WISCONSIN
REAL ESTATE MAGAZINE
WRA A PUBLICATION OF THE WISCONSIN REALTORS® ASSOCIATION
April 2022 Vol. 38, No. 6

Inside this Issue:

DEI and Your Business

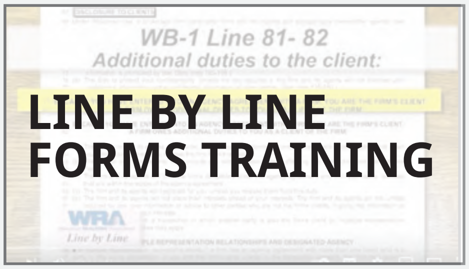
Fair Housing Quiz

Past Segregation Today

THE LATEST CONTENT

WRA MEMBER UPDATE

Line by Line forms training free for WRA members



Watch: www.wra.org/LineByLine

HOUSING MINUTE

Monthly analysis in Wisconsin housing

Watch: www.wra.org/HousingMinute

CAPITOL INSIGHTS

Real estate advocacy podcast

RECENT EPISODES

EP. 36: "The Final Countdown"

EP. 35: "The Price Is Right"

EP. 34: "What's the Status of Your Access Easement?"

EP. 33: "Homeowners Associations: What You Need to Know"

EP. 32: "Whose Money Is It Anyway?"

Listen: www.wra.org/CapitolInsights

SPRING TRAINING

Build credibility with spring 2022 training

COMING SOON!
DESIGNATION AND CERTIFICATION PREVIEW

Master specialties and credentials in 2022.

Five credentials to level up.

Teaser 1: Accredited Buyer's Representative Course (ABR)
Teaser 2: Pricing Strategies: Mastering the CMA (PSA)
Teaser 3: At Home with Diversity Course (AHWD)
Teaser 4: Home Sweet (Second) Home: Vacation, Investment, Luxury Properties (RSPS)
Teaser 5: Two-day SRS Course (SRS)

Watch: www.wra.org/2022SpringTraining

TABLE OF CONTENTS

APRIL 2022 | Vol. 38, No. 6

HOUSING RECAP

WEAK INVENTORIES LIMITED FEBRUARY HOME SALES AND DROVE PRICES HIGHER

BY DAVE CLARK

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

- February 2022 home sales slipped 4.7% compared to February 2021 as inventories continued to tighten in 2022.
- Existing home sales were down 3.8% compared to the first two months of 2021.
- Inventory levels continued to shrink statewide.
- The seller's advantage has strengthened since this time last year.

See the full report: **www.wra.org/HSRFeb2022**

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.

FEBRUARY HOUSING

4,300
CLOSED SALES FEB 2022
-4.7%
FROM FEB 2021

$235,000
MEDIAN PRICE FEB 2022
+9.3%
FROM FEB 2021

ACTIVE LISTINGS BY PRICE

PRICE RANGE	NUMBER OF LISTINGS
$0-$124,999	1,799
$125,000-$199,999	2,982
$200,000-$349,999	4,348
$350,000-$499,999	2,709
$500,000 & higher	2,319

14,157
TOTAL STATEWIDE LISTINGS FEB 2022
17.0%
FROM FEB 2021

MEDIAN PRICES BY REGION

CENTRAL	$194,000
NORTH	$212,000
NORTHEAST	$200,000
SOUTH CENTRAL	$285,000
SOUTHEAST	$235,000
WEST	$255,000

AVERAGE DAYS ON MARKET
82 DAYS FEB 2022
COMPARED WITH
95 DAYS FEB 2021

MONTHS OF INVENTORY
1.9 FEB 2022
2.2 FEB 2021

HOUSING STATISTICS MONTHLY ACTIVITY

Statewide	February 2022	February 2021	% Change	YTD 2022	YTD 2021	% Change
New Listings	5,124	5,550	-7.7%	N/A	N/A	N/A
Total Listings	14,157	17,047	-17.0%	N/A	N/A	N/A
Closed Sales*	4,300	4,514	-4.7%	8,944	9,294	-3.8%
Median Sales Price	$235,000	$215,000	+9.3%	$233,750	$211,500	+10.5%
Months of Inventory	1.9	2.2	-13.6%	N/A	N/A	N/A
Avg. Days on Market	82	95	-13.7%	N/A	N/A	N/A
Affordability Index	182	220	-17.3%	N/A	N/A	N/A

	Median Price			Closed Sales		
Region	**February 2022**	**February 2021**	**% Change**	**February 2022**	**February 2021**	**% Change**
Central	$194,000	$159,900	+21.3%	286	309	-7.4%
North	$212,000	$167,500	+26.6%	382	435	-12.2%
Northeast	$200,000	$186,200	+7.4%	733	793	-7.6%
South Central	$285,000	$257,000	+10.9%	831	882	-5.8%
Southeast	$235,000	$220,000	+6.8%	1,675	1,688	-0.8%
West	$255,000	$225,000	+13.3%	393	407	-3.4%

*Report criteria: Reflecting data through February 2022. *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

MAKE A DIFFERENCE WITH WRA COMMITTEE SERVICE

The WRA and the National Association of REALTORS® (NAR) are looking to fill positions for 2023. If you are interested in serving on a committee at the state or the national level, apply today. While we will attempt to honor all applications and preferences for committees, we cannot guarantee them due to space limitations.

Application deadline: May 1, 2022. Learn about the committees and submit your application online at **www.wra.org/committees**.

BE A NATIONAL LEADER IN 2023

The National Association of REALTORS® (NAR) recently adopted a new governance structure that establishes the composition of its board of directors, executive committee, regional vice presidents and leadership team. Under the new structure, states will be allocated a specific number of NAR directors to represent the state association and larger local boards.

The WRA is seeking members interested in serving as NAR directors representing medium and small boards for a one- or two-year term beginning in January 2023.

See full details about the new governance structure on the next page. To apply online, visit **www.wra.org/NationalLeader2023**.

WRA HOLIDAY HOURS

The WRA and the WRA Legal Hotline will both close at 12:00 p.m. CDT on Friday, April 15, in observance of Good Friday. Normal business hours for the association and the hotline will resume at 8:30 a.m. CDT on Monday, April 18. Have a safe and happy holiday weekend!

CONNECT WITH US

wra.org/**FACEBOOK** / wra.org/**INSTAGRAM** / wra.org/**YOUTUBE** / wra.org/**TWITTER**

WISCONSIN REAL ESTATE MAGAZINE

EDITORIAL STAFF
Publisher: Michael Theo
Editors: Lauren B. Hubbard, Emily Zampardi
Art Director: Mike Keegan
Managing Editor: Robert Uhrina

WRA EXECUTIVE COMMITTEE
Brad Lois, Chairman of the Board
Joe Horning, Chairman of the Board-elect
Mary Jo Bowe, Treasurer
Mary Duff, Immediate Past Chair
Chris DeVincentis, Vice President
Max Rea, Vice President

CONTACT INFORMATION
4801 Forest Run Road, Ste. 201
Madison, WI 53704-7337
608-241-2047 • 800-279-1972
email: editor@wra.org
website: www.wra.org

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 $15 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.

BE A NATIONAL LEADER IN 2023

The National Association of REALTORS® (NAR) recently adopted a new governance structure that establishes the composition of its board of directors, executive committee, regional vice presidents and leadership team. In addition to changes in structure, new requirements and qualifications have been added for state and local association representatives on the NAR board.

Under the new system, states will be allocated a specific number of NAR directors to represent the state association and larger local boards. In addition, the WRA must appoint two new NAR directors:
- One director representing medium size boards (with 500 to 1,999 members)
- One director representing small boards (with 1 to 499 members)

As a point of reference, below is a listing of the small and medium local associations in Wisconsin as of December 31, 2021.

SMALL LOCAL BOARD/ASSOCIATION (1 to 499 members)	MEDIUM LOCAL BOARD/ASSOCIATION (500 to 1,999 members)
Door County Board of REALTORS®	Central Wisconsin Board of REALTORS®
Jefferson County Board of REALTORS®	Commercial Association of REALTORS® Wisconsin
Individuals	Lakes Area REALTORS® Association
La Crosse Area REALTORS® Association	Lakeshore REALTORS® Association
Lake Superior Area REALTORS® Association	REALTORS® Association of Northwestern Wisconsin
Manitowoc Board of REALTORS®	Southshore REALTORS® Association
Marinette Board of REALTORS®	Western Wisconsin REALTORS® Association
Northwoods Association of REALTORS®	
Rock-Green REALTORS® Association	

CALL FOR VOLUNTEERS

The WRA is now seeking members interested in serving as NAR directors representing medium and small boards.
This process includes:
- Certifying board size: NAR will certify the membership count in all boards as of July 31, 2022.
- Applications: Members interested in serving in these posts must complete the online application and return it to Sandy Bolgrihn at **sandyb@wra.org** by August 15, 2022.
- Terms: Those members selected will begin serving a one- or two-year term beginning in January 2023.

REMINDER FOR WRA SERVICE

As a reminder, you will also need to apply for a NAR committee for service beginning in 2023.
Apply online at **www.wra.org/NARcommittee**.


WHO DO YOU SEE?
parents? entrepreneurs? homeowners?
Implicit bias: associating a stereotype unconsciously.
Combat implicit bias in real estate: wra.org/ImplicitBias

BOOSTING YOUR BUSINESS WITH DIVERSITY AND INCLUSION

BY FARRAH WILDER

I came to Madison in the early 2000s to attend law school. Like my heroes, legendary civil rights attorneys Thurgood Marshall and Charles Hamilton Houston, I wanted to use the values in our country's constitution to open doors for underserved groups. After practicing law in San Francisco for a few years, I transitioned into a real estate career that would offer surprising lessons about the importance of diversity in the real estate industry and the legacy of once-legal housing discrimination.

It wasn't until I started working with clients that I realized my impression of a day in the life of a real estate agent had been inaccurately shaped by television. Architecture, showing homes and working as a trusted guide were certainly part of the work, but I also came to understand the difference in buying power between my clients who had family support and those who didn't. It became clear to me that systemic and discriminatory barriers that had once been legal could still be seen today in the low homeownership rates and wealth rates for people of color. I saw how rising prices were impacting formerly redlined communities and how much racial bias was still impacting how about neighborhoods and schools were perceived by the public and real estate agents.

I also personally experienced and witnessed quite a bit of bias against real estate professionals. The manager of a prominent company in my market reluctantly granted me an interview and appeared to be pleasantly surprised when I walked in with short hair — I had recently cut off my dreadlocks but hadn't yet updated my online photos. My colleagues commonly described the communities where my friends and I lived as "sketchy" or "up-and-coming."

