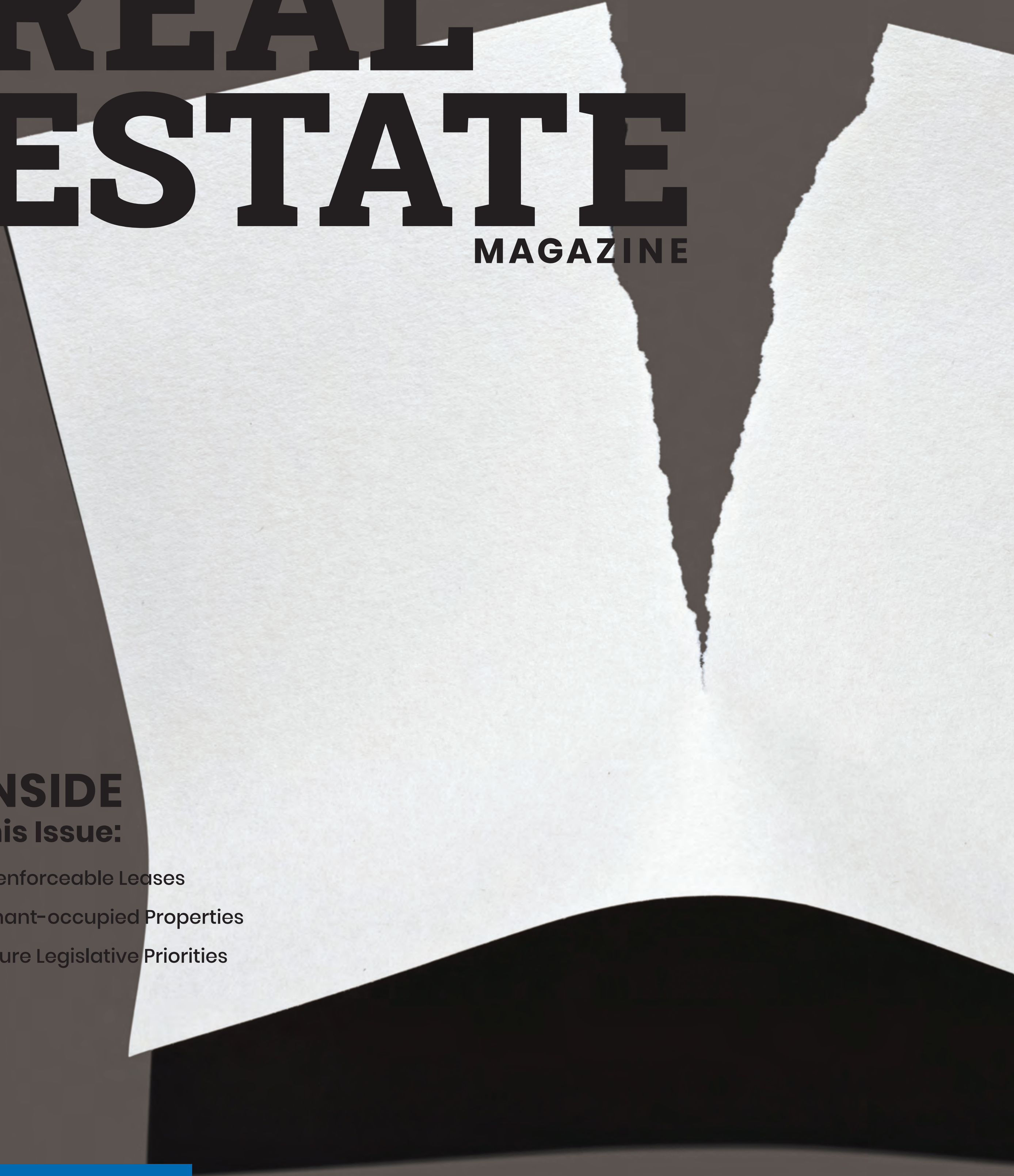
September 2023 Vol. 39, No. 10

WISCONSIN REAL ESTATE MAGAZINE



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WRA

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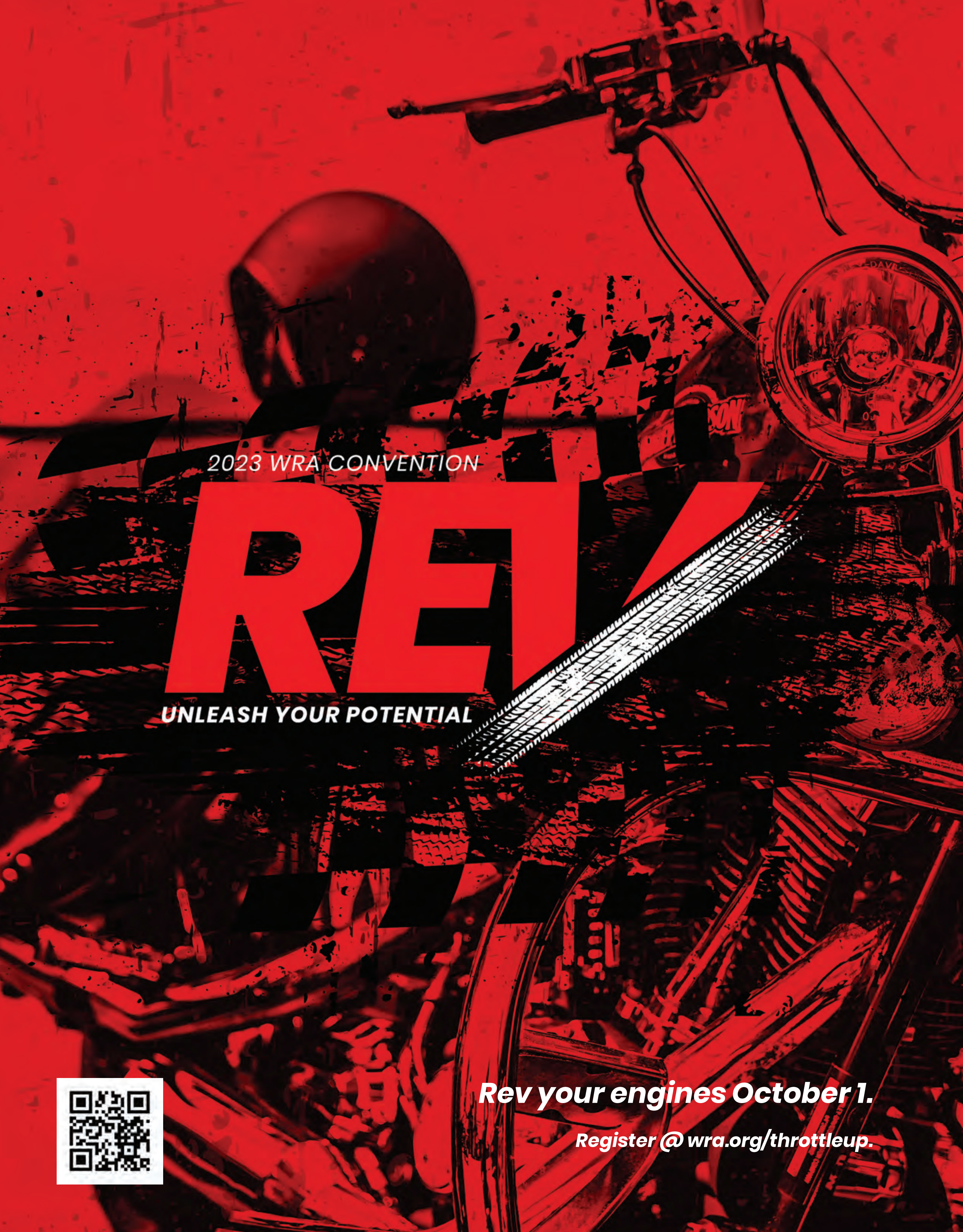
2023 WRA CONVENTION
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JULY HOUSING

WISCONSIN INVENTORY REMAINS TIGHT, PUSHING SALES DOWN AND PRICES UP

BY DAVE CLARK

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

July 2023 Wisconsin housing at a glance:

- Sellers continue to have a strong advantage in the market.
- The housing affordability index was at an all-time low.
- July 2023 home sales were 20.8% lower than July 2022.
- The median price rose 7.5% compared to July 2022.
- Mortgage rates continue to inch upward.

See the full report: **www.wra.org/HSRJul2023**

David Clark, Ph.D., is a professor emeritus 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.

