillment!

Want to learn more about Fundamism and founder (me), Paul J Long? Visit www.pauljlong.com to find information on speaking engagements, the Fundamism Podcast (available on all streaming platforms) and more.

Life is finite. Enjoy every moment. Get out of your head, be safe, smile often and have FUN!

Paul J. Long





WHO IS PAUL J. LONG?

Paul Long is a motivational speaker and consultant who has challenged the corporate landscape for over a decade while engaging audiences around the globe. Paul was featured as the keynote speaker at the WRA's 2020 annual convention in September 2020. Through his concept of "FUNdamism," infectious spirit and unique take on FUN in the workplace, Paul has provided memorable experiences at hundreds of events while championing pediatric cancer research. Paul's thought-provoking presentations are full of laughter and tears.

BY **JENNIFER LINDSLEY**
STAFF ATTORNEY AND DIRECTOR OF TRAINING
LEGAL

Pick Me! I Didn't Include an Appraisal Contingency!

With many markets in Wisconsin experiencing stiff competition among buyers interested in the same property, one trend emerging is buyers are not including an Appraisal Contingency in an offer to purchase to induce the seller to select that offer. The apparent appeal for a seller to choose an offer without an Appraisal Contingency is that if a buyer offered over list price or competition resulted in buyers outbidding each other up to a purchase price that probably will not be supported by the lender's appraisal, the buyer will not be able to get out of the offer if indeed the lender's appraisal is less than the agreed upon purchase price. That may be true. Sometimes. Other times, what this means is the lender ultimately issues a rejection letter or offers financing on terms other than those included in the buyer's Financing Commitment Contingency and therefore the Financing Commitment Contingency cannot be satisfied.

A BRIEF HISTORY OF THE APPRAISAL CONTINGENCY IN THE WISCONSIN OFFERS TO PURCHASE

Why can a buyer sometimes get out of a transaction where the offer did not include an Appraisal Contingency, yet it is the appraisal that prevents the transaction from moving forward? To understand why some buyers with only a Financing Commitment Contingency and not an Appraisal Contingency can get out of a transaction due to an appraisal less than the purchase price and others would not be able to, it is necessary to take a short walk down memory lane and learn how we arrived at our current version of the Appraisal Contingency.

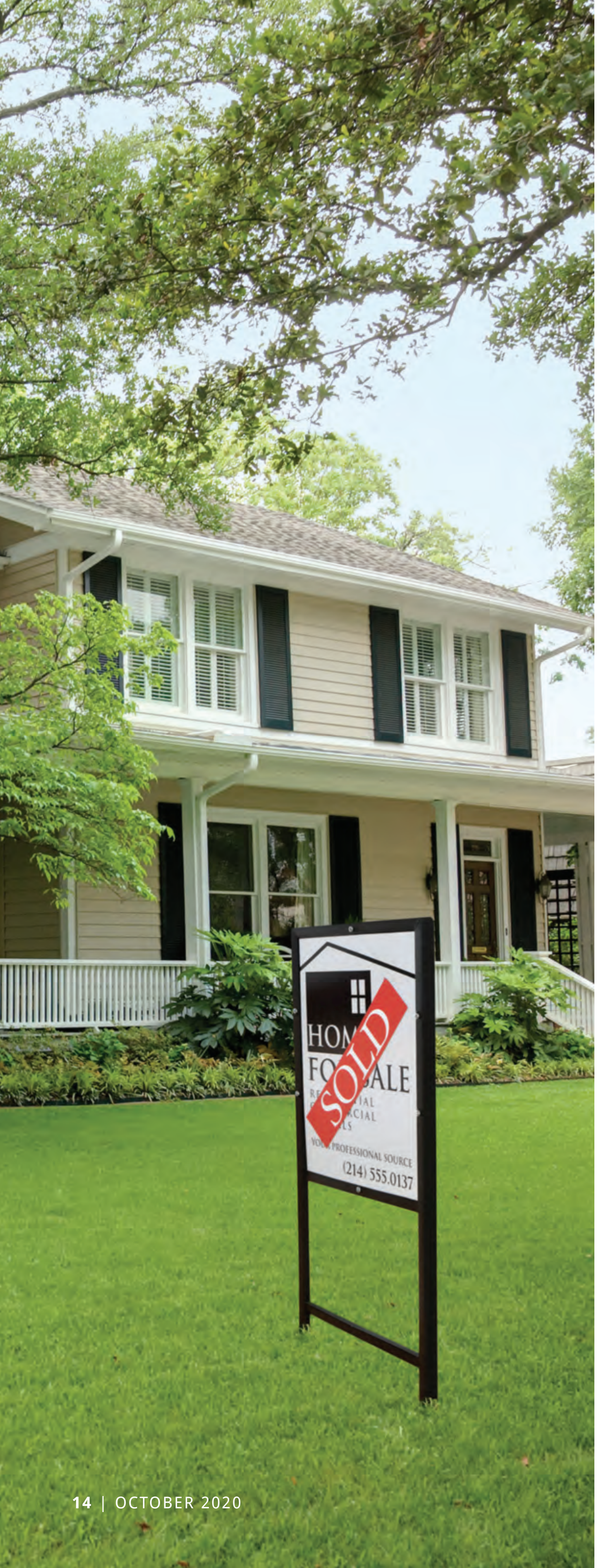
2010 WB-11 Residential Offer to Purchase

The Wisconsin offers to purchase first saw the introduction of an Appraisal Contingency in the 2010 WB-11 Residential Offer to Purchase, which had a mandatory use date of March 1, 2010. One of the primary reasons for adding an Appraisal Contingency at that time was to address how lenders were issuing loan commitments. Many lenders followed the practice of issuing a loan commitment subject to an appraisal. The buyer would deliver the loan commitment according to the terms of the offer to purchase, thereby satisfying what was then known as the Financing Contingency. Subsequent to issuing the loan commitment, the lender would have the property appraised. If the property did not appraise at or above the purchase price, the lender would choose not to make the loan and the buyer would very likely end up in breach of contract because the buyer could not close on a transaction where all the contingencies had been satisfied.

The primary reason to include an Appraisal Contingency in an offer to purchase is to protect the buyer against becoming contractually obligated to purchase a property that does not appraise at or above the purchase price and, as a result, the lender will not make the loan. If the buyer uses a separate Appraisal Contingency and receives a loan commitment subject to an appraisal, the separate Appraisal Contingency is not waived by delivering the loan commitment to the seller. If there is no separate Appraisal Contingency and the buyer delivers a loan commitment that is subject to an appraisal, the buyer is assuming the risk that the property will appraise at the required value. If the property does not appraise at that value, a buyer without a separate Appraisal Contingency may end up in breach of contract if the buyer does not close. If an independent Appraisal Contingency is used, the buyer is protected and is not in breach if the property does not appraise at the required value, even if a loan commitment subject to an appraisal had previously been submitted to the seller.