DIVERSITY IS CRITICAL FOR MODERN REAL ESTATE BUSINESSES

A sad part of real estate industry history is its highly exclusionary past. For years, real estate professionals believed and promoted the idea that exclusively white communities were more valuable than integrated communities or communities of color. We are just now taking major steps to critically examine practices that began during a time when discrimination was legal. Our REALTOR® community is having serious discussions about how practices like school and neighborhood recommendations and submitting buyer love letters may allow improper or harmful bias into a real estate transaction.

Recent studies of real estate agents still find high levels of bias and different treatment based on race. *Newsday*'s "Long Island Divided" investigation was a highly publicized example of how common it is for real estate agents to engage in different treatment on the basis of race. The exposé showed real estate agents exhibiting rampant bias in their interactions with prospective clients. The news outlet tested 93 real estate agents and found that 49% of the Black, 39% of the Latino and 19% of the Asian testers were treated differently than white testers who were otherwise very similar. Some of the *Newsday* videos showed agents blatantly referencing race to disparage neighborhoods: "in East Hampton … the Hispanic community came in and they really took over Springs." What the *Newsday* investigation suggests is that any real estate professional might inadvertently steer clients if they have unchecked biases.

Our modern society is inherently diverse. Individuals from a variety of backgrounds and preferences move and purchase homes. Not only does the law require that real estate professionals and their clients refrain from discrimination based on certain demographic categories, but successful businesses must now assess their reach and capacity for working well and sensitively with individuals from a variety of backgrounds.

In addition to fair housing benefits, diversity and inclusion are key components of successful real estate businesses. Overwhelming evidence shows that diverse businesses outperform their counterparts. A recent McKinsey study found that companies with greater gender diversity were 25% more likely to be profitable than their peers, while ethnic diversity increased the likelihood of profitability by 36%. For more information about the study, visit **www.wra.org/MoreInfo/McKinseyStudy**.

DIVERSITY BEST PRACTICES

Diversify your marketing

A great first step is to ensure that any potential client who encounters your website or other marketing sees that you work with individuals of all backgrounds. A statement on your public website stating your commitment to diversity and inclusion and working with individuals from diverse backgrounds may signal to those from traditionally underserved communities that you welcome their business.

Another easy way to invite diverse potential clientele, as well as business associates or agents looking to affiliate with a team or brokerage, is to ensure that your marketing photos show individuals who appear diverse in ethnicity, gender, sexual orientation and age.

This is important even in markets with low perceived diversity. Studies suggest that American consumers are often guided by their social values. Furthermore, safety concerns often guide homebuyers from traditionally marginalized communities as they determine where they might live. Visit **www.wra.org/MoreInfo/InclusiveCustomer** for more information.

A recent Realtor.com survey revealed that 55% of LGBTQ+ respondents "wouldn't buy a home if they were unsure about being accepted in the community." Another 32% would be unsure. Read more about the survey at **www.wra.org/MoreInfo/RealtorSurvey**.

Note that diverse images and messaging alone do not foster true diversity and inclusion and could be criticized as performative. Although they are a great starting point, it's important to support these visual and verbal cues with other diversity and inclusion efforts.

Develop skills and resources for a diverse market

Learning about programs designed to address the challenges members of underserved communities face can help you offer more comprehensive services to a diverse market. For example, although there are homebuyers of color in all price points, historically excluded groups have less access to generational wealth and often have less savings and family support for a home purchase. Researching the homebuyer assistance programs in your market and asking lenders familiar with them for tips on how to best support buyers who use them can help you support more clients who may not have generational wealth. An example of a Wisconsin-based homebuyer assistance program is Own It's $15,000 down payment grant for One City Schools' family, alumni and staff purchasing their first home in the Greater Madison area. To learn more about this program, visit **www.wra.org/MoreInfo/OwnIt**.

You can also find out more about the homeownership needs of diverse communities by taking the WRA's At Home with Diversity course on April 27-28 or attending a presentation by a multicultural real estate organization like the LGBTQ+ Real Estate Alliance at **www.realestatealliance.org**, the National Association of Hispanic Real Estate Professionals at **www.nahrep.org**, or the National Association of Real Estate Brokers at **www.nareb.com**, a group dedicated to supporting Black homeownership.

Diversify your company, team or partnerships

African American REALTOR® Tiffany Malone, an agent with Madison's Alvarado Real Estate Group, is sensitive to how difficult it can be for people of color to navigate rejection in the real estate market. She talks about how important it is that clients are understood by and can relate to their real estate team, particularly for members of communities that have been historically excluded from equal access to homeownership.

To offer more comprehensive support to diverse communities, you might team up with or hire diverse agents to ensure a more well-rounded business. A great tool for this is the WRA's Partnership for Success Program, which offers an opportunity for new agents of color to have a year of REALTOR® dues and six months of MLS fees covered. This program not only promotes REALTOR® diversity but also helps established REALTORS® and brokerages diversify their teams or offices. Malone says that brokerages can help new REALTORS® of color succeed in their new businesses by letting every new agent of color know about this program. Learn more about the program at **www.wra.org/WREM/Mar22/Partnership**.

Finally, if you aren't sure how to help a prospective buyer, it's better to refer them to a lender, REALTOR® or a HUD-certified counselor rather than tell them they won't be able to buy a home. As Malone notes, people of color can be intimidated by unknowns like the expense and competitiveness of the market. A homebuyer program or a financial fix might offer them assistance that hasn't been widely publicized. In a changing market, a creative solution may give a lower-income first-time buyer an opportunity that may disappear as prices rise.

DON'T FORGET INCLUSION

The full benefits of diversity can only be reaped in environments where every voice and opinion is encouraged and valued, even when they are from newer team members or co-workers questioning long-standing company policies. Inclusive environments promote feelings of belonging within a group, spark innovative ideas, and foster greater sensitivity to consumers.

To get started with inclusion, it can help to build personal skills around understanding privilege, listening across differences and allyship. Stefanie K. Johnson's book, *Inclusify*, available at **www.inclusifybook.com**, is a great resource for tips about inclusion.

A NOTE ABOUT HISTORY

Understanding why there is inequality may help REALTORS® more sensitively work with individuals from historically underserved communities. Many people of color still carry trauma related to past exclusion, and when the history is disregarded or dismissed as false, it often causes a reinjury and may exacerbate cross-cultural divides and distrust. Not only do people of color have less generational wealth because they were historically denied equal access to homeownership opportunities; they still experience a great deal of bias and, therefore, they may have quite a bit of justifiable apprehension. Showing a willingness to learn and listen while taking steps to support homeownership in underserved communities can build very important bridges.

Malone shared that her real estate classes didn't offer "the historical context with respect to real estate. It's important ... the homes and neighborhoods were built on stolen aspects of peoples' lives and the impact shows up today." She mentioned Richard Rothstein's groundbreaking book, *The Color of Law*, available at **www.wra.org/MoreInfo/ColorOfLaw**, is a great starting point for learning this history.

History also offers important lessons about the value of diversity. In the 1960s, even before the Fair Housing Act of 1968, new diverse individuals in elected and appointed roles chipped away at the real estate industry's systemic discrimination. Madison's groundbreaking 1963 fair housing bill might not have come about if not for the involvement of the African American and female appointees to the Mayor's Commission on Human Rights, including Lloyd Barbee, Marshall Colston and Shirley Abrahamson as well as the first woman on the city council, Ethel Brown.

Shortly after that vote in 1964, Wisconsin newspapers reported that the first Black REALTORS®, Claude A. Baldwin and Haywood Green of Baldwin & Green Realty, joined the Milwaukee Board of REALTORS® and the WRA. Baldwin and Green encouraged their protégé, Beechie O. Brooks, another early Black Wisconsin REALTOR®, to open his own office. Brooks would eventually go on to expand homeownership opportunities for all Milwaukee residents as the president of United Realty Group, one of the founders of Milwaukee State Bank and a developer of Halyard Park, a neighborhood of suburban-style homes in a formerly blighted area of Milwaukee.

Malone explained the importance of talking about this history: "we hear all the time we're being too bold and unapologetic about the demand for more of this education ... to be a good agent I have to know about conventional loans and FHA financing and PMI but apparently [many people in the real estate industry don't] see the relevance of knowing that Black and Brown people couldn't get FHA loans 60 years ago ... that's problematic."

Farrah Wilder is a former civil rights attorney in the Bay Area and former REALTOR®. Wilder is now the Chief Diversity, Equity and Inclusion Officer at the California Association of REALTORS®.

PAST SEGREGATION LIVES WITH US TODAY

BY DEBBI CONRAD
WRA SENIOR ATTORNEY AND DIRECTOR OF LEGAL AFFAIRS

Discrimination in housing in the early 20th century was pervasive, due to the actions of federal, state and local government along with lenders, developers, REALTORS® and private parties. This was not "de facto" segregation resulting from individuals choosing where they wanted to live based on the skin color of their neighbors, but rather it was the result of government policies. The consequences of the resulting segregation are still with us today. In addition, some of these discriminatory measures that contribute to or reinforce segregation are still in play today.

Many believed the passage of the Fair Housing Act in 1968 would erase racial discrimination, but the act could not undo the entrenched segregation underlying our neighborhoods and the resulting disadvantages experienced by Black families. The historical race-based exclusions from favorable government mortgage programs, bank loans and subsidized neighborhoods that offered better educational and equity-building opportunities have caused Black parents to have less wealth to use for home purchase down payments or college tuition for their children. These impacts contribute to the homeownership and economic inequities based on race we see today.

The history of segregation reveals a systemic evolution throughout the 1900s.

JIM CROW LAWS

After the United States abolished slavery, segregation quickly became official policy in the South. The "Jim Crow" laws segregated everything from schools to public parks to theaters to cemeteries, and of course, residential homes. There were separate waiting rooms for whites and Black people in professional offices and separate drinking fountains. Black Americans went North in search of better jobs, but it was difficult to find decent housing because Midwestern communities also maintained strict residential racial segregation.

PUBLIC HOUSING

The Public Works Administration (PWA), as part of the New Deal of 1933, built public housing for people displaced during the Great Depression but focused on homes for white families in white communities. Only a small portion of houses was built for Black families, and those homes were limited to segregated Black communities. The PWA even demolished integrated housing to create segregated public housing. The reason given for the policy was that Black families would bring down property values.

The federal government established the Federal Housing Administration (FHA) in 1934 to promote homeownership. Instead of helping to increase Black access to housing, the FHA would not insure loans made to African Americans, claiming if African Americans bought homes in or near white suburbs, the property values of the white homes they were insuring would decline, putting their other loans at risk. The FHA also refused to underwrite mortgages for white homebuyers for homes in communities with even one Black homeowner. This led to the advent of the color-coded redlining maps and racially restrictive covenants that systematically prevented Black families from buying homes in affordable suburban communities and city neighborhoods.