JULY HOUSING

6,278
CLOSED SALES JULY 2023
-20.8%
FROM JULY 2022

$300,000
MEDIAN PRICE JULY 2023
+7.5%
FROM JULY 2022

ACTIVE LISTINGS BY PRICE

PRICE RANGE	NUMBER OF LISTINGS
$0–$124,999	1,361
$125,000–$199,999	2,885
$200,000–$349,999	5,480
$350,000–$499,999	4,245
$500,000 & higher	4,340

18,345
TOTAL STATEWIDE LISTINGS JULY 2023
-20.7%
FROM JULY 2022

MEDIAN PRICES BY REGION

CENTRAL	$220,000
NORTH	$260,000
NORTHEAST	$275,000
SOUTH CENTRAL	$350,000
SOUTHEAST	$310,000
WEST	$287,500

AVERAGE DAYS ON MARKET

60 DAYS JULY 2023
COMPARED WITH
60 DAYS JULY 2022

MONTHS OF INVENTORY

3.3 JULY 2023
3.2 JULY 2022

HOUSING STATISTICS MONTHLY ACTIVITY

Statewide	July 2023	July 2022	% Change	Year to Date 2023	Year to Date 2022	% Change
New Listings	7,585	9,219	-17.7%	N/A	N/A	N/A
Total Listings	18,345	23,137	-20.7%	N/A	N/A	N/A
Closed Sales*	6,278	7,931	-20.8%	34,698	45,437	-23.6%
Median Sales Price	$300,000	$279,000	+7.5%	$285,000	$263,000	+8.4%
Months of Inventory	3.3	3.2	+3.1%	N/A	N/A	N/A
Avg. Days on Market	60	60	0%	N/A	N/A	N/A
Affordability Index	125	148	-15.5%	N/A	N/A	N/A

	Median Price			Closed Sales		
Region	July 2023	July 2022	% Change	July 2023	July 2022	% Change
Central	$220,000	$212,500	+3.5%	408	531	-23.2%
North	$260,000	$260,000	0%	593	733	-19.1%
Northeast	$275,000	$239,900	+14.6%	1,077	1,439	-25.2%
South Central	$350,000	$330,000	+6.1%	1,320	1,607	-17.9%
Southeast	$310,000	$290,000	+6.9%	2,278	2,898	-21.4%
West	$287,500	$289,900	-0.8%	602	723	-16.7%

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

INSIDE THE WRA

SEPTEMBER IS REALTOR® SAFETY MONTH

As part of the efforts by the National Association of REALTORS®' (NAR) to keep REALTORS® safe, September is dedicated as REALTOR® Safety Month. NAR's REALTOR® Safety Program is designed to reduce the number of safety incidents that occur in the industry so every REALTOR® reaches their home safely every night.

Further your commitment to safety with NAR's complete REALTOR® Safety Program online. You'll find various resources so you can remain cognizant and keep safety top of mind:

- Planning your safety strategy.
- Tips and best practices.
- Training videos and webinars.
- Safety articles.
- Personal protection resources.
- REALTOR® safety network.
- Safety pledge.

Let's all work together to stay safe. Together, we can improve the safety culture of the real estate industry — here in Wisconsin and across the country.

Access these resources and more about REALTOR® Safety Month: **nar.realtor/safety**

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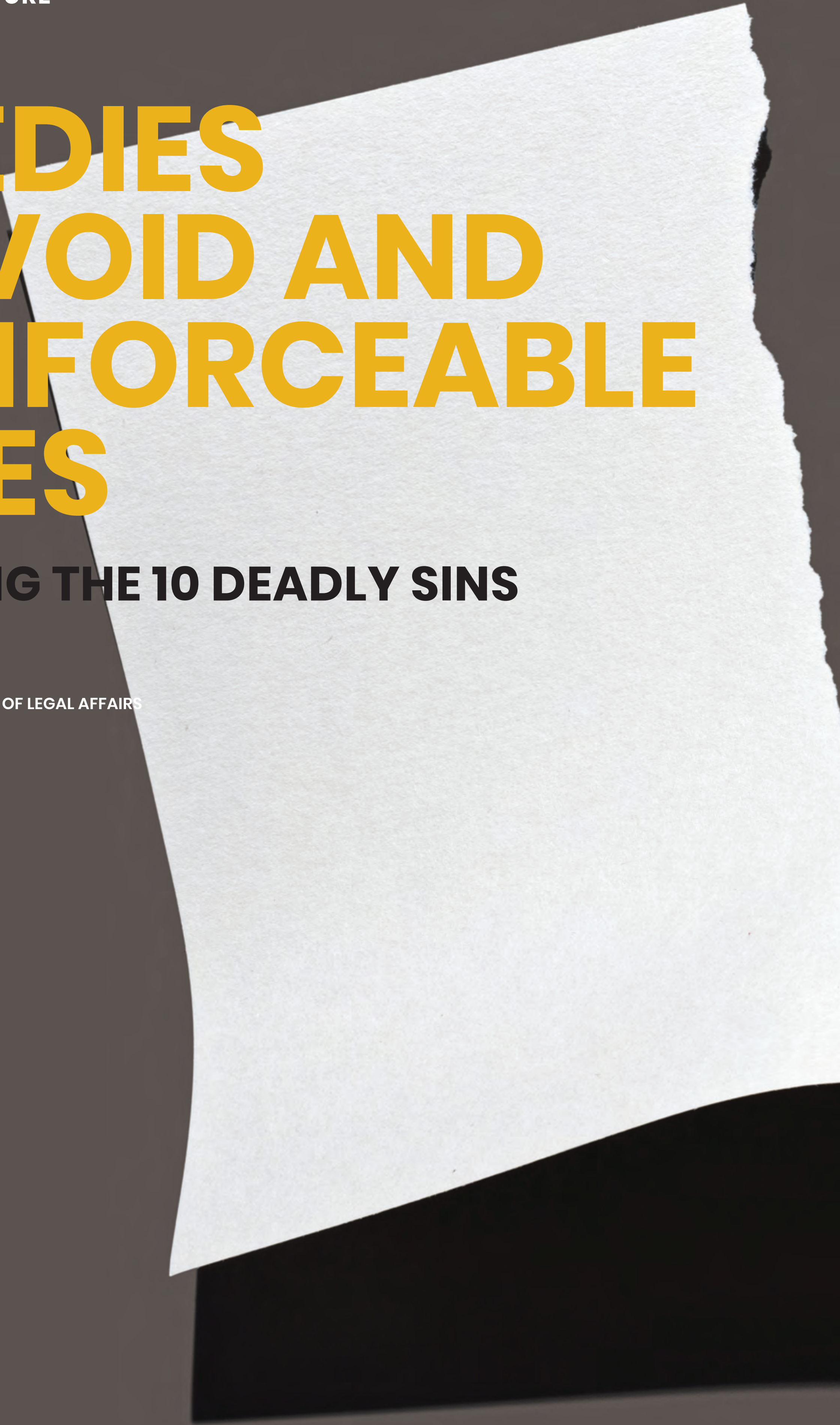
FEATURE

REMEDIES FOR VOID AND UNENFORCEABLE LEASES

WEAPONIZING THE 10 DEADLY SINS

BY DEBBI CONRAD
WRA SENIOR ATTORNEY AND DIRECTOR OF LEGAL AFFAIRS



Two recent Wisconsin Court of Appeals cases raised the question of the appropriate remedy for tenants if their lease is found to be void and unenforceable. In these cases, the tenants claimed their damages amounted to double the amount of rent paid throughout their tenancy plus costs and attorney fees.

This raises two concerns for rental property owners: (1) what can landlords do to make sure they do not have a lease that is void and unenforceable, and (2) what remedies do tenants properly have if they have a void and unenforceable rental agreement.

VOID AND UNENFORCEABLE LEASES

The primary way rental agreements and leases may become void and unenforceable is if they violate one of the so-called "Ten Deadly Sins." This list of prohibitions appears in both Wis. Stat. § 704.44 and Wis. Admin. Code § ATCP 134.08. Both list 10 prohibited provisions or things that a lease or residential rental agreement cannot do — in other words, the "sins." These provisions cause the entire rental agreement to become null and void and unenforceable. For example, a lease that says the tenant can be evicted by changing the locks or that the tenant must pay the landlord's attorney fees if the parties have a legal dispute is null and void.

One of the two most recent additions to the list of sins is a provision that "allows the landlord to terminate the tenancy of a tenant based solely on the commission of a crime in or on the rental property if the tenant, or someone who lawfully resides with the tenant, is the victim, as defined in § 950.02(4), of that crime." The other recent addition states a rental agreement is void and unenforceable if it allows the landlord to terminate the tenancy of a tenant for criminal activity in relation to the property and it does not include the notice regarding domestic abuse protections required by Wis. Stat. § 704.14.

The applicable law

Wis. Admin. Code § ATCP 134.08 states in relevant part:

> *"Prohibited rental agreement provisions — rental agreement that contains certain provisions is void. Notwithstanding s. 704.02, Stats., a rental agreement is void and unenforceable if it does any of the following: ...*
> *(9) Allows the landlord to terminate the tenancy of a tenant based solely on the commission of a crime in or on the rental property if the tenant, or someone who lawfully resides with the tenant, is a victim, as defined in s. 950.02 (4), Stats., of that crime.*
> *(10) Allows the landlord to terminate the tenancy of a tenant for a crime committed in relation to the rental property and the rental agreement does not include the notice required under s. 704.14, Stats. [Notice of Domestic Abuse Protections]"*

The same prohibitions are stated in Wis. Stat. § 704.44.