2011 WB-11 Residential Offer to Purchase

The Appraisal Contingency remained largely the same in the next round of revisions to the WB-11 Residential Offer to Purchase, which had a mandatory use date of July 1, 2011. This next round of revisions to the WB-11 Residential Offer to Purchase came just a little over one short year after the last revisions. This just goes to show that the back-to-back revisions to the WB-11 Residential Offer to Purchase in 2020 are not totally unheard of!



While the Appraisal Contingency remained largely the same in the 2011 WB-11 Residential Offer to Purchase, it did receive some minor changes to improve its function. The 2010 WB-11 Residential Offer to Purchase indicated that the buyer had to deliver a notice objecting to the appraisal along with a copy of the appraisal report to the seller and the listing broker. The listing broker is not a party to an offer and as such, it did not really make sense to require the buyer to deliver a notice and a copy of the appraisal report to the seller and the listing broker, so the 2011 WB-11 Residential Offer to Purchase directs a buyer who is objecting to an appraisal to deliver a notice and a copy of the appraisal report to just the seller or the seller's recipient for delivery, if any, per the delivery terms of the offer.

2020 WB-11 Residential Offer to Purchase – Round 1

The WB-11 Residential Offer to Purchase went unchanged from 2011 until the very end of 2019, when, after many, many months of careful and considered suggested improvements, it was time to reveal the new and improved WB-11 Residential Offer to Purchase, which had a mandatory use date of January 1, 2020. With this revision, the Appraisal Contingency included a significant change in that the parties could now negotiate whether the seller would have the right to cure if the appraisal was lower than the agreed upon purchase price. Allowing the parties to negotiate a right to cure opened up a whole new opportunity to negotiate around the Appraisal Contingency. In both the 2010 and 2011 versions of the Appraisal Contingency, if the appraisal was lower than the agreed upon purchase price, the buyer could give a notice objecting to the appraisal and a copy of the appraisal report and that was it; the offer was null and void. The buyer, of course, did not have to go right to delivering a notice objecting to the appraisal but could have offered an amendment and negotiated a resolution through continued negotiations similar to how parties often attempt to negotiate around defects using amendments before a buyer decides to issue a Notice of Defects. By including an optional right to cure, though, the seller now had some leverage even in the initial negotiating process to determine the terms of the offer.

Much like the right to cure provision in relation to the Inspection Contingency, a right to cure in relation to the Appraisal Contingency is often an appealing provision for a seller. It gives the seller some options if the appraisal is lower than the agreed upon purchase price and the buyer issues a notice objecting to the amount. If the appraisal is lower than the agreed upon purchase price, and the difference between the purchase price and the appraisal is an amount the seller can live with, the seller can choose to cure by issuing a notice that the seller is going to cure, and then the buyer and seller amend the offer to the appraised value. If the difference between the purchase price and the appraisal is too much or the seller thinks the discrepancy in the amounts is not justified, a seller can choose not to cure, making the offer null and void and giving the seller the opportunity to negotiate with other potential buyers.

WHAT IS HAPPENING IN THE CURRENT MARKET?

Where there is competition among buyers, it can lead to buyers offering to pay more for a property than what its likely appraised value will be. If a buyer was concerned about paying more for a property than its appraised value, the buyer would simply include an Appraisal Contingency, thereby making use of the protection that was the original goal of including an Appraisal Contingency in the offer to purchase. When a buyer is competing with other buyers, however, every extra contingency and condition a buyer includes in the buyer's offer might reduce the chances of that buyer's offer getting accepted. As a result, what listing agents and sellers are seeing is buyers who are drafting offers without many of the more common contingencies, including even inspection contingencies.

Consider the following scenario: A seller receives six offers, all of which are above list price. For ease of comparison, all the offers include a Financing Commitment Contingency, but three offers also include an Appraisal Contingency. The seller considers the possibility that the property will not appraise at purchase price or better, so the seller immediately rejects those offers that include an Appraisal Contingency. From the remaining three offers, the terms are all identical except for price, so like any rational person, the seller picks the one with the highest purchase price. This transaction is going to go one of two ways, and how it turns out is going to depend entirely on the lender's process for issuing a loan commitment.

Option 1

This buyer's lender has a process where the lender will issue a loan commitment subject to the appraisal. The lender issues a loan commitment subject to the appraisal. Per the terms of the WB-11 Residential Offer to Purchase, if the buyer qualifies for the loan described in the offer or any other loan acceptable to the buyer, the buyer agrees to deliver to the seller a copy of the written loan commitment. There is even a "Caution" in the WB-11 Residential Offer to Purchase alerting buyers that loan commitments may contain conditions. Conditions may include an appraisal, credit check, verification of employment and others. With the loan commitment in hand, the buyer delivers it accompanied by the buyer's written direction to deliver it to the seller, thereby satisfying the Financing Commitment Contingency. So far, so good — but then the lender orders an appraisal of the property. The appraisal is lower than the agreed upon purchase price, so the lender decides not to make the loan even though the buyer already satisfied the Financing Commitment Contingency. This buyer, whose offer did not include an Appraisal Contingency, is likely going to end up in breach of contract because the buyer will not be able to close and there are no unsatisfied contingencies that could give the buyer a way out of the transaction.