GOVERNMENT SUBSIDIES

In the 1940s, the FHA also created new segregated neighborhoods by subsidizing housing developments such as Levittown, New York, where the sale of properties was restricted to white people, and deed restrictions and covenants prohibited the resale of those properties to Blacks and other minorities. Governments at all levels enforced these deed restrictions.

After World War II, Black veterans were similarly excluded from participating in the GI Bill. The federal government provided veterans returning from the war with a subsidy in the form of a federally guaranteed, low-interest home loan with no down payment. But most lenders refused Black borrowers, falling in step with the redlining and racial covenants that were in place.

REDLINING

Redlining is the discriminatory practice of systematic denial of financing and other services to residents of certain neighborhoods or communities associated with a certain racial or ethnic group. Starting in the 1930s, the Federal Home Loan Bank Board and the Home Owners' Loan Corporation conspired to create maps with marked areas considered bad risks for mortgages. The areas colored red, indicating a high-risk level for loans, typically were Black neighborhoods. This kind of mapping concentrated poverty as the mostly Black residents in redlined neighborhoods had no access to loans or access to only very expensive loans. The FHA would refuse to insure loans in those neighborhoods on the premise that if Black Americans bought homes in or near white neighborhoods, the value of the property owned by white property owners would fall, jeopardizing the value of the asset securing the insured loan. Private lenders followed the FHA's lead.

Residents in redlined communities were shut off from access to affordable homeownership. Cities zoned redlined neighborhoods for industry, thereby increasing environmental pollutants, and laid out highways through redlined neighborhoods. The FHA recommended the inclusion of restrictive covenants in the deeds of homes it insured to fortify the redlining policies.

DEED RESTRICTIONS AND COVENANTS

At first there were local ordinances establishing racial restrictions in different neighborhoods and communities that prohibited Black families from moving into white-dominant blocks. In 1917, however, the U.S. Supreme Court ruled in *Buchanan v. Warley* that ordinances establishing racial restrictions violated the Fourteenth Amendment and were unconstitutional. The ordinances were replaced by deed restrictions and covenants.

For nearly 50 years, developers wrote racially restrictive covenants and deed restrictions into the title of millions of new homes. In 1926, the Supreme Court affirmed the legality of this practice. The ruling in *Corrigan v. Buckley* stated that while states are barred from creating race-based exclusionary laws and ordinances, private deeds and developer plat maps are not similarly affected by the Fourteenth Amendment because they come from "private individuals" and not the government.

The FHA extensively relied on deed restrictions to implement its redlining policies. In the 1900s, local government, real estate developers, local real estate brokers and boards, financial institutions and title companies joined forces using redlining policies and deed restrictions to keep Black families out of desirable residential areas.

However, in 1948, the U.S. Supreme Court unanimously ruled racially restrictive covenants were unenforceable. In *Shelley v. Kraemer*, the court held judicial enforcement of racially restrictive covenants was unconstitutional.

Twenty years after *Kraemer*, the Fair Housing Act of 1968 was passed and outlawed these covenants altogether. The act officially made the use of racially restrictive covenants in housing illegal and prohibited restrictive covenants from being upheld both privately and judicially.

BLOCKBUSTING

Blockbusting was an unethical business practice in which real estate agents and developers convinced white residents in a neighborhood to sell their property at below-market prices by making them believe their neighborhood was turning from white to Black.

An example of blockbusting would be a real estate agent hiring a Black woman to walk her baby carriage or her dog in an all-white neighborhood. They then placed their real estate cards in all the mailboxes on the block, offering to buy the house right away at a discounted price. Thus, fearmongering was used to trick white residents to sell at below-market prices based on the false belief that Black people were moving into their neighborhood. The blockbusters would then sell those same houses at inflated prices to Black families seeking upward mobility.

REALTOR® PARTICIPATION

REALTORS®, along with governmental agencies and lenders, encouraged racial segregation in order to maintain property values and sell housing. Beginning in 1924, the REALTOR® Code of Ethics provided, "a REALTOR® should never be instrumental in introducing into a neighborhood a character of property or occupancy, members of any race or nationality, or any individuals whose presence will clearly be detrimental to property values in that neighborhood." At one time, the National Association of REALTORS® allowed the exclusion of members based on race or sex. REALTORS® also participated in blockbusting and promoted racial covenants. NAR initially opposed passage of the Fair Housing Act.

Today we still see measures that are reinforcing or implementing racial segregation.

REDLINING TODAY

Although banks deny engaging in redlining, there are strong indications that redlining continues today, although perhaps in a slightly different form. Redlining today does not involve red markers or maps, but lenders have been avoiding providing services to individuals living in certain communities because of the race or national origin of the people who live in those communities. In late 2021, the Justice Department launched a new Combatting Redlining Initiative in response to instances of modern redlining, and lending discrimination litigation initiated against several lenders.

STEERING TODAY

Steering occurs when real estate sales or rental agents encourage, or steer, prospective homebuyers and renters to communities that have high concentrations of owners and renters of their same race or ethnic group. Agent comments may appear harmless or as well-intentioned advice on the surface but are actually stripping a person of the right and ability to direct their housing search and exercise free choice as to the desired housing setting. While some agents once openly shut Blacks out of white neighborhoods, some now more subtly sort buyers by race or ethnicity.

Steering violates the Fair Housing Act because the agent is influencing a buyer's choice of communities based on the buyer's race, color, religion, gender, disability, familial status or national origin.

Steering illegally limits the housing opportunities available to buyers. This illegal practice reinforces existing segregation in neighborhoods.

ZONING TODAY

Racially based ordinances were ruled unconstitutional, and racially restrictive covenants have been officially prohibited, but exclusionary zoning by wealth and income remains, often with the same effect if not intent. Communities use zoning to drive up the cost of new homes. Such ordinances contribute to the same patterns of segregation established in the past by redlining, restrictive covenants and other systemic discriminatory measures, and continue to disadvantage Black households and those with lower incomes generally.

These ordinances that serve to reinforce segregation include minimum lot size, expensive building code requirements, building height limits, single-residence-per-lot requirements, minimum square footage requirements and high hurdles for accessory dwelling units such as in-law apartments. These requirements make it difficult to build multifamily units that would allow minorities and lower-income residents to live in suburban developments with access to their jobs, quality schools and transportation. In addition, large lot size requirements reduce the supply of available land, drive up housing costs, and further keep out low-income and minority families.

It is important that real estate professionals today counteract these vestiges of discrimination and segregation by calling out instances of lending discrimination, train themselves to provide equal housing services to all buyers and provide them with prospective properties in accordance with their desires and preferences, and stand against local zoning measures that unnecessarily increase the cost of housing or exclude multifamily housing opportunities.

THE BEST OF THE LEGAL HOTLINE

BY DEBBI CONRAD
WRA SENIOR ATTORNEY AND DIRECTOR OF LEGAL AFFAIRS

FAIR HOUSING ISSUES

In honor of Fair Housing Month, this month's WRA Legal Hotline article features questions and answers relating to fair housing concerns that impact real estate transactions.

OFFENSIVE RESTRICTIONS AND COVENANTS

The cooperating broker received a copy of the covenants and restrictions from 1949 on a property after the buyer's offer had been accepted. The buyers were upset when they read them. In one portion, the documents say ownership and occupation in the subdivision were restricted to members of the white race only, except those who may be employed as part-time or full-time domestic servants. The title company said to Google the Fair Housing Act of 1968, which says the refusal to rent or sell to someone because of race is prohibited. If the broker gives the buyers this information, will that take care of this concern? Does the FHA trump the covenants and restrictions?

Yes, the Fair Housing Act of 1968 makes these covenants and restrictions illegal and unenforceable. For nearly 50 years, developers wrote racially restrictive covenants into the title of millions of new homes. Some developers included restrictions in the plat maps or the associated covenants and restrictions, while others affixed deed restrictions as they sold off lots. These covenants ran with the land, and anyone who dared to breach a covenant — even decades after it was put into place and even after the property had changed hands multiple times — risked ending up in court.

In 1948, the U.S. Supreme Court unanimously ruled racially restrictive covenants were unenforceable. In *Shelley v. Kraemer*, the court held judicial enforcement of racially restrictive covenants was unconstitutional. Nonetheless, developers continued to record such covenants to influence where minority individuals were able to reside.

Twenty years after the U.S. Supreme Court ruling in *Kraemer*, the Fair Housing Act was passed and outlawed these covenants altogether. The act prohibits discrimination in the sale, rental and financing of dwellings and other housing-related transactions, based on race, color, national origin, religion, sex, familial status and disability. The act officially made the use of racially restrictive covenants in housing illegal and prohibited restrictive covenants from being upheld both privately and judicially.

However, this ruling did not erase racial restrictions from property deeds and title records. As a result, the language of segregation remains in the fine print of deeds and restrictive covenants today.

See "Do You Have a Racist Deed?" in the March 2021 *Wisconsin Real Estate Magazine* at **www.wra.org/WREM/Mar21/RacistDeed**.

"DEAR SELLER" LETTERS

What should an agent's role be when it comes to "love letters" that buyers are sending to sellers?

Whether the content of the buyer's "dear seller" or "pick me" letter could raise liability issues for the buyer, the seller or the broker would be transaction-specific and depends on the content of the letter. For example, information contained in the letter could raise a misrepresentation issue if it is inaccurate and the seller relied on the information when accepting the offer. The content of the letter could raise fair housing issues if decisions regarding the sale are made based on the buyer's, or another buyer's, protected class status.

The broker may refer the buyer to the nondiscrimination provisions of the buyer agency agreement, which provide:

> **NON DISCRIMINATION Client and the Firm and its agents agree that they will not discriminate based on race, color, sex, sexual orientation as defined in Wisconsin Statutes § 111.32(13m), disability, religion, national origin, marital status, lawful source of income, age, ancestry, family status, status as a victim of domestic abuse, sexual assault, or stalking, or in any other unlawful manner.**

An agent should not advocate for the buyer to write a letter so that potential liability for everyone can be avoided. An agent also should not advise buyers what should be in a "dear seller" letter and should not offer guidance as to what information would be considered "safe" and not a fair housing violation should the buyer choose to write a letter.

Having identified potential issues, buyers may choose to provide "pick me" or "dear seller" letters with offers on a case-by-case basis. A letter not incorporated by reference may not be presented to the seller, but any document can be made part of an offer if it is incorporated by reference into the offer to purchase. In addition, the offer presentation rules in Wis. Admin. Code § REEB 24.13 provide for the submission of all written proposals, not just offers.