Wis. Stat. § 100.20 regulates methods of competition and trade practices, and § 100.20(1) prohibits "unfair methods of competition" and "unfair trade practices" in business, which is interpreted to include the practices prohibited by Wis. Admin. Code § ATCP 134.08. In addition, Wis. Stat. § 704.95 states that practices in violation of § 704.44 constitute unfair trade practices under § 110.20. Thus remedies for committing one of the "Ten Deadly Sins" may be found in § 100.20.

Wis. Stat. § 100.20(5) provides in relevant part:

> *"Any person suffering pecuniary loss because of a violation by any other person of ... any order issued under this section may sue for damages ... and shall recover twice the amount of such pecuniary loss, together with costs, including a reasonable attorney fee."*

This statute was relied upon by the tenants in the cases who claimed their damages were double the amount of rent paid plus costs and attorney fees.

THE CASES

Each case involves an instance where one of the "Ten Deadly Sins" was committed. In one case, the lease did not include the Notice of Domestic Abuse Protections; and in the other case, the lease did not include language prohibiting the tenant from being evicted for a crime when the tenant was the victim. The tenants' attorneys asserted these omissions invalidated the leases. In both cases, the tenants' lawyers demanded double all rent paid by the tenants during the entire tenancy period plus attorney fees as damages; and in one case, they were successful.

Henchey v. Wausau Landmark Corp.
Crime victim language

In *Henchey v. Wausau Landmark Corp.*, the case started out as a dispute regarding parking fees the tenant objected to because he had never been told in advance about the fees. The court found there was insufficient evidence for that claim. However, the tenant also argued the lease was void and unenforceable under Wis. Admin. Code § ATCP 134.08(9) and Wis. Stat. § 704.44(9) because its plain language would allow the landlord to evict a victim of a crime committed on the premises.

The tenant pointed to rental agreement provisions that stated he was:

> *"4. Not to make or permit use of the Premises (by Tennant [sic] or guests) for any unlawful purpose or any drug/ alcohol purpose that would be illegal.*
> *5. To not make excessive noise or engage in activities which unduly disturb neighbors or other Tenants in the building."*

The tenant argued if any tenant or guest does anything illegal or engages in disorderly behavior on the premises, the tenant is in breach and subject to eviction, even if the tenant or anyone residing with them, such as a child or significant other, was a victim of the crime.

The court found that paragraph 4 of the rental agreement would permit the landlord to terminate a tenancy if a tenant used the premises for an unlawful purpose or permitted another to use the premises for an unlawful purpose and a person who lawfully resided with the tenant was a victim thereof. The rental agreement would allow the landlord to terminate the tenancy of a tenant based solely on the commission of a crime in or on the rental property even if the tenant, or someone who lawfully resides with the tenant, was a victim of that crime. Thus, the court held the rental agreement was void and unenforceable under § 704.44(9) and § ATCP 134.08(9). That was despite the fact there was no illegal activity or crime involved in the situation and the landlord did not terminate the tenant's tenancy — the tenant moved out voluntarily, and no eviction was involved.

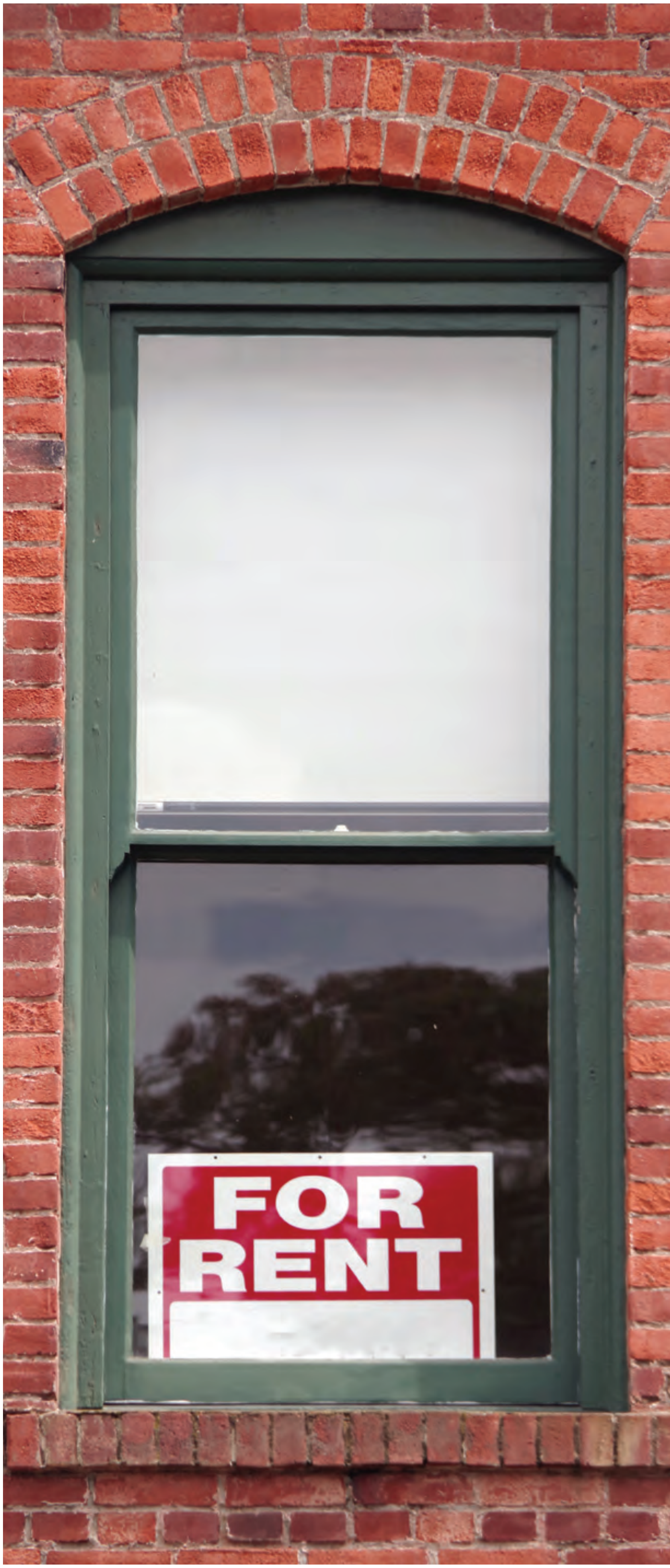
As far as the remedy, the Court of Appeals ruled the appropriate remedy was the return of all rent paid under the rental agreement, without any offset for the value of the benefit the tenant received from living in the apartment. The court ruled the tenant is entitled to double damages on this claim as well as costs and reasonable attorney fees, based on Wis. Stat. § 100.20(5).

This unpublished case is not a legal precedent but might have a persuasive effect in future cases brought by tenants. This case was settled and will not be heard by the Wisconsin Supreme Court, but it is likely tenant advocates will make the same arguments in other cases.

Hoffman v. Gribble
No notice of domestic abuse protections
In the other case, *Hoffman v. Gribble*, the court found for the landlord under similar circumstances. The lease required that the tenant "obey all lawful orders, rules, and regulations of all governmental authorities." But the lease did not contain a Notice of Domestic Abuse Protections as required by Wis. Stat. § 704.14.

The tenant argued the lease was void and unenforceable because Wis. Admin. Code § ATCP 134.08(10) provides a lease is "void and unenforceable" if it allows the landlord to terminate the tenancy of a tenant for a crime committed in relation to the rental property and the rental agreement does not include the Notice of Domestic Abuse Protections. The tenant did not experience domestic violence during the term of the lease, and the landlord did not terminate the tenancy; there was no crime committed in relation to the rental property.

The circuit court concluded that although the lease violated the statutory and administrative code provisions, the tenant failed



to show he incurred a pecuniary loss as a result of the violation and therefore was not entitled to damages under § 100.20(5). The tenant appealed to the Wisconsin Court of Appeals. The court of appeals affirmed because the tenant had not shown a nexus or causal relationship between the violation and any pecuniary loss. They had not shown a pecuniary loss "because of a violation" as required by Wis. Stat. § 100.20(5) and thus could not seek damages under that provision.

The tenant argued he was entitled to damages under Wis. Stat. § 100.20(5) equal to double the total amount paid to the landlord in connection with the lease, which was for two years at $18,000 rent for one year, totaling $36,000. The landlord argued the tenant's complaint should be dismissed because the tenant had not shown a pecuniary loss caused by the failure to include the domestic abuse protection notice in the lease.

The tenant's attorney asked the Supreme Court to review this case, but the Supreme Court declined. This unpublished case, which also is not legal precedent, might have a persuasive effect in defense of a landlord facing this type of case. Tenant advocates likely will be making similar arguments in future eviction cases with the hope that they can recover all rent paid by their tenant/clients. This case provides landlords with the argument of why such damages are not obtainable under § 110.20(5) when there is no pecuniary loss resulting from a "Ten Deadly Sins" violation.

PROTECTION FOR LANDLORDS

These cases highlight the need for landlords and property managers to make sure all leases and rental agreements are up to date and there is nothing included or omitted that would commit any of the "Ten Deadly Sins."