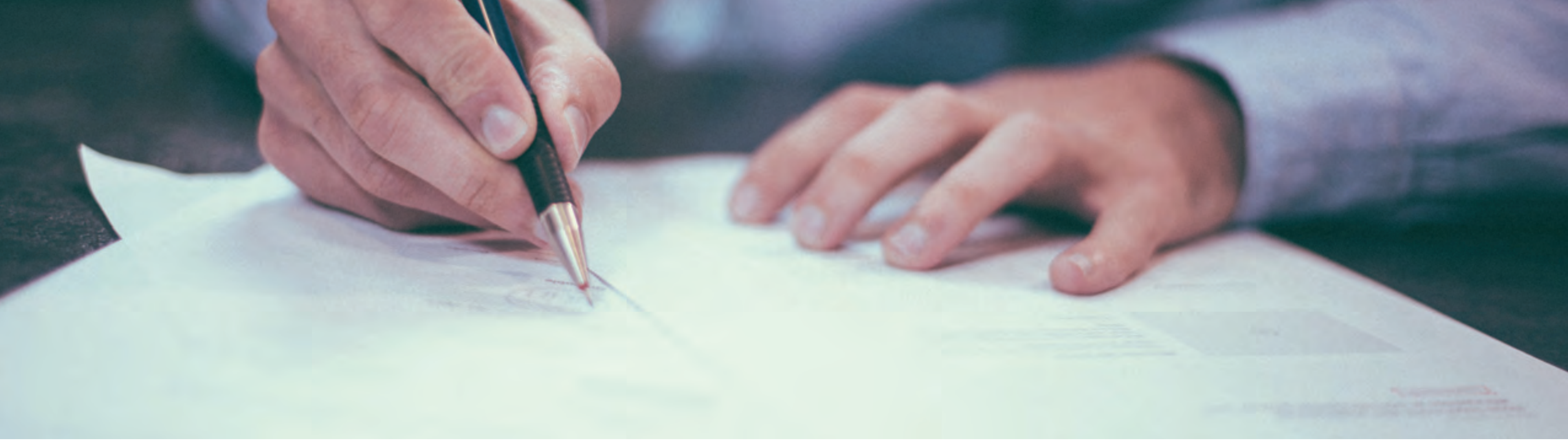
Option 2

This buyer's lender has a process where the lender will not issue a loan commitment until after the property has been appraised. The buyer applies for a loan, the appraiser conducts the appraisal, and the appraisal is for less than the agreed upon purchase price. Because of the low appraisal, the lender issues a rejection letter, or issues a loan commitment, but it is on significantly different terms than the buyer included in the buyer's Financing Commitment Contingency. In either case, the buyer is going to be able to deliver a notice to the seller that financing is unavailable and therefore the Financing Commitment Contingency cannot be satisfied, alleviating the buyer of an obligation to close the transaction. In short, this buyer gets to get out of the transaction without an Appraisal Contingency even though the underlying issue was the appraisal.

The moral of the story here is that just because a buyer's offer does not include an Appraisal Contingency does not mean that the buyer will not be able to get out of a transaction when the problem is with the appraisal. It all depends on the lender and whether the lender issues a loan commitment subject to the appraisal or the lender does the appraisal first and then decides whether to issue the loan commitment. In a competitive market, sellers should be cautioned that just because an offer does not include an Appraisal Contingency, it does not mean that the appraisal will not be an issue. Depending on the lender's process for issuing a loan commitment, a buyer could possibly still get out of the transaction under the Financing Commitment Contingency because the lender issues a rejection or because financing is not available on the terms in the buyer's offer.

Jennifer Lindsley is Staff Attorney and Director of Training for the WRA.

"When a buyer is competing with other buyers, however, every extra contingency and condition a buyer includes in the buyer's offer might reduce the chances of that buyer's offer getting accepted."



BY **CORI LAMONT**
SENIOR DIRECTOR OF LEGAL AND PUBLIC AFFAIRS
LEGAL

What's the Mandatory Use Date Have to Do with It?

As the WRA legal team, we often focus on educating and informing WRA members about the changes and impacts to the transaction when a new state-approved (WB) form is approved for use by the Real Estate Examining Board (REEB). However, we thought it might be helpful to remind everyone of the basics of what happens when a new WB form is approved by the REEB and the mandatory use date arrives.

Example, the WB-14 Residential Condominium Offer to Purchase had an optional use date of August 1, 2020, and a mandatory use date of September 1, 2020.

What is a WB form?

The WB forms are forms approved by the REEB.

Wis. Admin. Code § 16.02 (1e)
"Approved form" means a contractual or conveyance form which is either prepared and approved by the board, pursuant to s. 452.05 (1) (b), Stats., or approved in s. REEB 16.03.

Who must use the WB forms?

Wisconsin real estate licensees must use WB forms. Therefore, buyers, sellers and attorneys are not required to use WB forms.

Wis. Admin. § REEB 16.04 When to utilize approved forms.
(1) Except as provided in subs. (2) and (3), a licensee shall use approved forms when acting as an agent or a party in a real estate or business opportunity transaction.
(2) For those kinds of real estate or business opportunity transactions for which the board has not approved contractual forms, a licensee, when acting as an agent or a party, may use contractual forms drafted by a party or an attorney, if the name of the drafter is imprinted on the form before use by a licensee. For the purpose of this subsection, a listing firm is a party to the listing contract transaction.
(3) A licensee may in any transaction where the licensee is acting as an agent, negotiate an agreement and permit the parties or an attorney for one or other of the parties to draft or prepare a contractual agreement which embodies all of the negotiated terms and conditions.

What does it mean to use a WB form?

Wisconsin administrative code essentially indicates that to use a form means to complete a contractual form by filling in the blanks or modifying the printed provisions for the purpose of accomplishing the instruction of a party in the real estate transaction.

Wis. Admin. Code § 16.02 (5) "Use a form" means to complete a contractual or conveyance form by filling in the blanks or modifying printed provisions on a form for the purpose of accomplishing the instruction of a party in a specific real estate transaction.

What does the optional use date on the WB forms mean for Wisconsin real estate licensees?

Once an optional use date arrives, real estate licensees may choose to use the form.

What does the mandatory use date on the WB forms mean for Wisconsin real estate licensees?

Once the mandatory use date arrives, real estate licensees must use the form. Wis. Admin. Code REEB 16.06(7) requires licensees to use the latest approved version of the form.

Wis. Admin. Code § REEB 16.06
(7) A licensee shall use the latest approved version of a board-approved form."

What happens if a licensee does not use the form when the mandatory use date arrives?

The licensee could be deemed too incompetent to practice. Wis. Stat. 452.14 allows the REEB to discipline a licensee for failure to use approved forms.

Wis. Stat. § 452.14 Investigation and discipline of licensees.
(3) The board may revoke, suspend, or limit the license of any licensee, or reprimand the licensee, if it finds that the licensee has done any of the following:
(m) Failed to use forms approved under s. 452.05 (1) (b).

What if you receive an offer from another agent on the "old" form?

1. You must present the offer regardless if the offer is on the "old" WB form or a different form all together.

   Wisconsin administrative rules emphasizes that licensees shall promptly present all received written proposals to the client or customer. Licensees are required to promptly present all written proposals to their clients and customers — in other words, buyers, sellers, owners, tenants and others seeking an interest in real estate or a business opportunity.

   LESSON: When you receive an offer, a counter-offer or an amendment, promptly advise your clients that they have received such document and promptly present that document to them.
2. You should let your seller know there is a different offer or the applicable WB form that has been approved for use by the REEB for real estate licensees other than the one submitted by the buyer. You should also let the seller know it is their prerogative to accept the offer even though it is not the most current form for use by Wisconsin real estate licensees. Further, the licensee is encouraged to document, preferably in writing, that this conversation occurred with the seller.

3. You could also choose to politely remind the agent who submitted the offer that the form was revised and now is required for use by real estate licensees.

Therefore, be mindful of when the REEB approves a new form and when the form is required for use by looking at the mandatory use date.

Wis. Stat. § 452.40 Use of forms; provision of legal advice. (1) (a) In this subsection, "use a form" means to complete a form by filling in blanks or modifying printed provisions on the form at the instruction of one or more parties with whom a licensee is working or representing in a specific transaction. (b) A firm and any licensee associated with the firm may use a form approved by the board under s. 452.05 (1) (b) in real estate practice.
(2) A licensee may not provide advice or opinions concerning the legal rights or obligations of parties to a transaction, the legal effect of a specific contract or conveyance, or the state of title to real estate. A licensee may provide a general explanation of the provisions in a form approved by the board under s. 452.05 (1) (b) to the parties to a transaction at the time of completing the form or when delivering an approved form for the seller's or buyer's acceptance. Reviews conducted by a supervising broker under s. 452.132 (4) shall not be considered to be the provision of legal advice or opinion.