Wis. Admin. Code § REEB 24.13(1): "Refusal prohibited. Licensees shall not refuse to draft or submit any written proposal unless the terms of the written proposal would be contrary to specific instructions of the other party."

Wis. Admin. Code § REEB 24.13(3)(a): "Fair presentation of written proposals.

(a) Licensees shall present all written proposals in an objective and unbiased manner to their clients and customers. Licensees shall inform their clients and customers of the advantages and disadvantages of all submitted written proposals."

"Written proposal" means any written document provided by one party to another during the course of a transaction, including but not limited to notices, offers, counteroffers, options, exchanges, rental agreements and amendments.

See the September 2020 *Legal Update*, "Multiple Offers and Love Letters," at **www.wra.org/LU2009**, the WRA's "dear seller" letters resource page at **www.wra.org/DearSeller**, and "Love Letters or Liability Letters?" at **www.nar.realtor/fair-housing-corner/love-letters-or-liability-letters**.

ASSISTANCE ANIMALS

The landlord has a four-plex apartment building that does not allow pets. A father and severely autistic son live in the lower unit, and the son is very afraid of animals. The son's fear of animals is part of the reason the father and son rented in a "no-pet" building. Approximately two months ago, the landlord rented the unit right above this one to a woman and her young son, and she knew it was a no-pet building.

The woman emailed the landlord stating she has a five-year-old goldendoodle dog that has been living with her boyfriend since she moved into this apartment. Her son is having behavioral issues, and his social worker suggested the dog should move in and be his emotional support dog so he can continue to grow emotionally. She attached a short letter from a county worker saying the child needs this dog. It is not fair to allow a dog in the building for the long-term tenant, but the landlord does not want to deny the newer tenant their rights and be accused of discrimination. How does the landlord proceed?

The federal Fair Housing Act protects the right of people with physical or mental disabilities to keep assistance animals, service animals and emotional support animals, even when applicable policies or rules explicitly prohibit pets. The law generally requires the housing provider to make an exception to any no-pet restriction as a reasonable accommodation as long as the accommodation does not constitute an undue financial or administrative burden for the complex or fundamentally alter the nature of the housing. A reasonable accommodation is a change in rules, policies, practices or services so that a person with a disability will have an equal opportunity to use and enjoy a dwelling unit or common space.

Assistance and service animals that assist persons with disabilities are considered to be auxiliary aids and are exempt from an owner's pet restrictions, pet security deposits and extra pet rent. Assistance animals include, without limitation, guide dogs for persons with vision impairments, hearing dogs for people with hearing impairments, and emotional assistance animals for persons with chronic mental illness.

If a tenant needs an assistance animal, they should request a reasonable accommodation, preferably in writing, from the landlord. The request should state the disability — if not readily apparent — and indicate the relationship between their ability to function and the assistance of the animal. In addition, the tenant should include a letter or prescription from an appropriate health professional, such as a therapist or physician, verifying the need for the assistance or service animal. The tenant need not disclose the details of the disability nor provide a detailed medical history. Federal law does not include any specific requirements for registration or credentials for the animal involved.

A landlord may deny the request by a person with disabilities for a reasonable accommodation to have an emotional support animal or any other assistance animal if:

- The person does not have a disability, does not have a disability-related need for the animal or fails to provide the documentation requested.
- Allowing the animal would impose an undue financial and administrative burden or would fundamentally alter the nature of services provided by the landlord.
- The specific animal in question poses a direct threat to a person's health or safety that cannot be reduced or eliminated by another reasonable accommodation.
- The specific animal in question would cause substantial physical damage to a property that cannot be reduced or eliminated by another reasonable accommodation.

When a housing provider refuses a requested accommodation, the provider should discuss with the requester whether there is an alternative accommodation that would effectively address the requester's disability-related needs. If an alternative accommodation would effectively meet the requester's disability-related needs and is reasonable, the provider must grant it. An interactive process in which the housing provider and the requester discuss the requester's disability-related need for the requested accommodation and viable alternative accommodations is helpful to all concerned because it can result in an effective accommodation for the requester that does not pose an undue financial and administrative burden for the provider.

On the face of it, the landlord may proceed to process the request for the dog. Given the standards above, it is not clear what would be the basis for denial. Does the landlord have evidence that having the dog live in the building poses a direct threat to a person's health or safety that cannot be reduced or eliminated by another reasonable accommodation? That seems like a possible theory, but apparently there is no documentation and evidence regarding the condition of the autistic son and the impact of the dog should this matter end up in court.

When cases involving competing disabilities have been decided in court, it is always a fact-based specific result. At times, the person who was there first is given priority, and other times, emphasis is given to the one who has made a written request for a reasonable accommodation along with supporting documentation. When there are two written requests for a reasonable accommodation, then the interactive process may be more productive. In this scenario, the decision might be better able to be made if there was a written request by the father and the son seeking a reasonable accommodation to deny the request of the woman and her son, but that does not make a lot of sense. Because there are only four units, it may not be possible to find a mutual solution to accommodate both parties.

A landlord would want to consult their private legal counsel for advice and answers to any questions.

See "Sorting Through Assistance Animal Requests: HUD's new assistance animal guidance," in the March 2020 *Wisconsin Real Estate Magazine* at **www.wra.org/WREM/Mar20/AssistanceAnimals** and the sources cited therein for the latest guidance regarding this issue.

Also see:

- Department of Housing and Urban Development Assistance Animal Notice at **www.hud.gov/sites/dfiles/PA/documents/HUDAsstAnimalNC1-28-2020.pdf**
- Joint Statement of the Department of Housing and Urban Development and the Department of Justice: Reasonable Accommodations Under the Fair Housing Act at **www.justice.gov/crt/about/hce/joint_statement_ra.pdf**
- April 2017 *Legal Update*, "Reasonable Accommodations and Assistance Animals," at **www.wra.org/LU1704**
- Wis. Stat. § 106.50 at **docs.legis.wisconsin.gov/statutes/statutes/106/III/50**

TENANT REQUESTS GRAB BARS AND RAILINGS AFTER BACK SURGERY

A tenant who has lived in the property for more than five years recently requested shower grab bars be installed and railings be installed outside each of the two entrances of the home. He has offered to share in the cost with the owners. The owners suggested "suction grab bars" for the shower and no exterior railings be installed because they do not want to make any permanent changes to their home. The law requires landlords

to make reasonable accommodations for tenants with disabilities. The tenant has been battling health issues due to back surgery. He was just released from a 35-day hospital stay, during which he also had a heart attack. The law seems fuzzy and unclear about the exact responsibility of the landlord. Must the owners accommodate these requests, and are they financially responsible?

Both federal fair housing law and Wis. Stat. § 106.50(2r) prohibit discrimination against persons with disabilities and enable a person with disabilities to make reasonable modifications to a property the person occupies if the modifications are necessary for the person with disabilities to have full enjoyment of the housing.

A reasonable modification is a structural modification made to allow persons with disabilities to have the full enjoyment of housing and related facilities. Reasonable modifications are usually made at the resident's expense. A landlord may require a restoration agreement under Wis. Stat. § 106.50(2r)(b)3 but may not increase any customary security deposit.

Examples of a reasonable modification would include allowing a person with a disability to install a ramp into a building, lower the entry threshold of a unit or install grab bars in a bathroom. In most cases, the tenant would not have to pay to remove the modifications unless the landlord can show that the modifications would negatively impact the future use of the property. Minor changes to the property such as toilet arms, additional handles and removal of some doors generally do not rise to the level of impacting the future use of the property.

See the Joint Statement of the Department of Housing and Urban Development and the Department of Justice: Reasonable Modifications Under the Fair Housing Act at **www.justice.gov/sites/default/files/crt/legacy/2010/12/14/joint_statement_ra.pdf** for more information. Wis. Stat. § 106.50(2r)(b)3 may be found at **docs.legis.wisconsin.gov/statutes/statutes/106/III/50**.

DISTRIBUTION OF CHURCH LITERATURE

A developer is working on a subdivision across from a church and church school. The church school asked if the developer could hand out its literature to the subdivision's prospective buyers. Would it be considered discrimination if the developer distributed the literature with its lot sales information?

Handing out the church literature to prospective buyers may be perceived to be indicating a preference for buyers who belong to that church or who are of that religion. It may be seen as the seller looking for buyers of that faith.

The federal Fair Housing Act makes it unlawful to indicate a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin, or an intention to make any such preference, limitation or discrimination. Wisconsin statutes add sexual orientation, marital status, lawful source of income, age and ancestry to the list of protected classes.

Section 804(c) of the federal Fair Housing Act makes it unlawful to make, print or publish any notice, statement or advertisement with respect to the sale or rental of a dwelling that indicates a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin, or an intention to make any such preference, limitation or discrimination.

See the April 2020 *Legal Update*, "Fair Housing 101," at **www.wra.org/LU2004**.

FAIR HOUSING QUIZ 2022

BY DEBBI CONRAD
WRA SENIOR ATTORNEY AND DIRECTOR OF LEGAL AFFAIRS

How familiar are you with fair housing?

Select the best answer(s) and find out how you scored on page 35.

1. What should the broker do if a buyer asks if the neighborhood is "good" or if there are "nice kids" in the schools?

A. The broker should share his or her personal observations about the people seen in the neighborhood and interview children in the schools.

B. Licensees should tell buyers there are too many trees in the neighborhood and the children won't help rake the leaves in the fall.

C. The broker should tell the buyer it is illegal for the buyer to consider who is nice and to focus on price and defects.

D. Licensees should point out to the buyer that what is "good" and who is "nice" is subjective and suggest that the buyer personally investigate the neighborhood and the schools to look for what is important to them.

2. Standard of Practice 10-5 prohibits REALTORS® from using harassing speech, hate speech, epithets or slurs based on the protected classes of Article 10 with respect to all of their activities. Which of the following would likely not violate Article 10-5?

A. REALTOR® A leads a weekly Bible study group, and at one point during the discussion, he stated, "Some have said these verses clearly prohibit and condemn same-sex relationships."

B. Some real estate listings on a brokerage website include photos including the Confederate flag.

C. In social media discussions, REALTOR® B made the following comments: "I think Black people bring out the worst in us;" "we always knew n------ were violent. They are not Christian;" and described Black protesters as "animals trying to reclaim their territory."

D. REALTOR® C, in response to a women's march, posted on social media, "These morons have nothing better to do than come all the way to Washington to gripe about a problem that doesn't even exist. This is why women shouldn't be allowed to leave the house. Get back in the kitchen where you belong."