First, they should make sure any lease or rental agreement they are using includes the Notice of Domestic Abuse Protections as required by Wis. Stat. § 704.14. This is already in most rental contracts.

Second, they may wish to add a statement to their lease or rental agreement that says:

> *"No provision in this Rental Agreement authorizes landlord to terminate the tenancy of a tenant based solely on the commission of a crime in or on the rental property if the tenant, or someone who lawfully resides with the tenant, is the victim, as defined by Wis. Stat. § 950.02(4), of that crime."*

Some standard Wisconsin leases have or will soon have the required provisions. The WRA Residential Lease does have the type of language needed regarding victims of crimes, but the lease has been modified to tighten up that language. The WRA also has revised the WRA Residential Rental Contract and the WRA Rental Agreement Notice to add victim of crime exclusionary language. These updated forms are available in Transactions (zipForm Edition) and the WRA PDF Forms Library subscription.

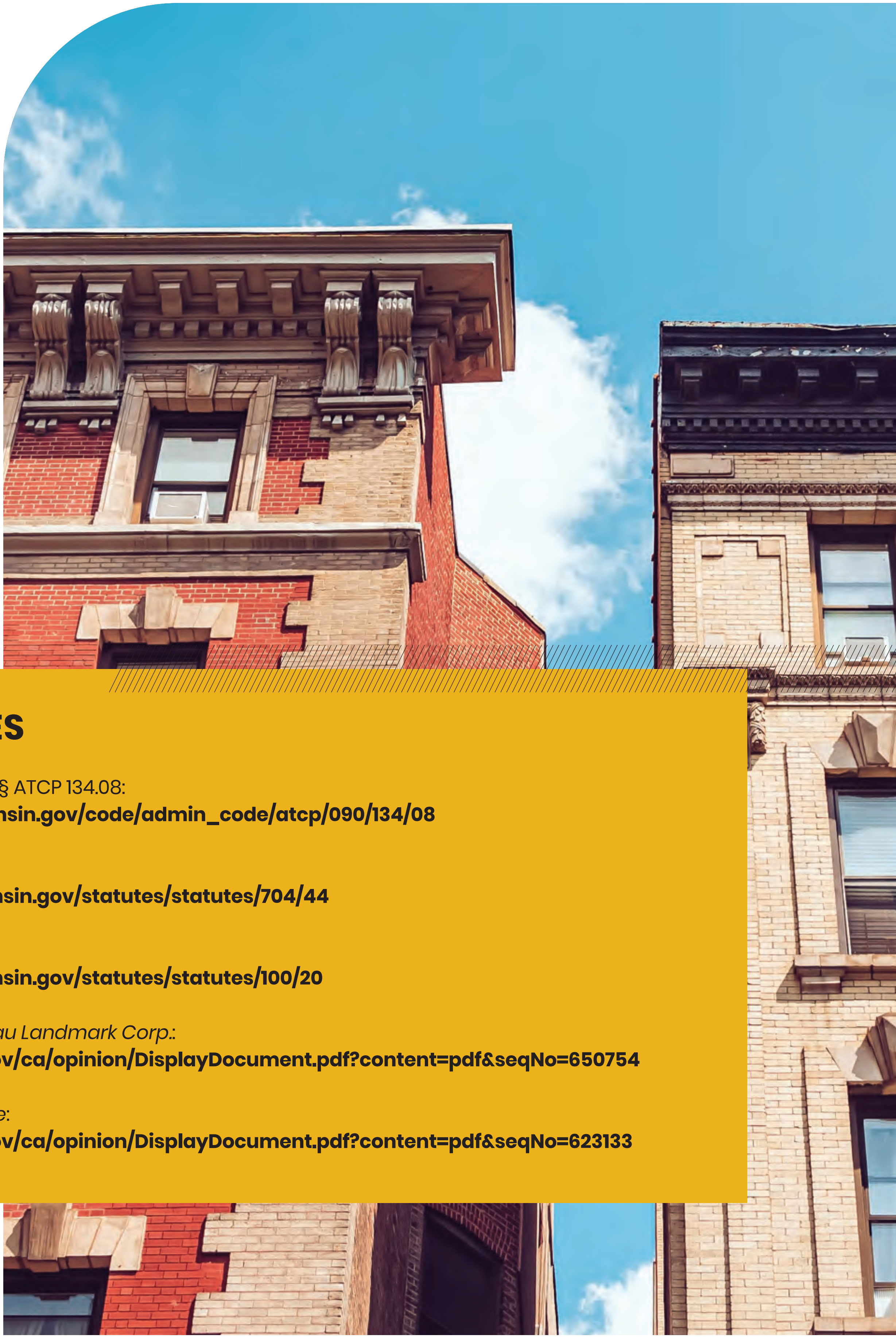
WRA Rental Agreement Notice

The WRA Rental Agreement Notice was designed to be used if the rental agreement is verbal, such as a month-to-month tenancy with no written agreement, or a verbal lease, to give written notice when required by the statutes. While there is a logistic inconsistency in providing a notice containing provisions that must be in writing in an agreement that is verbal, there is no reason to presume that the statutorily required written notices were intended only for those with a written agreement and not for those, for instance, with a verbal month-to-month tenancy. The courts have not ruled on this issue to the best of our knowledge. The Rental Agreement Notice covers disposal of personal property left behind, the Notice of Domestic Abuse Protections, the Sex Offender Notice and now the protection for the victim of crime language.

Using the Rental Agreement Notice form

1. The Rental Agreement Notice may be used to amend leases and rental agreements if the landlord or property manager is using forms that have not been updated to include these important notices. Use the Rental Agreement Notice as an attachment to an amendment such as the WRA Amendment to Residential Lease or Residential Rental Contract.
2. The Rental Agreement Notice also may be used for verbal rental agreements, such as a month-to-month tenancy at the inception of the tenancy. Landlords should keep records of when the notice is given if the tenant does not sign and return the form.
3. The Rental Agreement Notice also may be used for renewals — when a rental agreement is renewed. One way to do this may be to use the WRA form WRA-RAG, Lease Guaranty/Renewal/ Sublease/Assignment. The Renewal section starting at line 20 may be completed, and the Rental Agreement Notice may be referenced and incorporated on the blank lines at lines 22-25.

For further discussion about the Rental Agreement Notice, see pages 6-7 of the February 2014 *Legal Update*, "Implementing 2014 Landlord/Tenant Legislation," at **www.wra.org/LU1402**.



RESOURCES

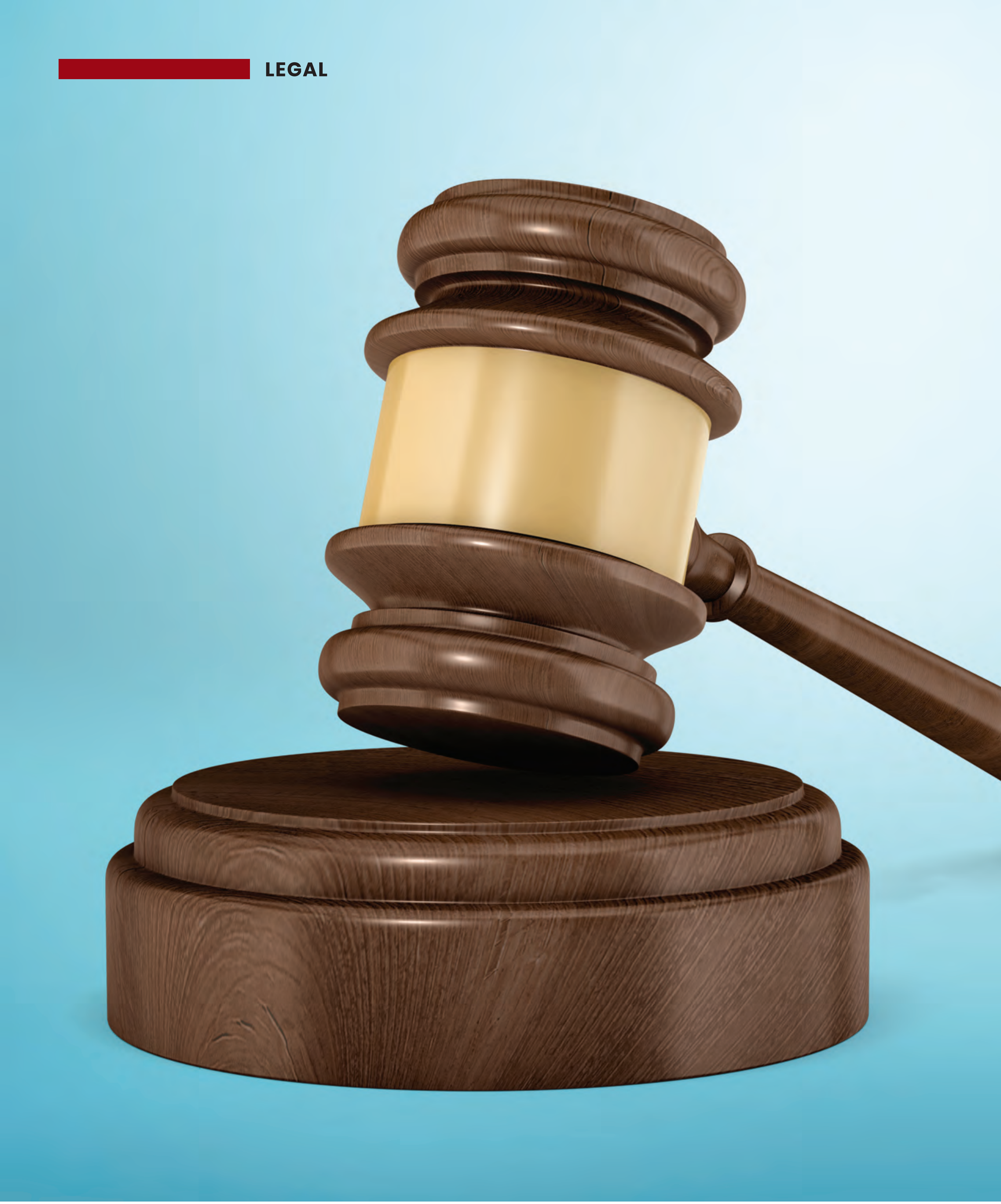
- Wis. Admin. Code § ATCP 134.08:
  docs.legis.wisconsin.gov/code/admin_code/atcp/090/134/08