Cori Lamont is Senior Director of Legal and Public Affairs for the WRA.

BY **TRACY RUCKA**
DIRECTOR OF PROFESSIONAL STANDARDS AND PRACTICES
LEGAL

The Best of the Legal Hotline: D&D
A discussion about dates and deadlines

D&D is not just a game when it comes to the dates and deadlines in the offer. Depending on the context, missing a deadline can put a party at risk for breach of contract, can make the offer null and void, or can cause a party to lose a valuable opportunity. The topic of missed dates and deadlines has sadly been trending on the WRA Legal Hotline lately. The implications are wide and varied depending on which deadline is missed. The following are examples of the serious implications of missed deadlines.

DRAFTING ESSENTIALS

When drafting, the parties and brokers should assure the deadlines in the offer make sense. Avoid mistakes like a loan commitment deadline after closing. When working through an inspection contingency, make sure there is time for a buyer to give notice, and a seller electing to cure has enough time to cure and provide written documentation before closing. Is there time for the parties to realistically meet the timelines set forth in the offer for appraisals and inspections? Also, just because the WB offers now include many default time frames is not an invitation to be lazy. Discuss each provision of the offer with the parties to assure understanding and prepare them to manage expectations. For example, take the time to discuss how deadlines are counted. Most importantly, never assume the other party will later agree to amend a deadline in the offer.

Remind the parties at the beginning of the transaction about the implications of missing dates and deadlines. When a party misses a date or deadline and time is of the essence, the failure to perform by the specific date or deadline may be a breach of contract. When a buyer fails to meet a specific date or deadline and a seller asks, "what are my options?" the licensee can provide a basic explanation of the default provisions or the contract provision included in the offer. This explanation is best provided while showing the seller the actual language in the offer. Sometimes there is a right to terminate; sometimes an offer could be null and void automatically; sometimes the contingency is waived. It all depends on the specific deadline contingency and drafting; examples of these types of variations follow.

MISSED BINDING ACCEPTANCE

The buyer drafted an offer with a binding acceptance date on the fifth of the month. One of the sellers signed the offer as accepted on the fifth of the month, however the other seller did not sign it until the sixth, and then it was delivered back to the buyer. Has a contract formed in this scenario?

Not yet. There is no binding acceptance because acceptance by all parties and delivery did not occur within the required deadline. If the acceptance and binding acceptance deadlines are inadvertently missed, all is not lost. The sellers may use a counter-offer to counter back to the buyer on the same terms and conditions to restore the offer. In other words, the best method to clean it up is to draft another counter-offer and have it signed by all parties and delivered back before the new deadline in the counter-offer. Alternately, the buyer may issue the counter-offer to continue the negotiations with the seller.

LATE EARNEST MONEY

The parties have an accepted offer. The offer calls for nonrefundable earnest money, payable within five days. The buyer verbally asked for an extension of time to provide earnest money. Can the seller terminate the contract by not paying the earnest money? What are the seller's options?

Per the preprinted language of the state-approved (WB) forms, if a buyer misses a deadline, the seller can claim the buyer is in default. When faced with a material breach of contract, the seller has choices per the default provisions. For example, the seller may issue a notice of termination, seeking earnest money or actual damages. If the seller decides to just walk away and not make any claim against the buyer, the listing agent could draft a WB-45 Cancellation Agreement & Mutual Release (CAMR). Again, the seller should consult their legal counsel as to their rights.

POTENTIAL LATE REPORTS AND APPROACHING DEADLINES

According to the WRA Addendum B, which was incorporated into the offer, the seller is required to provide well and septic reports. The deadline is only a few days away, and no reports have been provided yet. How might the licensee proceed in this situation?

It is prudent practice for the brokers to be aware of and remind the parties of the contractual dates and deadlines. If a party does not appear to be taking steps to meet a deadline, communication is key. In general, to work toward a solution, it is helpful to determine why the party does not appear to be ordering, obtaining or providing the reports per the terms of the contract. Depending on the response, actions may be taken resulting in the timelines being met. If not, the broker will remind the parties of the contract terms and possibly refer to the default provisions and legal counsel, as necessary.

If it is clear the deadlines will be missed, the brokers will ask the parties what they want to do to move forward. Either party could, for example, provide an amendment extending the deadlines. Likewise, depending on the motivation of the parties, either party could provide a CAMR. If the deadlines are not met, then depending on the contingency, there may be a claim of breach for failing to timely provide reports; and unless the offer is amended, the contingency will be worked through on its merits. Per the WRA Addendum B, the buyer may make the offer null and void by delivery of written notice, within five days of the deadline, stating the seller failed to provide the reports. Alternately, the buyer may attempt an amendment. An amendment may simply extend the seller's deadlines. Alternately, an amendment may both extend the deadlines and allow the buyer to obtain the required tests and inspections. Again, it is always the right response for the brokers to refer the parties to counsel as appropriate.

FINANCING COMMITMENT CONTINGENCY

The buyer included a financing commitment contingency in the offer. The buyer failed to timely provide a loan commitment. Is the buyer in breach? What are the seller's options?

When a buyer misses the deadline for the delivery of the loan commitment, the buyer is not in breach of the contract because the buyer has not yet secured and delivered the loan commitment. However, given the terms and conditions of the Financing Commitment Contingency, the seller has the right to terminate the offer given the buyer missed the delivery deadline. When a loan commitment is not delivered, a listing broker will explain to the seller all sellers have three options regarding the offer; terminate, wait or amend. If the offer was negotiated with a Seller Financing checked, that seller would have a fourth option:

- Terminate: Per the Seller Termination subsection of the Financing Commitment Contingency, when a buyer has not provided a loan commitment by the stated deadline, it is the seller's prerogative to give a written notice of termination. The seller may terminate the offer until the seller has actual receipt of the loan commitment.
- Wait: If the seller chooses not to provide termination notice, the buyer would be free to continue seeking a written loan commitment. Once the seller is in actual receipt of the loan commitment, the seller's ability to terminate is ended.
- Amend: The buyer or the seller could initiate an amendment extending the timing for delivery of loan commitment.
- Seller financing: When a seller includes seller financing as an option in the offer, the buyer's failure to timely deliver the loan commitment triggers the seller's 10-day window to elect to self-finance the transaction. The seller, wanting to finance the transaction with a mortgage and note matching the terms in the financing commitment contingency, delivers the buyer written notice within 10 days of the deadline for loan commitment. The parties will then proceed to closing.