3. Which of the following will not help establish a condominium community qualifying as a "55 and over" housing project under fair housing law?

A. At least 80% of the units in the condominium have one occupant who is 55 years of age or older.

B. The condominium association publishes and adheres to policies demonstrating the intent to provide housing for such older persons.

C. The condominium ads state that it is "adult living" or an "adult community."

D. The condominium association verifies ages and occupancy using surveys and affidavits.

4. Which statement about "steering" is incorrect?

A. "Steering" is the process of influencing a buyer's choice of communities based upon the buyer's race, color, religion, gender, disability, familial status or national origin.

B. Steering on the basis of any protected class under the Fair Housing Act is unethical and illegal because it limits the housing opportunities available to buyers.

C. Steering is helpful because the licensee helps direct the buyer to communities where the residents share the same racial and ethnic characteristics.

D. Steering may occur when the agent expresses positive or negative views about certain schools intended to direct a buyer either toward or away from a community.

5. The buyer wants a home in a good school district. What should the agent say?

A. Ask the buyer how they characterize a good school — is it the school with the best football team, the most AP students, the newest facility, the highest DPI report card score or something else?

B. Recommend the ABC school to the buyer because that is where the agent's children go, and the agent thinks it is wonderful.

C. Provide third-party sources, such as school district websites, and recommend the buyer talk to school officials and families within the school district.

D. A and C.

6. On what grounds can a landlord deny a rental application without discriminating when an applicant has a conviction record? For instance, a potential tenant applicant has a drug conviction from 2007, a disorderly conduct ticket from 2012 and a criminal damage to property conviction from around 2014.

A. For the 2014 conviction, the landlord should consider when the conviction occurred, the nature and severity of the conduct, or what the person has done since to determine if other tenants will be put at risk.

B. The tenant can be denied if he was convicted of drug manufacture or distribution as that would be allowed under the HUD criminal history tenant screening standards.

C. If the 2012 ticket is not a conviction, the landlord should not reject on that basis because prior arrest records do not prove past unlawful conduct.

D. The landlord can just reject the applicant on the basis of any criminal convictions.

7. Must a licensee provide an interpreter for a Vietnamese buyer client?

A. Yes, that would be the preferred step to ensure accuracy and understanding of the real estate contracts.

B. No, a full and accurate interpretation of the real estate contracts and terms can be reliably provided by younger family members.

C. No, the cost of providing language interpreters is not part of the cost of doing business, so the buyers should pay for this.

D. No, licensees should not provide an interpreter because they will be liable if the interpreter makes mistakes and the buyer sues.

8. A buyer with a disability wants to rent an apartment and is requesting a ramp on the outside of the building. Must the landlord allow this?

A. Yes, both federal and Wisconsin law prohibit discrimination against persons with disabilities and enable a person with disabilities to make reasonable modifications to a property the person occupies if the modifications are necessary for the person with disabilities to have full enjoyment of the housing.

B. No, the landlord need not allow any changes to the exterior of buildings on the property.

C. Yes, the landlord should allow reasonable modifications at the tenant's expense and also may require a restoration agreement with the tenant paying into an interest-bearing escrow account, but may not increase any customary security deposit.

D. Yes, both A and C.

9. The Americans with Disabilities Act (ADA) makes it unlawful to discriminate against people with disabilities. Which is not true?

A. The ADA prohibits entities that own, lease or operate a place of public accommodation from discriminating against persons with disabilities. Covered public accommodations include businesses such as hotels, restaurants, stores and offices such as real estate offices and offices of doctors, attorneys and accountants.

B. Architectural and communication barriers must be removed in public accommodation facilities if such removal is readily achievable, for example, by installing ramps, rearranging tables and chairs, reading menus to customers with vision impairments, or widening doors.

C. If a real estate licensee has a home office where business is conducted with clients, that portion of the home need not comply with the ADA because it is part of a private residence.

D. Model homes are not subject to the ADA if they do not include a sales office and are not part of a public display for a fee, such as a parade of homes.

10. Which of the following phrases used in a property description may be alienating and may violate fair housing laws?

A. Safe neighborhood, nice neighbors, walking distance.

B. Near churches, near Sacred Heart Cathedral, near the Chinese market.

C. Fenced private backyard for playtime with the kids, great family home.

D. She-shed and man-cave, fisherman's/hunter's retreat.

E. All of the above.

Find out how you scored using the answer key on page 35.

FAIR HOUSING RESOURCES

CELEBRATE FAIR HOUSING MONTH BY CHECKING OUT FAIR HOUSING-SPECIFIC RESOURCES AVAILABLE FROM THE WRA

CULTURAL DIVERSITY

Review state and national resources for cultural diversity, including the WRA's cultural diversity in housing committee, Wisconsin census data and local interpreters/translators to help with your transactions.
www.wra.org/CulturalDiversity

CUSTOMERS WITH DISABILITIES

Take a look at information related to customers with disabilities and housing. You'll find several past *Wisconsin Real Estate Magazine* articles, WRA *Legal Updates*, Wisconsin disability statutes, federal resources and more.
www.wra.org/Disabilities

EQUAL OPPORTUNITY

Your go-to resource page for everything fair housing. This page includes the fair housing declaration, fair housing advertising pointers, WRA legal resources, fair housing information from HUD, and much more.
www.wra.org/EqualOpportunity

IMPLICIT BIAS

Combat bias in real estate and beyond with the WRA's newest fair housing-related resource webpage! See resources about implicit bias from the WRA as well as downloadable ads from the 2022 WRA implicit bias ad campaign.
www.wra.org/ImplicitBias

RACISM AND STEERING

See resources about racism and steering related to fair housing. Here you'll find more information about *Newsday*'s "Long Island Divided" steering investigation, restrictive and racial covenants, and more.
www.wra.org/RacismSteering

FAIRHAVEN GRADUATES

See the Wisconsin REALTORS® who have made a commitment to fair housing and have passed NAR's Fairhaven online simulation. The Wisconsin Fairhaven graduate list is updated quarterly.
www.wra.org/Fairhaven

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

HOTLINE HOURS*
Monday-Friday, 8:30 a.m. to 5:00 p.m. Central
Check the hotline webpage for hotline scheduling changes or holiday closures.

LEARN MORE
WWW.WRA.ORG/LEGALHOTLINE

SEVERAL BILLS SIGNED INTO LAW

BY JOE MURRAY

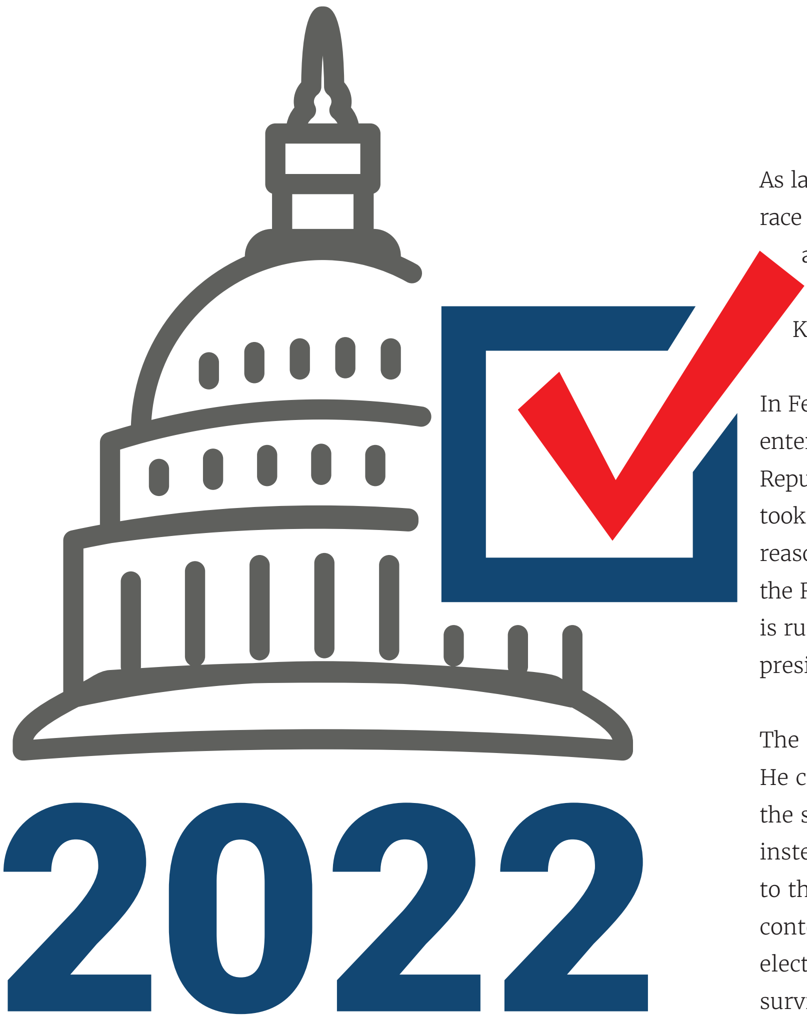
WRA DIRECTOR OF POLITICAL AND GOVERNMENTAL AFFAIRS

The WRA had another excellent legislative session in 2021-22. Prior to the end of the current session in March, the WRA passed the following bills signed into law by Gov. Tony Evers:

- 40-year access easements (Wis. Act 174)
- Homeowners associations (Wis. Act 199)
- Limiting liability for appraisers (Wis. Act 194)

Watch for more information about these issues and other legislative victories in future editions of *Wisconsin Real Estate Magazine* and Capitol Insights. Your participation in REALTOR® & Government Day and contributions to RPAC make all this possible.

THE RACE FOR GOVERNOR HEATS UP



BY JOE MURRAY
WRA DIRECTOR OF POLITICAL AND GOVERNMENTAL AFFAIRS

As late as the third week in January, Wisconsin's gubernatorial race included only two high-profile candidates: Gov. Tony Evers and former Lt. Gov. Rebecca Kleefisch. There were others who were considering getting into the race, but Evers and Kleefisch were the "big two."

In February, things changed. Two more Republican candidates entered the race, guaranteeing a high-spirited and expensive Republican primary election. And both Republican candidates took direct aim at the front-runner, Kleefisch, for different reasons. Kevin Nicholson has signaled his intention to run as the Republican "outsider" candidate, while Timothy Ramthun is running to "decertify" the election results from the 2020 presidential election in Wisconsin.

The Republican primary election is probably helpful to Evers. He can continue to organize, raise money and tell his side of the story while the three Republicans take aim at each other instead of Evers. But primary elections can also be beneficial to the winner. A candidate who navigates and wins a hotly contested primary is often a better candidate in the general election. Only time will tell how the Republican candidate who survives the August primary fares in the November election.