- Wis. Stat. § 704.44:
  docs.legis.wisconsin.gov/statutes/statutes/704/44

- Wis. Stat. § 100.20:
  docs.legis.wisconsin.gov/statutes/statutes/100/20

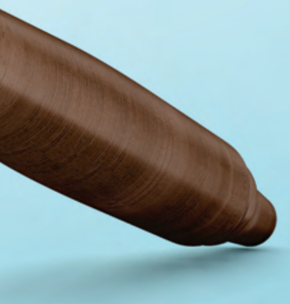
- *Henchey v. Wausau Landmark Corp.*:
  www.wicourts.gov/ca/opinion/DisplayDocument.pdf?content=pdf&seqNo=650754

- *Hoffman v. Gribble*:
  www.wicourts.gov/ca/opinion/DisplayDocument.pdf?content=pdf&seqNo=623133



THE BEST OF THE LEGAL HOTLINE

BY TRACY RUCKA
WRA DIRECTOR OF PROFESSIONAL STANDARDS AND PRACTICES



PREVENT PITFALLS WITH TENANT-OCCUPIED PROPERTIES

The questions and answers this month illuminate the value of preparation in transactions involving tenant-occupied properties. Both listing and cooperating brokers should request copies of all leases or rental agreements to confirm tenant rights. The terms and conditions of each tenant's written or oral lease should be set forth in the Leased Property provisions of the WB offers to purchase.

POSSESSION OF PREMISES

When a broker listed a single-unit rental property, the seller stated he delivered to the tenant a 28-day notice to vacate. The buyer's offer was drafted assuming the tenant would be out of the unit before closing, however, as closing approached, the tenant claimed she could remain in the property until the end of the year because she has a lease. Does the tenant need to vacate based on the 28-day notice?

The answer will depend on whether the tenant has a lease, for a fixed period of time, or a periodic tenancy. If there is a lease, the landlord may not unilaterally terminate a lease by a 28-day notice.

When a tenant occupies a property subject to a lease, Wis. Stat. § 704.09 states a buyer takes title subject to tenant rights. The sale of a property does not terminate a lease or rental agreement. When a buyer writes an offer on a currently rented property, the buyer purchases the property subject to the lease or rental agreement terms. Wis. Stat. § 704.09 requires that a buyer or other transferee take ownership of the property subject to the tenant's rights. The new owner will "step into the seller's shoes" and must honor the current tenant's rights.

Whether the tenant's occupancy is based on a month-to-month tenancy, which would allow a timely written 28-day notice to terminate, or a lease in effect till the end of the year is a fact-based question. If the tenant has a lease extending to December 31, the tenant may remain in possession of the premises until that time — unless of course the tenant engages in conduct that would allow the landlord to otherwise terminate the tenancy.

At the time of listing, the listing agent may ask the seller about the tenants. Hopefully there are written leases or written rental agreements the seller can provide as evidence of the existing landlord-tenant relationship. If there is no written agreement, the critical and underlying question is what are the actual agreements between the landlord and tenants? If there are questions or possible inconsistencies, getting the landlord and tenant to legal counsel early is beneficial.

PAPERWORK

What if the landlord and tenants have a verbal agreement regarding the lease? Should paperwork still be provided by the seller?

There may be a verbal landlord-tenant lease or rental agreement in Wisconsin. There is nothing illegal, per se, about such a relationship. However, issues may arise if there is a disagreement regarding the lease terms or if the landlord fails to provide statutory documentation upon commencement of the tenancy. It is critical for the buyer to have access to any written documentation. Even in the absence of a written rental agreement or lease, the landlord should furnish copies of domestic abuse notices, lead-based paint disclosures for target housing constructed before 1978, check-in sheets, any optionally supplied notice of personal property disposition, and any other paperwork the landlord has on file.

Wis. Stat. § 704.08 states that it required information check-in sheets since 2011. Domestic abuse protections have been in effect since 2009. For any rental agreement entered into or renewed since March 1, 2014, written notice regarding these protections must be provided. If the property was built before 1978, proof of the proper lead-based paint disclosure materials is required to be provided to the tenant. How a landlord disposes of personal property was modified in 2014, requiring written notice if the landlord will not store a tenant's personal property after tenancy. It is imperative for the buyer to obtain proof that the written notice was provided because if not, the new landlord will be required to store the tenant's personal property left behind based on the pre-2014 law.

PURCHASE AGREEMENT PROVISIONS

What information and documentation are needed at the time of the offer?

It is incumbent on all parties to adequately address the interests of the buyer, seller, tenants and property managers as applicable. The WB offers provide for a minimal amount of information to be incorporated by reference. In addition, it is valuable to know if there are current, ongoing or past disputes or disagreements about the landlord and tenant's relationship.

When working with a buyer, an agent should gather all existing documentation available from the seller/landlord before drafting. The agent can then incorporate material information into the offer to purchase. Many issues can be avoided with attention to detail in the drafting of the offer to purchase.

The listing broker knowing the tenant's rights early and communicating with cooperating brokers will help facilitate completing lines 426-430 of the WB-11 Residential Offer to Purchase, which provide:

> *LEASED PROPERTY If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights under said lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the (written) (oral) STRIKE ONE lease(s), if any, are __________________.*

Again, prior to drafting, it is prudent to obtain relevant paperwork from the seller/landlord or the property management company, if any. The list of documents includes but is not limited to written leases, written rental agreements, tenant applications, contact information, rent rolls, security deposit amounts, check-in reports any other correspondence or notices previously provided to the tenants. If these are not currently available, the buyer may draft contingencies for the seller to timely produce the documents.

Use of the WRA Addendum R to the Offer to Purchase also may be helpful in this regard. Addendum R is designed for use in the sale of residential rental properties, regardless of the number of units involved. Addendum R tries to contemplate many of the problems that may arise when tenants do not pay their rent, abandon their units, damage the property, or terminate their tenancies between the date of the offer and closing. Addendum R also addresses other concerns regarding desired vacant units, termination of tenancies, leases, rent, security deposits, personal property, eviction and vacancies.

See the discussion of Addendum R on pages 1-5 of the October 2021 *Legal Update*, "WRA Addendum R and O 2021," at **www.wra.org/LU2110**, pages 10-11 of *Legal Update 03.11*, "Overcoming Residential Transactional Obstacles," at **www.wra.org/LU0311** and "The Best of the Legal Hotline: Addendum R," in the May 2004 *Wisconsin Real Estate Magazine* at **www.wra.org/WREM/May04/Hotline**.

PHOTOGRAPHS

A tenant was notified about an upcoming listing and potential showings. In response, the tenant said no one in the unit can take pictures, record video or broadcast the tenant's personal property. Can the listing broker, cooperating broker or potential buyers take photographs or video in the rented units?

Unfortunately, there is not a clear "yes" or "no" answer to this question unless the lease or rental agreement contains provisions with details about such a scenario. Although the seller authorizes photography in the listing agreement, the tenant is not a party to the listing, therefore the seller may want to review the lease with the tenant to see if photographing the property has been authorized. Regardless, given the likely need for the tenant's cooperation for showings and potential arguments for liability under privacy laws, it may be best to work with the tenant to photograph limited areas, or assist in removing personal property for listing photos and then replace the personal property. If the seller or potential buyers are insistent on the photos, the owner should address the matter with their attorney.

SECURITY DEPOSIT

Closing is scheduled for a rental property, and the seller now says the tenant is behind in rent payments, so the seller plans to withhold the security deposit from the buyer at closing. Can the seller just keep the security deposit?

Not unless the offer has been amended. Per the offer, the seller agrees to transfer all security deposits and prepaid rents to the buyer at the time of closing. In addition, the ability for the landlord to withhold the security deposit can only occur at the end of a tenancy. According to lines 426-430 of the WB-11 Residential Offer to Purchase, the seller shall assign the seller's rights under the existing leases and transfer all security deposits and prepaid rents to the buyer at the time of closing. Depending on the timing of the transaction and the terms of the offer, the seller may need to notify the buyer of the late rent, allowing the buyer and seller to negotiate accordingly.