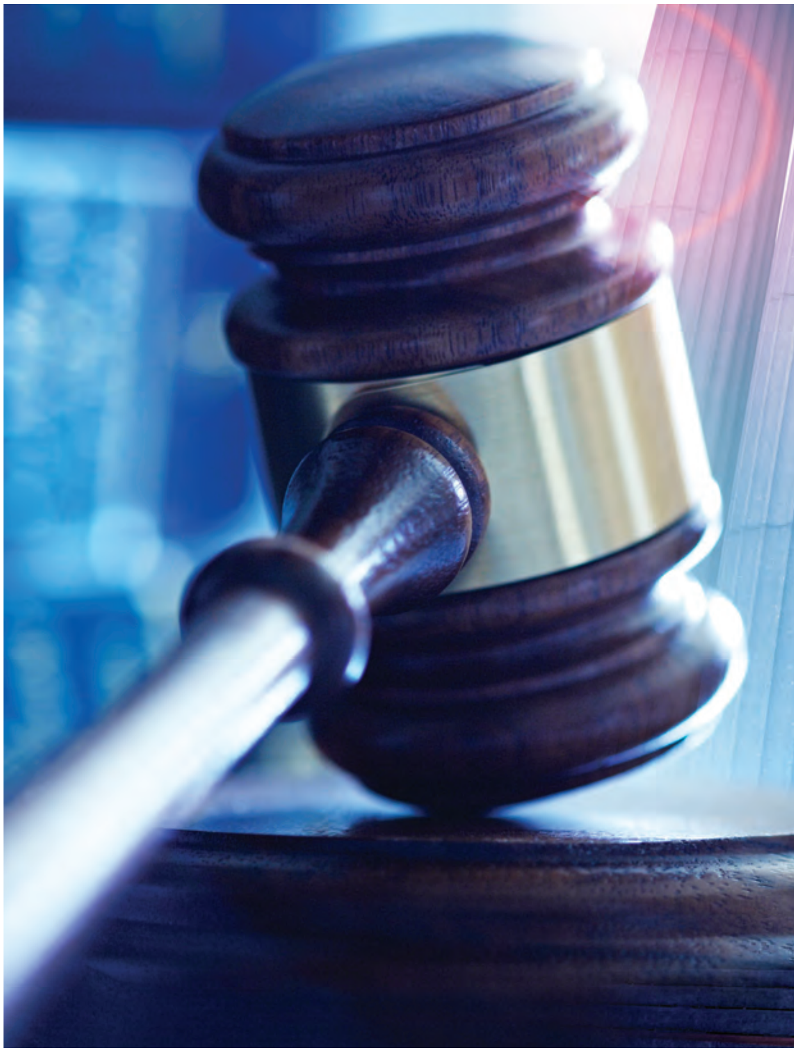
INSPECTION CONTINGENCY

There is an accepted offer with an inspection contingency. The buyer's inspector finished the inspection and provided the written inspection report. However, the buyer missed the deadline to deliver the notice of defects. The buyer wants the home only if the seller cures the defects. Can the buyer walk away in this scenario?

Missing a deadline in the offer does not allow a buyer to just walk away. The WB-11 Residential Offer to Purchase Inspection Contingency provides that the contingency is deemed satisfied unless "Buyer, within __________ days of acceptance, delivers to Seller a copy of written inspection report(s) and a written notice listing the Defect(s) identified in those report(s) to which Buyer objects (Notice of Defects)." See lines 421-423 of the WB-11. Therefore, unless the parties negotiate otherwise, if the buyer does not provide the Notice of Defects by the deadline, the buyer has agreed to purchase the property in the condition in which the buyer has been made aware. If the buyer missed the deadline and did not provide a Notice of Defects and does not want to purchase the property, the buyer can offer a CAMR for the seller's consideration. Alternately the buyer could try to renegotiate with the seller with an amendment, either to extend the inspection contingency deadline or to have the seller repair, replace or otherwise fix defects.

The seller is under no obligation to sign or agree to the CAMR or an amendment as drafted by the buyer. The buyer is encouraged to speak to private legal counsel as to their rights surrounding the contingencies. Helping the parties keep track of timelines will assist the parties to successfully navigate the transaction.

Tracy Rucka is Director of Professional Standards and Practices for the WRA.



Latest Legal Resources

As a REALTOR®, your everyday business transactions are legal in nature. Your WRA membership includes access to various WRA legal resources, all designed to ensure that you practice real estate legally and correctly. Below are the latest resources from the WRA.

LEGAL HOTTIPS

Latest Discussions on the WRA Legal Hotline

- Offer countered and accepted in September using the WB-11 Take 1.
- Broker education does not satisfy CE requirements for December 14 renewal.
- Liability for representations in past transaction.
- Using subagency with buyer agency.
- Incorporating video in home inspection report.

Read: **WRA.ORG/LEGALHOTTIPS**

LEGAL UPDATES

WB-11 Residential Offer to Purchase – Take 2

Learn about the revisions made to the WB-11 "Take 2" form that became mandatory for use on September 1, 2020.

Read: **WRA.ORG/LEGALUPDATES**

LEGAL NEWS EMAIL

WRA Legal Hotline Now Available on Sunday Afternoons

The WRA expanded the WRA Legal Hotline hours by adding a Sunday afternoon shift from 1:00 p.m. to 4:30 p.m. as of October 1. As always, members can submit questions online or by phone, and request a phone call, a written response, or both. The WRA knows your transactions do not stop moving on the weekend, so a WRA hotline attorney will be available on Sunday afternoons starting Sunday, October 4.

Read: **WRA.ORG/HOTTIPSPDF/100520/NEWS**

LEGALTALKS VIDEO SERIES

WB-11 "Take 2" and WB-14 Updates

Two recent additions to the WRA LegalTalks video library include videos highlighting the revisions made to the WB-11 "Take 2" and WB-14 forms. Both forms have a mandatory use date of September 1, 2020.

Watch: **WWW.WRA.ORG/LEGALTALKS**

WRA LEGAL HOTLINE

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

CONTACT:
Phone: 608-242-2296 OR 800-799-4468
Online question submission: www.wra.org/legalhotline

New Extended Hours!
The hotline extended its hours earlier this month and is now available to answer your questions during weekends. In addition to the usual Monday-Friday hotline hours, the hotline will be accessible on Sundays from 1:00 p.m. to 4:30 p.m.

Learn more:
WWW.WRA.ORG/LEGALHOTLINE

How to Showcase Your Professionalism in a Virtual World

Working remotely is now the norm, and Friday casual has become a daily event for many. But real estate agents working from home need to keep up their professional appearance, as it's no longer uncommon for an initial client meeting to take place on Zoom. And that's one thing that hasn't changed: you still only have one chance to make a first impression.

How do you make a great first impression, virtually? Here are some tips to looking — and acting — your best for your virtual meetings, whether you are logging on to meet a client or to participate in a meeting.

Avoid creating distractions: One of the reasons Zoom works well, particularly for those working from home, is its virtual background. Many people don't have a home office and are working out of a bedroom, dining room or basement. Any complex background can be distracting. Also, any movement behind you — pets, kids or spouses — makes it hard for people to pay attention to what you say during a virtual meeting. A simple virtual background that mimics an office, home office or meeting room works best. It helps make you look more professional in this setting.