TIMOTHY RAMTHUN (R)


REBECCA KLEEFISCH (R)


TONY EVERS (D)


KEVIN NICHOLSON (R)

Here's a look at the race for Wisconsin governor with several months to go until election day on November 8.

THREE REPUBLICAN CANDIDATES, THREE POLITICAL LANES

The 2022 gubernatorial race in Wisconsin features three Republican candidates in three distinct political lanes:

- **Former Wisconsin Lt. Gov. Kleefisch (2011-2019):** Kleefisch served as lieutenant governor for eight years under former Gov. Scott Walker. She's running as the best known, "conservative establishment" choice.

- **Businessman Kevin Nicholson:** Currently running as the "anti-establishment outsider" candidate, Nicholson ran for U.S. Senate in Wisconsin in 2018, but was defeated by state Sen. Leah Vukmir in the U.S. Senate primary to take on Sen. Tammy Baldwin.

- **State Rep. Timothy Ramthun (R-Campbellsport):** A two-term member of the Wisconsin Assembly, Ramthun has called for Wisconsin lawmakers to "decertify" the Wisconsin presidential election results and is generally viewed as running in the "conspiracy theorist," pro-Trump lane.

What all three candidates have in common is their conservative governing philosophy. All three candidates support lower taxes, less regulation, expanded school choice in Wisconsin and Second Amendment gun rights. Where they tend to differentiate themselves is the GOP "lane" they have chosen.

Kleefisch: Having served as lieutenant governor for eight years under former Gov. Scott Walker, Kleefisch is running on the Walker-Kleefisch record that includes billions in property and income tax cuts, significant reform to collective bargaining for most public employees, passage of a law that made Wisconsin a "right-to-work" state, and the passage of a law making Wisconsin a concealed carry state for gun owners.

These and other laws passed during the Walker-Kleefisch years will allow Kleefisch to run on a record of significant conservative policy reform when Republicans controlled the governor's office and both houses of the Wisconsin Legislature. In addition, prior to formally entering the race for governor, Kleefisch released her "forward agenda" detailing her legislative policy priorities if she is elected in November.

Nicholsin: As the "anti-establishment outsider" candidate, Nicholson is running an insurgent campaign against the "machine" of Wisconsin Republican politics. When Nicholson entered the race in February, he blasted Republican leaders and Rebecca Kleefisch as the "tired political class" who lack "vision, ability and will" and "lost 11 out of 12 races" for statewide office in Wisconsin.

Once again, Nicholson has the full financial support of GOP megadonor Richard Uihlein, just like he had in his 2018 race for U.S. Senate. Uihlein spent more than $11 million on Nicholson's behalf four years ago and has pledged to spend lavishly on Nicholson again this year. "If he decides to run for governor, he will have my full support and commitment to win the primary and general election," said Uihlein in a statement published by Wispolitics.com.

Nicholson is also the volunteer president of "No Better Friend," a conservative 501(c)(4) organization whose mission is "to implement and advocate for solutions to the problems we all face together, while also proactively reaching out and bringing new voices into the conservative movement."

Ramthun: Rep. Ramthun entered the race for governor in February as the only candidate who would "call for an independent full forensic physical cyber audit for the November 2020 election." Ramthun has repeatedly called on the legislature to "decertify" the Wisconsin 2020 presidential election results, despite there being no legal process to do so, according to attorneys inside and outside the Capitol. Decertifying the last presidential election is a big defining issue for many pro-Trump supporters.

Ramthun's call to overturn the results of the Wisconsin presidential election is, at least so far, the single focus of his campaign. When he announced his entry into the race, he was introduced and endorsed by My Pillow founder and CEO Mike Lindell. Lindell has been an outspoken advocate for decertifying the results of President Biden's victory in several closely contested swing states, including Wisconsin.

INCUMBENT TONY EVERS

As the Democratic incumbent running for reelection in 2022, Evers has a few advantages that incumbents generally enjoy, including:

- **Name identification:** As governor for more than three years, Evers has close to 100% name identification. Voters have had plenty of time to evaluate his performance in office, his ideas, and his ability to get his agenda passed. The three Republican candidates will have to work hard and spend lots of money to become as well known as the current governor.
- **Money:** Evers raised $10 million in 2021 and had $10.5 million in the bank as of January. According to his campaign, Evers raised the most of any incumbent governor the year before the election. By contrast, Republican frontrunner Kleefisch raised $3.3 million in the last four months of 2021, one of the largest initial finance reports by a gubernatorial challenger in Wisconsin history. Both Evers and Kleefisch are proof of just how competitive this race will be, but the Evers fundraising numbers are historically high for any candidate running for governor in Wisconsin.
- **No primary:** Evers has no primary opposition. He can continue to raise money and get his campaign ready for the fall general election. His three Republican opponents will have to spend their money early to win the August primary election.

Because Nicholson and Ramthun entered the race in February, there are no finance reports available until July.

MARQUETTE LAW SCHOOL POLL

As we have noted before, the Marquette Law School Poll is the best nonpartisan poll in Wisconsin politics. Here are a few numbers from the poll conducted February 22–27, 2022:

Joe Biden job approval in Wisconsin

- 43% approve
- 52% disapprove
- 3% don't know

Tony Evers job approval in Wisconsin

- 50% approve
- 41% disapprove

Wisconsin Legislature job approval in Wisconsin

- 37% approve
- 46% disapprove
- 16% don't know

Direction of the state

- 39% right direction
- 53% wrong direction

Vote choice in Republican gubernatorial primary

- 30% Rebecca Kleefisch
- 8% Kevin Nicholson
- 5% Tim Ramthun

REALTORS® POLITICAL ACTION COMMITTEE

RPAC

REALTORS® POLITICAL ACTION COMMITTEE

REALTOR® Advocacy

Thank you to those who advocate for the industry

The REALTORS® Political Action Committee (RPAC) major investors are a passionate group of REALTORS® whose investments shape the future of the real estate industry.

Now more than ever, it is imperative for REALTORS® to come together and speak with one voice about the stability that a sound and dynamic real estate market brings to Wisconsin. Through the RPAC major investors, that voice is heard loud and clear. To become a major investor, contact your local association executive, government affairs director, or the WRA's Joe Murray (jmurray@wra.org) or Sandy Bolgrihn (sandyb@wra.org).

As your 2022 RPAC chair, I can't stress enough the importance of the Major Investors to our continued legislative and political success. Your investments in the political process through RPAC and the Direct Giver program make it possible to support Democrats and Republicans who support pro-housing issues and private property rights. The Wisconsin Legislature passed and Gov. Evers signed key WRA legislation over the last two years dealing with piers, home inspectors, broadband expansion, property tax and income tax cuts, COVID-19 civil liability exemptions, 40-year easements and more. Your support for our political advocacy is critical to our continued success. Thanks for all you do!

Dan Lawler, Rice Lake

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

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

Joe Horning
Shorewest REALTORS®
Brookfield

John Horning
Shorewest REALTORS®
Brookfield

Brad Lois
Bear Realty of Burlington
Burlington

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

Tom Larson
Wisconsin REALTORS® Association, Madison

GMAR Greater Milwaukee Association of REALTORS®

Greater Milwaukee Association of REALTORS®
Milwaukee

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

Rose Bogosian
Gonnering Realty Inc.
Kenosha

Peter Ogden
Ogden & Company Inc. AMO
Milwaukee

Becky Merwin
Berkshire Hathaway HomeServices, Walworth

Chuck Olson
Coldwell Banker River Valley REALTORS®, Onalaska

Joe Murray
Wisconsin REALTORS® Association, Madison

Mike Didier
RE/MAX United LLC
Port Washington

Cori Lamont
Wisconsin REALTORS® Association, Madison

STERLING "R"s ($1,000) $700 Direct Giver; $300 NAR RPAC

Mark Bourque
Berkshire Hathaway
HomeServices Epic Real Estate
Kenosha

Judy Hearst
Coldwell Banker
Realty, Milwaukee

Scott Bush
Greater Milwaukee
Association of REALTORS®
Milwaukee

Marne Stuck
Greater Milwaukee
Association of REALTORS®
Milwaukee

James Purcell
RE/MAX Realty Pros
Milwaukee

Roger Mater
RE/MAX Service First LLC
Brookfield

Jose Flores
First Weber Inc.
Greenfield

Tricia Chartier
Coldwell Banker Realty
Wauwatosa

Ryan Simons
Ryan G. Simons Company
Inc., Delavan

Ted Dentice
Shorewest REALTORS®
Brookfield

Jackie Kumm
Edina Realty Inc.
New Richmond

Kevin Adkins
Edina Realty Inc.
Hudson

Dan Lawler
Feather Real Estate Group
Rice Lake

Jim Zarek
First Weber Inc.
Brookfield

Peter Sveum
Coldwell Banker Success
Stoughton

Michael Sewell
Coldwell Banker Real Estate
Group, Green Bay

Kevin Donnell
First Weber Inc.
Brookfield

Dan Lee
First Weber Inc.
Madison

Tom Richie
Real Estate Solutions
Rice Lake

Gary Grolle
Keating Real Estate
Burlington

Tom Didier
RE/MAX United LLC
Port Washington

Joe Germain
Woods & Water Realty Inc.
Chippewa Falls

Michael Karisny
Acre Realty
Appleton

Robert Morrone
Prime Realty Group
Kenosha

Don Timmerman
Keller Williams Integrity
Realty MN/WI, Hudson

Taylor Hansen
Weichert REALTORS® Place
Perfect, Green Bay

Steve Anderson
Anderson Commercial
Group LLC, Franklin

Pete Didier
RE/MAX United LLC
Cedarburg

Ray Leffler
RE/MAX Newport Elite
Racine

Connie Erickson
Shorewest Door County
Sister Bay

Michael Keefe
Lake Geneva

Katie Falk
Keller Williams Realty
Whitefish Bay

Stacey Hennessey
Century 21 Affiliated
Appleton

Casey Watters
Real Estate Solutions
Rice Lake

Bob Webster
Compass Wisconsin
Lake Geneva

Michael Zollicoffer
Infinity Realty Inc.
Mequon

Scott Welsh
Colliers International
Milwaukee

Pat Kaster
River City REALTORS®
Green Bay

Benjamin Lyons
RE/MAX Lyons Real Estate
Waupaca

Terry Hilgenberg
Coldwell Banker Real Estate
Group, Shawano

Jeff Benson
RE/MAX Realty Pros
Milwaukee

Tim Besaw
Besaw & Associates
Realty Ltd., Green Bay

STERLING “R”s ($1,000) $700 Direct Giver; $300 NAR RPAC **(continued)**

Nancy Gerrard
Gerrard-Hoeschler
La Crosse

Andy Hess
Founders 3 Real Estate
Services, Milwaukee

Scott Revolinski
Founders 3 Real Estate
Services, Milwaukee

Robert Flood
Founders 3 Real Estate
Services, Milwaukee

Ned Purtell
Founders 3 Real Estate
Services, Milwaukee

Dan Kruse
Century 21 Affiliated
Madison

Pete Wiese
American Edge Real Estate
Services Inc., Menomonie

Jeff Hoffman
The Boerke Company Inc.
Milwaukee

Peggy Kman
Coldwell Banker Realty
Iron River

Roger Rushman
First Weber Inc.
Delafield

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

Lakes Area
REALTORS® Association
Elkhorn

RPAC major investors are current as of March 11, 2022.