What happens if tenants vacate between acceptance and closing of the transaction?

When drafting an offer for rental property, it is appropriate for the buyer to articulate their expectations regarding tenant vacancy. For example, some common buyer expectations in such a scenario could be:

- The seller is required to give notice to terminate any month-to-month tenancy.
- Placing limits upon the seller to enter into new leases.
- Placing limits upon the seller not to extend current leases.
- The seller may accept or counter as is appropriate for the transaction.

SECURITY DEPOSIT AND ASSIGNMENT

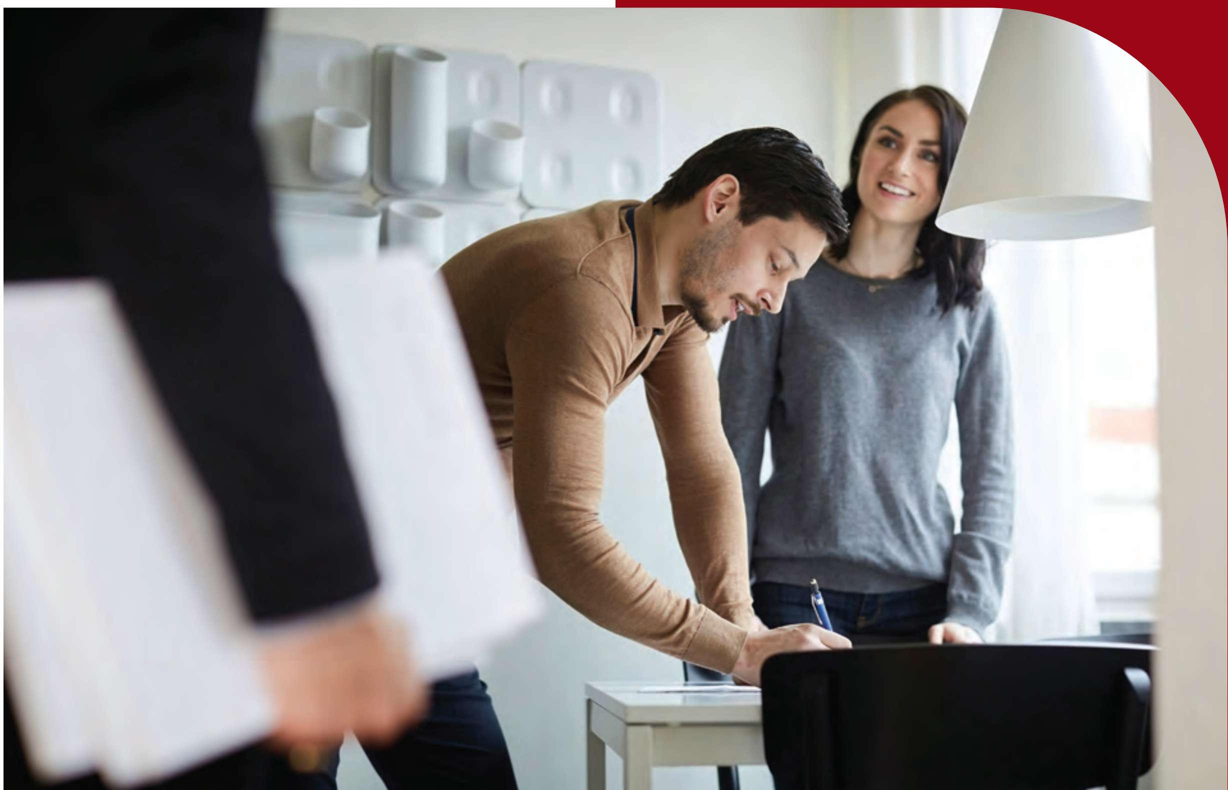
The seller said the tenant damaged the property and is late in rent, so the seller plans to withhold the security deposit. Is the seller required to provide the buyer with security deposits and assignments of the leases?

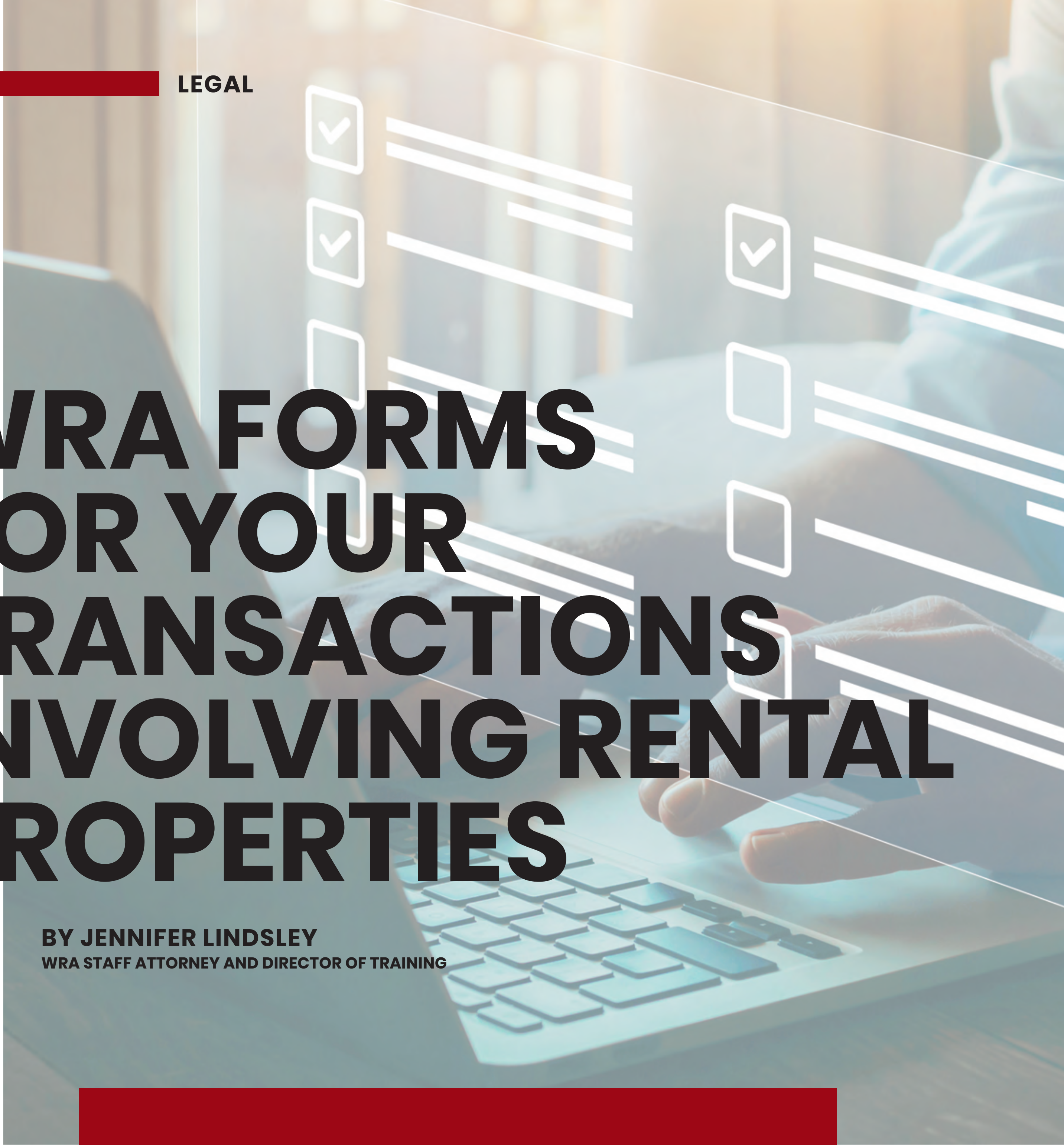
The offer indicates that the seller shall transfer all security deposits and prepaid rents to the buyer at closing. A landlord may only withhold the security deposit at the end of a tenancy — not before. If there is unpaid rent, the landlord should consult with legal counsel about options to pursue the payment of late rent. This scenario illustrates the importance of asking good questions during both the listing process and when negotiating the offer:

- Will the seller give notice about the late rent?
- Will the seller initiate or pursue eviction for the late rent?
- Has the offer required the seller to provide complete information about late rent payments and previous notices in the event the buyer needs to later initiate eviction action?

The offer provides the seller shall assign the seller's rights under the lease. The WRA Assignment of Lease and Deposits form has been crafted to document the assignment between the seller and buyer. The assignment does not require a tenant's signature.

Learn more in the article, "Landlords May Be Liable," in the March 2006 issue of *Wisconsin Real Estate Magazine* at **www.wra.org/WREM/Mar06/Landlords**.