Think face-to-face: While it's impossible to connect with someone in a virtual meeting in the same way as in-person meetings, act as if you are meeting face-to-face. That means you need to look directly at the camera. It's not easy, but it appears to the other person that you are looking right at them. Listen carefully to the other person, and don't be distracted by your own image. For virtual client meetings, make sure you have your meeting software set to show their face full screen, not yours.

Don't dress — or look — differently: Agents have different dress codes, depending on what is customary in their market. For a virtual meeting, dress as you would if you were attending a meeting in-person. The same rule applies to your appearance: If you want to put your best foot forward, you may not have to wear shoes, but dress for the part. Remember, your visual image can have a more significant impact on forming a first impression than meeting someone face-to-face. During a Zoom call, you are telegraphing: you are what you wear.

Don't be afraid to mute yourself: One of the advantages of a virtual meeting is the mute button. If you have to sneeze or cough when your client is talking, hit mute. As long as you are comfortable with the technology, mute yourself when someone else is talking. If you are taking notes on your keyboard during the meeting, this will avoid the sound of clicking keys drowning out the person trying to talk.

Be early to your meeting: If you are the host of the meeting, arrive 5 to 10 minutes early. Being early telegraphs that you care and are making the meeting a priority. It also suggests you are well organized and undoubtedly punctual. It's just another simple way to showcase your professionalism.

Focus: One of the biggest challenges of any virtual meeting is for everyone to stay focused and pay attention. If you are looking at another screen and checking email during a conversation, it's akin to checking your phone when talking with someone face-to-face. It is considered rude and unprofessional. Be kind, be considerate and always listen more than you speak.

Importance of electronic etiquette: Making a great first impression means you must have the technology that puts you in the best light — literally. Invest in a separate video camera, a unidirectional microphone and a proper ring LED light. Avoid windows or bright lights directly behind you. A meeting is likely less effective when a client cannot hear or see you clearly. High-speed internet access is a must, and if you share a connection with others, ask them not to stream anything during your calls. Also, make sure you are not interrupted during your meeting and try to avoid distracting background noise.

Restart and test: For any crucial meeting, restarting your computer 20 minutes before your appointment can help you avoid connection and other technical issues. Then test your mic, your camera and your lighting to ensure everything is in working order.

Have a Plan B: Stuff happens. Your computer could die, you could lose power or the internet goes down. Don't panic. Every major video call service offers a mobile app. Be sure you have the app installed on your phone, then sign in and test it. That's what professionals do — plan for the unexpected!

Evaluate and refine: If you can record your meeting, do. Use the recording to do a self-assessment of how you did and what you can do next time to improve.

Remember, when you attend a large virtual meeting today and look at the many faces on a Zoom call, you can instantly spot the ones who are professional and those who are not. So can your clients and prospects.

See more tech-related real estate tips at www.wra.org/TechHottips.

BY **TOM LARSON**
SENIOR VICE PRESIDENT OF LEGAL AND PUBLIC AFFAIRS
GOVERNMENT AFFAIRS

Wisconsin Supreme Court Watch

Several cases before the court this fall could impact REALTORS®

The Wisconsin Supreme Court recently accepted several cases that will be important to REALTORS® and the real estate industry in Wisconsin. While the high court will likely hear other cases of interest to the real estate community, the ones on the docket for early fall include issues dealing with shoreland zoning, eminent domain and property tax assessments.

Below is a brief summary of the important real estate cases to be heard by the Supreme Court this fall.

SHORELAND ZONING

Anderson v. Town of Newbold

Facts: Anderson owns a lot in the town of Newbold. The lot has approximately 358 feet of shoreland frontage on Lake Mildred. In 2016, Anderson submitted a proposed certified survey map to the town, which detailed dividing the lot into two lots with widths of 195 and 163 feet, respectively. The town board rejected Anderson's proposed land division because it did not comply with the town's subdivision ordinance, which requires a minimum lot width of 225 feet at the ordinary high water mark on Lake Mildred.

Issue: Whether a town has the authority, under Wis. Stat. § 236.45, to regulate lot sizes in shoreland areas through its subdivision regulations, despite the fact that the legislature has prohibited towns from enacting shoreland zoning regulations.

Why this case is important to REALTORS®: Allowing towns to regulate development density in shoreland areas through their land division authority would be in direct conflict with the legislature's enactments that include (a) prohibiting towns from engaging in shoreland zoning, and (b) establishing uniform lot size requirements in unincorporated shoreland areas. Moreover, this case could open the flood gates to towns and counties ignoring the lot-size requirements in shoreland zoning, establishing their own lot size requirements in shoreland areas through their subdivision regulations.

ASSESSMENT OF CONTAMINATED PROPERTY

Collison v. City of Milwaukee Board of Review

Facts: Collison owns a vacant lot in the city of Milwaukee, which the city valued at $31,800 for property tax purposes. The lot previously contained leaking underground storage tanks that were removed in 2012. Soil samples revealed soil contamination, but no Phase II environmental study has been performed. The property is listed on the city of Milwaukee's "do not acquire" list of contaminated properties.

Collison appealed the property tax valuation, arguing the property's value is zero dollars due to the environmental contamination. Because there were no recent comparable sales, the city assessor used the income approach to determine fair market value because the property had been previously used as a parking lot and, whether contaminated or not, could still generate income as a parking lot. Collison argued that the City of Milwaukee Environmental Contamination Standards (CMECS) are in direct conflict with Wis. Stat. § 70.32(1m), which requires assessors to consider impairment to value from environmental pollution. CMECS prohibits assessors from valuing property as contaminated unless a Phase II study has been conducted.

Issues: The issues in this case are (1) Whether CMECS conforms to Wis. Stat. § 70.32(1m), and (2) whether the assessor considered the impairment of the property's market value due to contamination, as required by Wis. Stat. § 70.32(1m).

Why this case is important to REALTORS®: The CMECS standard of considering environmental contamination only if a Phase II environmental study, which costs between $5,000 and $8,500, is performed seems to be an unreasonably high and expensive bar for a property owner to clear in order to have a fair and accurate assessment.

EMINENT DOMAIN JURISDICTIONAL OFFER NOT SUPPORTED BY APPRAISAL

Christus Lutheran Church v. Wisconsin Department of Transportation

Facts: In October 2016, the Wisconsin Department of Transportation (DOT) notified the landowner, Christus Lutheran Church, by letter that stated the DOT would require 5.87 acres of the church's land to expand State Trunk Highway 15 as well as temporary easement rights over another 0.198 acres. The DOT first offered approximately $134,000 to purchase the property, based upon an appraisal, but the church declined to sell. The DOT determined the acquisition was more complex because of additional impacts to the church's pond, parking lot, signs and landscaping as well as severance damages relating to the church's building. The DOT then sent a revised offer of $403,200. The church declined. The DOT then proceeded with eminent domain and made a jurisdictional offer of $403,200. The DOT offer was approximately $270,000 more than the property value stated in an appraisal submitted by the DOT in support of the offer. The church did not respond, and the property was conveyed.