FAIR HOUSING QUIZ 2022
ANSWER KEY AND EXPLANATIONS

1. **D.** The licensee can offer resources and community contacts based on what the buyer is looking for to assist them in their evaluation.

2. **A.** REALTOR® A's discussion comments were not intended to convey a discriminatory opinion and did not constitute hate speech or slurs. The Confederate flag could be reasonably construed as indicating a racial preference or illegal discrimination based on a protected class. REALTOR® B's post constituted the use of discriminatory hate speech and slurs based on race. While REALTOR® C's comments were addressed to a group of both men and women, they included disparaging, discriminatory comments about women that can be seen as harassing speech.

3. **C.** Use of the words "adult" or "adult community" in an advertisement or informational material, or when describing the community to prospective buyers or members of the public, does not demonstrate an intent to be "55 and over" housing for older persons. If a facility or community has clearly shown in other ways that it intends to operate as housing for older persons, meets the 80% requirement and has in place age verification procedures, the use of these terms does not negate other demonstrations of the intent requirement.

4. **C.** Steering occurs when an agent limits the housing options available to a buyer by directing prospective homebuyers interested in equivalent properties to different neighborhoods or communities according to the buyer's race or other characteristics protected under the Fair Housing Act. If an agent expresses his or her own positive or negative views about certain communities or schools, the purpose of which is to direct a buyer either toward or away from a community, then that agent may be stating a housing preference based on race or familial status or religion.

5. **D.** How a licensee provides information or responds to inquiries about schools may raise fair housing concerns. Discussions about schools can raise questions about steering if there is a correlation between the quality of the schools and neighborhood racial composition — or if characterizations such as "a school with low test scores" or "a community with declining schools" become code words for racial or other differences in the community. Equal professional service means giving homebuyers the resources they need to make the decision for themselves — for their kids. Agents should not substitute their own judgment for the buyer's regarding what makes a school good.

6. **B.** Under the HUD tenant screening standards, arrest records are not a valid reason to deny a rental applicant, and blanket standards rejecting any applicant with any criminal convictions is discriminatory and in violation of the Fair Housing Act. There is one exception to HUD's rule: blanket standards disallowing anyone convicted of drug manufacture or distribution are allowed. In addition, convicted criminals possibly may be denied housing if the reason for their conviction(s) clearly puts the safety of other tenants or the property at risk.

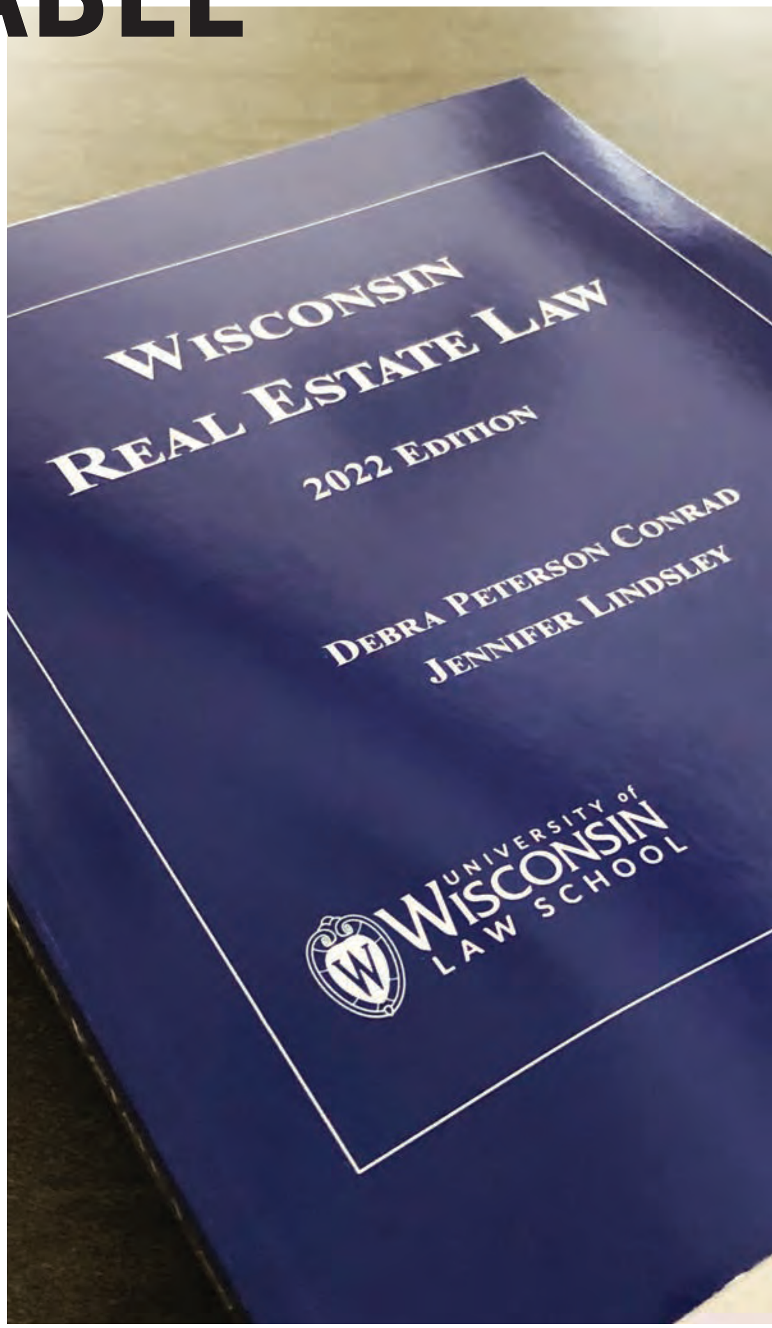
7. **A.** Good sources of foreign language interpreters include universities and local organizations serving cultural groups. The WRA's cultural diversity resources webpage at **www.wra.org/culturaldiversity** includes a list of Wisconsin interpreters as well as a sample consent form for interpretation services establishing liability protections.

8. **D.** Federal fair housing law and Wis. Stat. § 106.50(2r)(b)3 provide it is discrimination to deny persons with disabilities reasonable modifications such as installing a ramp into a building, lowering the entry threshold of a unit or installing grab bars in a bathroom. In many cases, the tenant would not have to pay to remove the modifications unless the landlord can show that the modifications would negatively impact the future use of the property.

9. **C.** If a real estate licensee has a home office where business is conducted with customers, the office and access route to the office within the home must comply with the ADA because it is a place of business open to the public.

10. **E.** All of the phrases may call into question fair housing concerns. Safe neighborhood, for instance, is subjective and there is no basis for telling potential buyers what type of experience they'll have in a neighborhood. One person's assessment of what is considered safe or quiet may not be someone else's. This also may be coded language to describe neighborhoods that are predominately white, upscale or child-free. Use mileage instead of "walking distance." Using a specific church as a local landmark suggests not only that the buyer should be churchgoing, but that they should be from a specific denomination. A fenced backyard can be enjoyed by those without children, and the property description should not make assumptions about the makeup of the people who will live there. A reference to a she-shed or man-cave can be alienating — a person who enjoys watching football or woodworking can be any gender. As always, objectively describe the property — not the desired buyer or the neighbors!

2022 LAW MANUAL NOW AVAILABLE



The WRA's real estate legal reference manual has a fresh look and new content! Just released, the 2022 edition of *Wisconsin Real Estate Law* completely updates the prior 2017 edition. The manual outlines many recent changes to Wisconsin law due to revised forms, new legislation and recent court decisions. Each chapter of the manual has been updated to reflect changes and trends in Wisconsin real estate practice.

The new edition contains the current versions of many common real estate forms and provides thorough explanations of legal issues and practice problems that commonly arise in Wisconsin transactions.

2022 MANUAL HIGHLIGHTS

- Updated discussions and explanations related to the current versions of the listing contracts, buyer agency agreements and offer to purchase forms.
- Expanded discussions surrounding important topics, such as the listing contract, offer to purchase, disclosure obligations, and agency disclosures and duties.
- Updated chapters about lead-based paint issues, contract interpretation, contract remedies, housing discrimination, land use controls and trust accounts.
- New issues in the 2022 edition include regulatory takings, short-term rentals, vested rights, racial steering, racial covenants, remote online notarization, commercial cooperative agreements and much more.

Order your copy today: www.wra.org/Pub285

AVOID MAKING GUARANTEES ABOUT THE REVENUE POTENTIAL OF PROPERTIES

PEARL INSURANCE: THINK TWICE ABOUT MAKING GUARANTEES ABOUT PROPERTIES FOR SALE

Situation: An agent marketed commercial property with street-level retail and residential units on upper floors. The owner operated a failing video rental business and was eager to sell the building before foreclosure action. On the other hand, the residential units produced steady revenue and were occupied by longtime occupants.

Problem: The agent erroneously believed a retail operation could be successful. Additionally, the agent assumed the rent payments could increase since the tenants were comfortable and unlikely to move.

Mistake: The agent guaranteed that a prospective buyer's greeting card shop would generate positive cash flow and the tenants would be able to absorb a rent increase.

Result: Given these assurances, the buyer acquired the property and notified the tenants of the rent increases. Within the first few months, four of the six tenants indicated they could not afford the increase and moved. The buyer had trouble finding new tenants willing to pay the rent necessary to make the residential component successful. In addition, the greeting card shop did not see the desired foot traffic and corresponding revenue. Eighteen months later, the buyer sued the agent, alleging the agent intentionally misrepresented the property's profit potential. Damages sought included lost business profits and rental income. The parties resolved the litigation for $100,000 in lieu of a two-week trial.