WRA FORMS FOR YOUR TRANSACTIONS INVOLVING RENTAL PROPERTIES

BY JENNIFER LINDSLEY
WRA STAFF ATTORNEY AND DIRECTOR OF TRAINING

Listing or writing an offer on a property that is currently rented by a tenant can add an additional layer of complexity to an already complicated process. There are some WRA forms that can be used to help buyers and sellers smooth out the issues that might pop up in a transaction involving a rental property. Two WRA forms that can be useful in a transaction involving rental property are the WRA Addendum R to the Offer to Purchase and the WRA Assignment of Leases/Rental Contracts and Security Deposits.

WRA ADDENDUM R TO THE OFFER TO PURCHASE

The WRA's Addendum R to the Offer to Purchase — Rental Properties should be a buyer's go-to addendum to include with an offer on a property that is rented. Of course, if the property is target housing constructed before 1978, the buyer's offer will also include the Addendum S to address lead-based paint (LBP) disclosures. In addition to these addenda, a buyer's WRA Addendum or offer may also include any one of the local versions of an Addendum A and additional addenda as needed to address extra testing and inspections that may be needed or any other terms necessary to create a meeting of the minds between the seller and the buyer. But since we are directing our attention to transactions involving rental properties, let's focus our attention on Addendum R.

Lines 1-6: The Basics

Lines 1-6 are where the buyer identifies the offer to which they are adding this addendum. Additionally, this section states that the property is subject to rental agreements, which can be written or oral leases, and that the length of the leases may be for a definite period of time or may be for periodic tenants. The buyer acknowledges that the buyer takes the property subject to the tenant's rights.

Lines 7-20: Rent Schedules

The parties use lines 7-20 to agree on rental information, such as whether the rental agreement is oral or written, lease expiration date/tenancy type, rent amount, rent due date, security deposits, delinquent rents and whether there are any penalty fees due. There is a chart that allows the parties to identify the units by number and complete the corresponding details per unit. Line 20 instructs the parties to include additional schedules if needed. The existing chart has entries for up to 10 units, but if there are more than 10 units, the parties can include the additional details for the extra units in an additional schedule.

Lines 21-25: Leases

This section allows the parties to negotiate how and when the buyer will have the chance to review written leases and current rental applications. If the buyer is already in possession of these documents, the buyer can attach them to the offer. If the buyer does not have these documents at the time of drafting the offer, the buyer can make the buyer's offer contingent on the seller furnishing the leases and rental applications to the buyer within the deadline specified in this section. If the seller does not timely furnish the documents, or if the terms are materially different than what was represented to the buyer, the buyer can deliver a written notice to the seller within the deadline in this section and make the offer null and void.

Lines 26-34: Personal Property

The buyer and seller can use this section to identify which items of personal property, if any, will be included in the sale. Listed items include refrigerators, unit window coverings, dryers, stoves, water softeners, snow blowers, window air conditioners, washing machines and lawn mowers. Additionally, there are three boxes labeled "other" so the parties can identify other personal property to be included in the sale. This section also states that at the time of completing Addendum R, the personal property items are in good working order and will remain so at closing. The parties can use this section to agree as to the value of the personal property included in the transaction and that the value of the personal property will be excluded from the purchase price on the Wisconsin Real Estate Transfer Return. Finally, this section indicates that the seller will transfer ownership of the personal property to the buyer at closing with a bill of sale.

Lines 35-37: Indemnification

The seller agrees to assign all rights, title and interest in the leases to the buyer; and the buyer agrees to assume all duties, liabilities and obligations as the new landlord. Further, the buyer agrees to indemnify and hold the seller harmless from any claim or loss first arising from events that occur after closing.

Lines 38-39: Rent

The buyer and seller agree that all rent will be prorated at closing and that the seller may collect any delinquent rent that was due before closing for the seller's account. This section prohibits a seller from using security deposits for delinquent rent.

Lines 40-42: Maintain Rental Operations

This section obligates the seller to give appropriate notice of default to delinquent tenants and to evict tenants who do not timely cure their default. Additionally, the seller is to sue evicted tenants for delinquent rents and damages that exceed the security deposit amount and to repair any damaged units.

Lines 43-44: Vacant Units

The parties negotiate whether the seller shall or shall not rent vacant units.

Lines 45-47: Change in Tenant Status

This section obligates a seller to promptly notify the buyer in writing of any tenancy termination, unit abandonment or a tenant's plans to vacate a unit. Additionally, a seller must promptly notify a buyer of a material breach of lease terms or a rent delinquency continuing for more than the number of days agreed to in this section.

Lines 48-50: Rental Agreement Extensions and Renewals

The seller agrees that they will not renew any expiring leases or extend a lease term, change the terms or conditions of a lease, a month-to-month tenancy or other periodic tenancy or enter into a written lease with a month-to-month or periodic tenant without the buyer's written consent.

Lines 51-53: Security Deposits

The seller agrees to transfer the full amount of any security deposits to the buyer at closing without offset unless the parties otherwise agree in writing. The seller can pursue any claims the seller may have against a tenant directly against the tenant.

Lines 54-55: Tenant Records

In this section, the seller agrees to provide the buyer with a copy of all tenant records including any check-in reports, payment records, correspondence or notices. The seller will provide these documents at closing.

Lines 56-58: Notice of Contact Person Changes

The parties can use this section to negotiate which party is responsible for notifying tenants within 10 business days of closing that the property has sold. The responsible party must also provide tenants with the new contact information for rent payments, maintenance requests, and receipt of legal processes and notice. Providing the contact information is required by Wis. Admin. Code § ATCP 134.06(1).

Lines 59-63: Eviction

This section addresses evictions that the seller initiated prior to closing. The seller is to complete any eviction started before closing at the seller's cost unless the buyer moves the court to be substituted or joined as a plaintiff. The section also addresses the scenario where the seller had given a notice to vacate to a tenant, but the tenant has not vacated by the time of closing. The parties can negotiate which one is responsible for taking steps to remove the tenants, including filing the eviction action.

Lines 64-65: Delinquent Rent Collected

If the buyer collects delinquent rent or fees after closing, they should be paid to the seller's account unless otherwise agreed to in writing.

Lines 66-72: Optional Provisions Regarding Vacancies

This section provides the parties with two optional provisions. One is for Requested Vacancies and the other is for New Vacancies. If the parties want to include the provision for Requested Vacancies, they check the box on line 67. This provision obligates the seller to give all necessary notices to terminate the tenancy of tenants in an identified unit or units with the goal that the unit be vacant at closing, or another date specified in this provision.

The New Vacancies provision allows a buyer to deliver a notice to a seller, making the offer null and void, if new vacancies occur after the date on line 1 of the offer and the number of new vacancies exceeds the number specified in this section.

Lines 73-74: Default Number of Days

This provision creates a default deadline of 20 days for any deadline not completed in Addendum R and where there is not an existing default deadline stated in that provision.

Lines 75-81: Additional Provisions

Like many other forms, there may be additional terms that the buyer and seller need to add to a contract that do not fit elsewhere. Those terms can be added as additional provisions in this section.

Lines 82-83: Smoke and Carbon Monoxide Detectors

These lines provide links to DSPS brochures that describe and illustrate the law as it relates to smoke and carbon monoxide detectors in properties.

Lines 84-87: Initials and Dates

The final portion of Addendum R gives the parties an opportunity to initial and date it to acknowledge that they have read and understand the form and received it.

WRA ASSIGNMENT OF LEASES/RENTAL CONTRACTS AND SECURITY DEPOSITS

The WRA Assignment of Leases/Rental Contracts and Security Deposits can be used by a seller to transfer “ownership” of leases and security deposits to a buyer of a rental property. “Ownership” is in quotes because the seller and buyer do not really own the contracts or security deposits, but rather they are parties to the contracts and fiduciaries holding the security deposits. Conceptually, this form works in a similar way as a bill of sale, which is used to transfer ownership of personal property from a seller to a buyer.

Lines 1-5: The Basics

In these initial lines, the seller, the buyer and the property are identified. This section also states the purpose of the form, which is to assign leases and/or rental contracts and create agreements about rent proration and security deposits.

Lines 6-14: Leases/Rental Contracts

In this section, the seller assigns and transfers to the buyer all rights, title and interest in all current leases and rental contracts pertaining to the property. The buyer and seller can negotiate whether the seller retains the right and responsibility to collect delinquent rent due prior to closing and/or complete eviction actions commenced prior to closing. Additionally, there is a blank line in case the parties want to negotiate that the seller retains any other rights or responsibilities. The seller also makes a representation to the buyer that the leases or rental contracts represent the full agreement between the seller and the tenant(s) and that the leases or rental contracts previously delivered to the buyer are complete. Lastly, the seller represents that there are no other current leases or rental contracts for the property.

Lines 15-30: Rent Schedule

The parties can use this section to identify unit numbers, lease expiration dates and the types of tenancies, tenant names, rent amounts and security deposits for up to 13 units. The parties can attach additional schedules if there are more than 13 units.

Lines 31-36: Rents

The seller can use this section to represent to the buyer the amount of prepaid rent for future months or rental periods in the seller’s possession that are assigned to the buyer. The seller also uses this section to represent the prorated rent amount that is assigned to the buyer. All the assigned rent will be a credit against the purchase price.