Christus Lutheran sued, alleging the DOT failed to provide an appraisal supporting the $403,200 jurisdictional offer in violation of Wis. Stat. § 32.05(2)(b) and (3)(e), making the offer void and thus prohibiting the DOT from acquiring any interest in the property. Under Wis. Stat. § 32.05(2)(b), if the negotiation process fails between a landowner and the DOT, the DOT may initiate a jurisdictional offer with an appraisal that must be "a full narrative appraisal upon which the jurisdictional offer is based." The court of appeals held the jurisdictional offer was not sufficiently based on the appraisal.

Issue: Whether a jurisdictional offer in the eminent domain process is valid when the offer is not supported by the appraisal.

Why this case is important to REALTORS®: The condemnation process must allow property owners to understand the value of the land when a jurisdictional offer is presented. In most cases of condemnation, the government has the greater advantage. The appraisal is the one tool that allows the landowner to understand the property market value during the negotiations and is intended to prevent the government from offering landowners lowball prices.

WRA Legal Action Program

The WRA, through its Legal Action program, will be participating in each of these cases by filing an amicus curiae, or "friend of the court" brief. Amicus briefs allow organizations that are not actual parties to the case but have an interest in the outcome to raise legal arguments or discuss broader implications of a particular decision by a court. The Legal Action program is one of the WRA's most important advocacy tools to protect property rights, maintain housing affordability, and ensure that real estate transactions continue to operate smoothly.

For updates on these and other cases, watch for future updates in the WRA Legal News weekly email, an email of important legal news affecting REALTORS® and their business.

Tom Larson is Senior Vice President of Legal and Public Affairs for the WRA.

BY **JOE MURRAY**
DIRECTOR OF POLITICAL
AND GOVERNMENTAL AFFAIRS
GOVERNMENT AFFAIRS

November 3 *Is Almost Here*

The 2020 election cycle is certainly unique. Wisconsin, along with the rest of the country, is grappling with the fallout from the COVID-19 pandemic, historically high unemployment, and civil unrest that began in May and continues. Who could have predicted all this in January?

We are now only a few weeks away from the November elections, and much is riding on the outcome, especially in state legislative elections. The next legislature and Gov. Tony Evers will tackle issues important to the real estate industry, including the serious shortage of workforce housing, property taxes, private property rights and more. Elections really do have consequences.

As we get closer to November 3, four big-picture political dynamics will shape the outcome this fall, including the presidential race, the rise of early absentee voting, the 21 most competitive legislative elections, and the likelihood of record voter turnout in Wisconsin this year. Here's a closer look at all four dynamics.

TRUMP VS. BIDEN

In the 2016 presidential election, Donald Trump carried Wisconsin by a mere 22,748 votes, or 0.78%, over Hillary Clinton. The state of Wisconsin was, in fact, the tipping point that put Trump over the required 270 electoral votes necessary to claim the presidency. As a key battleground state in 2020, can Trump pull off another stunning come-from-behind win in the Badger State? Maybe, but it's going to be more difficult than four years ago. Election year 2020 is different from 2016 in three significant ways.

First, there are fewer undecided voters this year. In 2016, according to a Marquette Law School poll, about 20% of likely voters were undecided. This year, the undecided number is less than 10%. Second, third-party candidates received 6% of the total vote in 2016, and third-party candidates will likely get far fewer votes in Wisconsin this year. Third, Trump ran as an outsider in 2016; but this year, he's an incumbent running for reelection. All three of these factors will play a potentially significant role in the outcome, and all three factors make it more difficult for Trump to replicate his 2016 performance in the Badger State.

- NOVEMBER -

3

Wisconsin Election Day

MAIL-IN VOTING WILL REMAIN IN THE NEWS

Mail-in absentee voting will remain a hot topic as voters in Wisconsin cast their absentee ballots in record numbers this year. In the April 2020 state Supreme Court election, approximately 80% of all votes cast were some form of early absentee voting, including mail-in votes. As noted by UW-Madison political science professor Barry Burden, absentee voting was "completely off the charts" in the April election. As we get closer to the November 3 election, the debate over mail-in voting will continue between Trump and some Republicans who worry about rampant voter fraud versus Democrats who argue that these concerns are unwarranted and are vastly overstated. This debate could easily intensify if the presidential election is close in Wisconsin and both sides end up in a protracted legal battle to decide the outcome. Who can forget the 2000 election fiasco in Florida?

21 COMPETITIVE LEGISLATIVE DISTRICTS

There are 115 state legislative elections on the ballot in Wisconsin this November. Of these 115, only 21 districts will truly be competitive. Both Democrats and Republicans have zeroed in on these highly competitive 21 seats where the staff, time and political money will be spent to shape the outcome in November.

What's noteworthy in this cycle is the geographic balance of these 21 districts. Ten seats are located on or near the western side of Wisconsin, while 11 seats are located on or near the eastern side of the state. This balance is due primarily to the competitive nature of several suburban GOP seats around the Milwaukee and Green Bay media markets. The competitive districts on the western side of the state include far smaller urban pockets and are much more rural districts overall. If Trump continues to struggle in the suburbs with college-educated and female voters, it could pose real problems with GOP incumbents who represent primarily suburban districts.

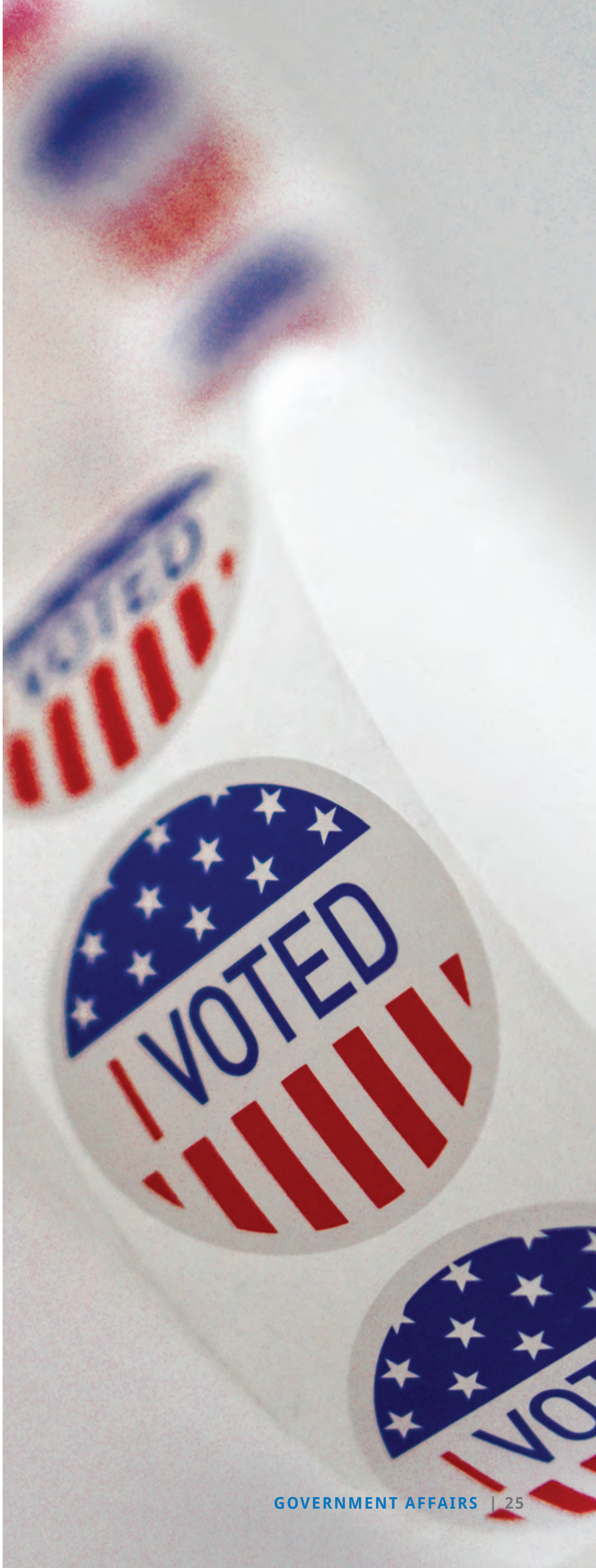
The other interesting political dynamic is which political side is on offense and which side is on defense. There are four competitive seats in the Senate and 17 in the Assembly. In the Senate, three of the four seats are held by Democrats, one by a Republican. This puts Senate Republicans on offense. In the state Assembly, 13 seats are held by Republicans and only four by Democrats. Assembly Republicans are almost entirely on defense due to the commanding size of their current majority, 63 to 36. The top-of-the-ticket race between Biden and Trump will heavily influence the outcome in these 21 districts.