Prevention: An agent should never make guarantees about the revenue potential or future value of property for sale. Acting outside the scope of expertise is dangerous and should be left to a buyer as part of their due diligence obligation. Always recommend buyers seek counsel of qualified accounting and financial experts to help them make decisions about acquiring revenue-producing property. This practice will not only result in satisfied buyers but will also avoid unwanted litigation. Most errors & omissions policies do not provide coverage for claims arising out of promises, warranties or guarantees about the future income/value of property or the performance of a business.

DISCLAIMER: This article was produced by Pearl Insurance, a WRA exclusive partner. Please note that not all information above may be consistent with Wisconsin license law.

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.

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

LINE BY LINE FORMS TRAINING
Enhance your knowledge with Wisconsin's top 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.

Learn more about all WRA member benefits:
www.wra.org/MemberBenefits

FAIR HOUSING MONTH TRAINING
AHWD certification course: April 27-28

Building diversity, equity and inclusion in Wisconsin housing starts with all of us today. And to celebrate April as Fair Housing Month, the WRA is hosting the all-virtual At Home with Diversity (AHWD) certification course on April 27-28. In today's intense real estate climate and ever-evolving multicultural market, the AHWD certification is essential to your success. Potential clients of all cultural and racial backgrounds are looking for a REALTOR® to represent them. And with the AHWD, it could be you.

Join us from the comfort of home for a dynamic, engaging and thought-provoking discussion about combating bias in real estate, creating an inclusive business plan and embracing diversity in your real estate practice.

Instructor Maurice Hampton will highlight topics such as ethnocentrism and cultural bias, lending discrimination, steering, "One America" principles, civil rights and much more.

Course details

- Date/time: April 27-28, 9:00 a.m. – 12:00 p.m. each day
- Course location: Virtual
- Instructor: Maurice Hampton
- Course fee: $109 (but sign up before April 12 to take $20 off)

Sign up: www.wra.org/2022AHWD

AT HOME WITH DIVERSITY®

CE SELF-STUDY
Earn your credits with CE books

Do you prefer to learn by reading? With the WRA's CE self-study books, you can start your CE and complete your coursework at your leisure. That way, you won't be rushed near the end of the 2021-22 biennium in December!

Self-study coursebooks are available for each of the six required CE courses. Simply order your books and progress through them at your own pace. When you're ready to take your final CE exam to show your course completion, you can take it online.

Register: www.wra.org/2022CEselfstudy

SALES PRE-LICENSE
Sales pre-license training course: July 11-15, 18-20

Are you a broker who is thinking about hiring new agents at your office? Your recruits can be ready for their new career with the WRA's accelerated eight-day training course this summer. Not only does this course meet the DSPS' 72-hour education requirement for Wisconsin real estate licensees, but the course also prepares your recruits for the Wisconsin licensing exam. Real estate fundamentals such as financing, mandatory disclosures, contracts, land use controls, valuation and much more, are covered in the course.

Register: www.wra.org/2022JulySPL

OFFERING	FORMAT	DETAILS & REGISTRATION
EVENTS		
Annual Convention: October 2-4, 2022	Live in Wisconsin Dells	Watch for details in summer 2022!
PRE-LICENSE TRAINING		
SCHEDULED TRAINING		
Sales Pre-exam Review Webinar: May 6, 2022	Virtual webinar	www.wra.org/SPLwebinar
Sales Pre-exam Review Webinar: June 3, 2022	Virtual webinar	www.wra.org/SPLwebinar
Sales Pre-exam Review Webinar: July 8, 2022	Virtual webinar	www.wra.org/SPLwebinar
Sales Pre-license Course: July 11-15, 18-20, 2022	Live in Madison	www.wra.org/July2022SPL
ONGOING VIRTUAL TRAINING		
Broker Pre-license Course	On Demand	www.wra.org/BPL
Sales Pre-license Course	On Demand	www.wra.org/SPL
PROFESSIONAL DEVELOPMENT		
SCHEDULED TRAINING		
ABR Designation Course: April 13-14, 2022	Live in Madison and virtual	www.wra.org/2022ABR
PSA Certification Course: April 21-22, 2022	Virtual	www.wra.org/2022PSA
AHWD Certification Course: April 27-28, 2022	Virtual	www.wra.org/2022AHWD
RSPS Certification Course: May 16-17, 2022	Virtual	www.wra.org/2022RSPS
SRS Designation Course: June 2-3, 2022	Live in Madison and virtual	www.wra.org/2022SRS
ONGOING VIRTUAL TRAINING		
GRI On Demand	On Demand	www.wra.org/GRI
Quick Start	On Demand	www.wra.org/QuickStart
REAL ESTATE CONTINUING EDUCATION		
SCHEDULED TRAINING		
Courses 5 & 6: April 14, 2022	Live in Woodruff	www.wra.org/Apr2022CE
Courses 1 & 2: May 11, 2022	Live in La Crosse	www.wra.org/May2022CE
Courses 1 & 2: May 17, 2022 (commercial)	Live in Wauwatosa	www.wra.org/CommMay2022CE
Courses 3 & 4: May 18, 2022 (commercial)	Live in Wauwatosa	www.wra.org/CommMay2022CE
Courses 3 & 4: May 19, 2022	Live in La Crosse	www.wra.org/May2022CE
Courses 5 & 6: May 24, 2022	Live in La Crosse	www.wra.org/May2022CE


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 if free for WRA REALTOR® members and legal section members.

10 NEW TECH TERMS AGENTS NEED TO KNOW

An onslaught of new technology terms is making the news: NFTs, Web3, gas fees, crypto wallet and the metaverse. You may not think it impacts real estate or what you do. However, tech and business innovators are trying to apply this new technology to the residential real estate industry and, in some cases, they are succeeding.

Keep in mind that digital natives — millennials who comprise the biggest segment of the homebuying population today and for many tomorrows to come — know and often use these new tech terms. That's why millennials and the next group of homebuyers, Gen Z, are likely to expect their agents to at least be familiar with them.

The trend of blockchain, cryptocurrency and the metaverse is evolving, literally day by day. The Tech Helpline knows the value in gaining an early understanding of new and emerging technology. So, while remaining neutral on this tech trend and social movement, to bring you up to speed, here's a quick primer.

10 NEW TECH TERMS AND WHAT THEY MEAN

Blockchain
This is a digital, distributed, decentralized public ledger, meaning it is shared and duplicated across an entire network of computers that can record and track transactions with information that can't be altered (immutable). To explore ways that a blockchain can be used in real estate, visit **www.fortunebuilders.com/blockchain-real-estate**.

Cryptocurrency
This is a digital currency that is tracked and verified by records maintained on a blockchain, a decentralized system, using cryptography versus a traditional currency, backed by a centralized authority, for example, U.S. currency and the U.S. government. Popular examples include Bitcoin, Ethereum, Dogecoin, Binance, Tether and Solana.

Crypto wallet
You must have a crypto wallet to access your cryptocurrency. Unlike a regular wallet that you use to store your cash, a crypto wallet is where you keep your private keys — passwords that give you access to your cryptocurrency. With a crypto wallet, you can send and receive cryptocurrencies, depending on the currency you are using, such as Bitcoin or Ethereum. These wallets can be physical devices like a thumb drive or an online wallet accessible via an app or other software. You can learn more about crypto wallets, such as Coinbase, Electrum, Exodus, Ledger Nano X, MetaMask and Mycelium, at **money.com/best-crypto-wallets**.

DAO

This stands for "decentralized autonomous organization" and is how cryptocurrency and NFTs are governed: a community organized around a specific set of rules enforced on a blockchain. It is an entity with no central leadership as it is collectively owned and managed by everyone who is a member. Through a DAO, a group of people enters into a contract with one another to reach a coordinated goal, such as collecting NFTs or predicting stock market moves. Read more about examples of how DAOs work at **www.wra.org/MoreInfo/DAO**.

Gas fees

This is a payment you make to cover the computing energy required to process and validate a cryptocurrency transaction on a blockchain, such as Ethereum. Gas fees help keep a network secure, are a required compensation, and vary by the type of cryptocurrency used. Gas fees are calculated in real-time and can fluctuate throughout the day.

Metaverse

This virtual reality space allows you to interact with others in a computer-generated environment. This simulated digital environment uses augmented reality (AR), virtual reality, and blockchain and borrows concepts from social media to create an alternative, digital world. For example, one digital real estate platform, called Next Earth, is marketing digital land in its metaverse, touting that it is cutting out the "middle-man." Another, Decentraland, just sold a $1.25 million digital property in its metaverse. And The Sandbox, an Ethereum-based NFT gaming metaverse, allows non-tech-savvy users to create and monetize their own NFTs. According to CNN, someone recently paid $450,000 to move in nexat door to Snoop Dogg in The Sandbox.

NFTs

This stands for "non-fungible tokens," meaning every asset is unique. These digital tokens are created on the blockchain, just like cryptocurrency. However, cryptocurrency is "fungible," meaning these assets, like all Bitcoin, are worth the same. Each NFT represents the ownership of a specific digital file, such as an illustration, photo or video. Ownership is tracked and verified on the blockchain. While the digital art world — such as The Bored Ape Yacht Club — has dominated the sale of NFTs, real estate is also being tokenized. Many NFT projects have a real-world component that comes with NFT ownership. For example, Propy, a real estate startup, is merging real estate with NFTs. It recently sold a 2,100-square-foot home in Gulfport, Florida, for $653,000 with the NFT as the proof of ownership.

Smart contract

This is an automated program stored on the blockchain that executes an agreement when all conditions are met. It eliminates an intermediary's involvement, expediting the contract process. Smart contracts can automate workflow with the next action triggered when certain conditions are met. You can dig deep into learning more about smart contracts at **www.wra.org/MoreInfo/SmartContract**.

Token

This refers to any cryptocurrency that resides on an existing blockchain. Tokens are used to store value, for investment purposes, or purchases. You can read more about tokens at **www.wra.org/MoreInfo/CryptoToken**.

Web3

The internet you know and use every day is Web2. Major companies dominate how we share information on the web, primarily monetized by mining personal data. Web3 is entirely different. Web3 refers to decentralized apps that run on the blockchain; it allows anyone to participate and interact with others without monetizing personal data. You can read more about Web3, including its current limitations, at **www.wra.org/MoreInfo/Web3**.

Many of these new tech terms may be challenging to relate to your real estate business today. But if you are a veteran agent, think how different the internet felt when you first discovered it.

Again, you don't need to be an expert about NFTs or the metaverse or have a crypto wallet with Bitcoin. It is just beneficial to become familiar with these terms and their meaning. After all, 12% of first-time buyers sold cryptocurrency in the fourth quarter of 2021 to save for their down payment, Redfin reported. And that's a trend that real estate experts say is likely to grow.

---

*This article is from the Tech Helpline at **www.techhelpline.com** and has been reprinted with permission.*