VOTER TURNOUT COULD SURGE IN NOVEMBER

Voter turnout in the 2020 presidential election is likely to set a new record in Wisconsin. If you're looking for clues, you only need to look back at the turnout numbers in the last two statewide elections. In the 2018 Wisconsin midterm election, approximately 2.7 million people, or 60%, voted, easily the most votes ever cast in a midterm election in Wisconsin. In the April 2020 state Supreme Court election, voter turnout hit 34.3%, making it among the highest turnout for a Supreme Court election in Wisconsin history. Given the battleground status of Wisconsin in the presidential race, the growing popularity of early absentee voting, and the Badger State's long tradition of high voter turnout, it will not be a surprise if voter turnout in Wisconsin sets a new record this November. Which side will benefit most from surging turnout this fall?

Refer to the WRA Voter Guide, which you received in the mail in early October, for all WRA-endorsed candidates, and don't forget to make your voice count on November 3!

Joe Murray is Director of Political and Governmental Affairs for the WRA.



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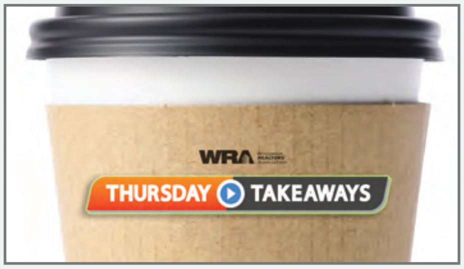

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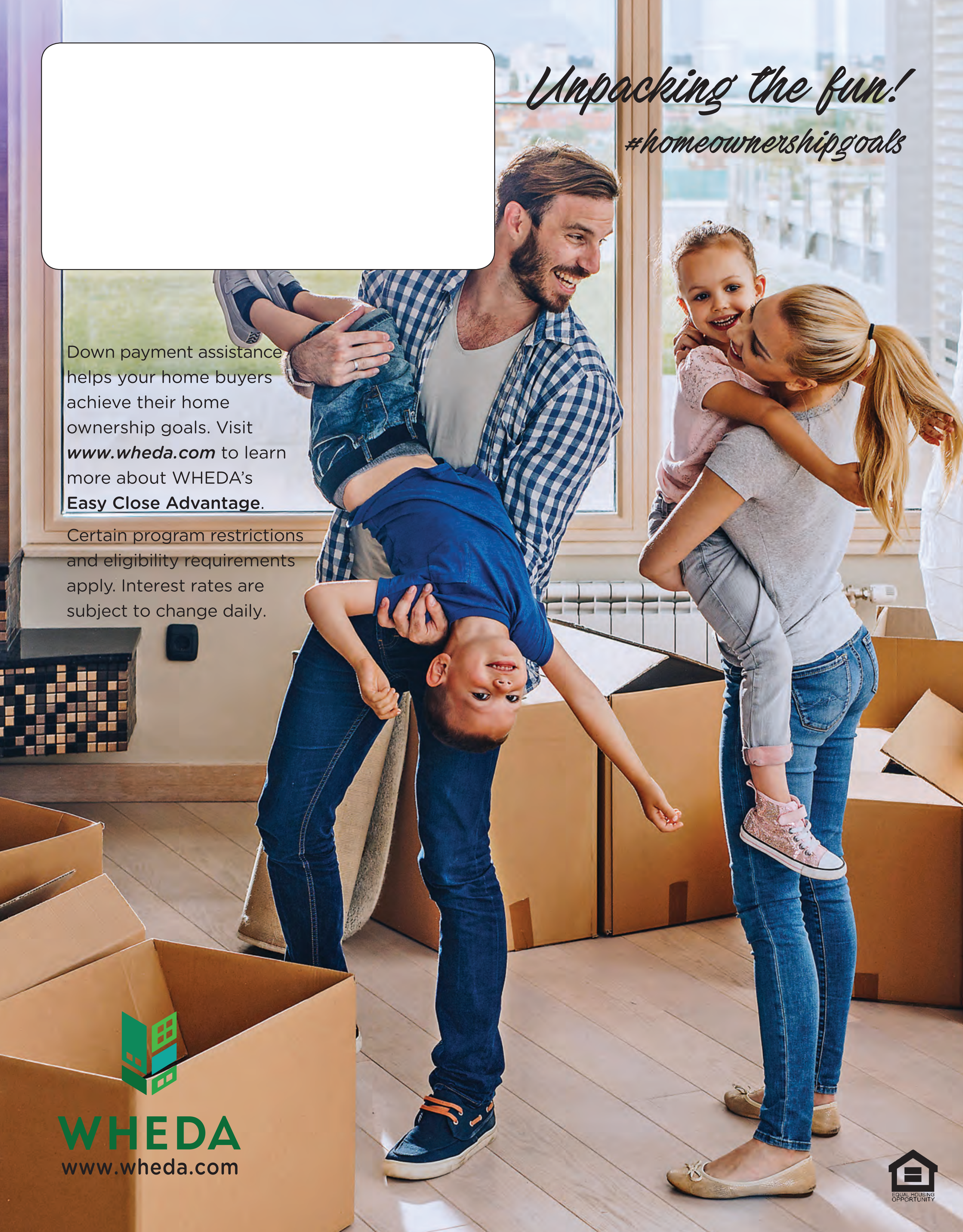
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