Lines 37-39: Rent Proration Formula

This section gives the parties a formula for prorating rent and further indicates where the prorated rent amount should go in this form.

Lines 40-41: Security Deposits

In this section, the seller assigns and transfers the security deposits to the buyer and indicates where the total amount of security deposits being transferred should be noted in the rent schedule. It also specifies that the security deposits will be a credit to the buyer at closing.

Lines 42-46: Buyer Indemnification

The buyer assumes the seller’s duties, liabilities and responsibilities as landlord under the leases and rental contracts assigned to the buyer by this form. The buyer indemnifies the seller from any claim or loss with respect to the property and tenants resulting from injury or damages that first arise at or after closing.

Lines 47-49: Seller Indemnification

The seller agrees to indemnify the buyer from any claim or loss the buyer incurs due to inaccuracy of the rent schedule or a result of any breach of the seller’s warranties and representations.

Lines 50-62: Additional Provisions

As with most forms, there are lines for additional provisions for any other provisions the parties need included that are not addressed elsewhere on the form.

Lines 63-74: Signatures

The parties sign, and thus the assignment of leases, rental contracts and security deposits is complete.

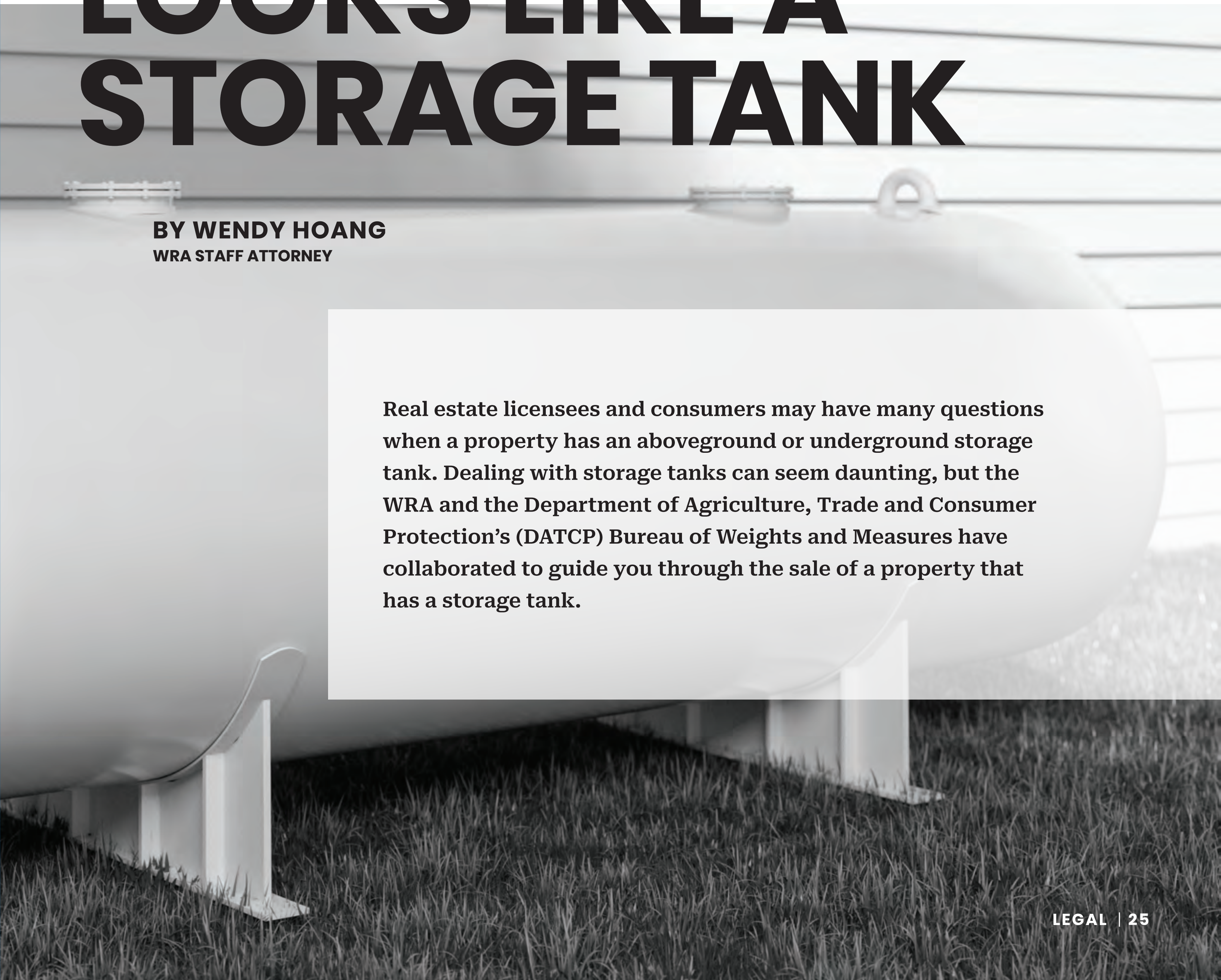
CONCLUSION

In addition to these forms that buyers and sellers can use to negotiate the additional details that are encountered in the sale of a rental property, landlords who are members of the WRA have a whole host of other forms to assist with their rental properties, including leases, rental agreements, rental applications, notices, lead-based paint disclosure forms, check-in sheets, check-out sheets and more! If a landlord has a need, there is a probably a WRA form for it — and if not, give us a call and maybe there is enough of a need that we will create one.

WRA Addendum R and the WRA Assignment of Leases/Rental Contracts and Security Deposits are available in Transactions (zipForm Edition) as well as the WRA PDF Forms Library subscription.

For additional discussion about Addendum R and the WRA Assignment of Leases/Rental Contracts and Security Deposits, see pages 1-6 of the October 2021 *Legal Update*, "WRA Addenda R and O 2021," at **www.wra.org/LU2110**. See a discussion of the WRA Residential Lease and Rental Agreement as well as a listing of the property management forms available from the WRA in the October 2018 *Legal Update*, "WRA Residential Lease and Rental Contract," at **www.wra.org/LU1810**.

I SPY WITH MY LITTLE EYE ... SOMETHING THAT LOOKS LIKE A STORAGE TANK



BY WENDY HOANG
WRA STAFF ATTORNEY

Real estate licensees and consumers may have many questions when a property has an aboveground or underground storage tank. Dealing with storage tanks can seem daunting, but the WRA and the Department of Agriculture, Trade and Consumer Protection's (DATCP) Bureau of Weights and Measures have collaborated to guide you through the sale of a property that has a storage tank.

What are the most common types of tanks found on residential properties?

The most common storage tanks found on residential properties are aboveground and underground storage tanks used for home heating oil and pressurized LP tanks containing propane. The DATCP regulates underground storage tanks (UST) over 60 gallons and aboveground storage tanks (AST) over 5,000 gallons used to store flammable, combustible and hazardous liquids. The Department of Safety and Professional Services (DSPS) regulates pressurized LP tanks. Inquiries about pressurized tanks can be made by contacting the DSPS directly at 608-266-2112 or **dsps@wisconsin.gov**.

How can I find out if there is a DATCP-regulated tank on the property?

The Bureau of Weights and Measures maintains a public storage tank database that is available on the DATCP website. There may be some ASTs with a capacity of less than 5,000 gallons listed in the storage tank database, but those tanks are no longer regulated by the DATCP. Although those tanks are not regulated at this time, the DATCP encourages property owners to submit updated registration forms if the tanks are removed so the database can be updated.

Must an abandoned storage tank be removed before the property can be sold?

The presence of abandoned tanks does not prohibit the sale of a property. However, the buyer's lender may refuse the buyer's financing unless the storage tank is properly closed, removed or otherwise brought into compliance with state law.

Although the presence of an abandoned storage tank does not prohibit the sale of a property, the buyer should be aware that the responsibility of the tank maintenance and compliance transfers to the new property owner upon completion of the real estate transaction.

Additionally, the new owner must notify the DATCP of the change of ownership within 15 business days of new ownership using the applicable form. Property owners can obtain the applicable change of ownership form by contacting the DATCP.

What is required to properly close an abandoned storage tank?

Abandoned storage tanks registered by the DATCP must be closed by a Wisconsin-registered tank specialty firm and a credentialed storage tank remover/cleaner.

A licensee has an upcoming residential listing, and the seller indicated that a pipe sticking up from the ground is an abandoned fuel oil tank. The pre-listing inspection confirmed there is a UST. The seller said they signed some sort of waiver 18 years ago when they bought the house without a REALTOR®. Is there a way for the seller to have a clause or waiver or a less expensive solution so they do not have to bear the cost to remove the tank?

The property owner is responsible for any regulated tank on the property. If the tank remains on site and the property is sold, the new owner assumes that responsibility. Even though the tank may not be routinely inspected by the DATCP, it is still required to be compliant with Wisconsin Administrative Code Chapter ATCP 93. If the tank is no longer in use, it must be permanently closed, and the tank registration must be updated with the DATCP.

A property owner removed a buried fuel oil tank, but they did not have the removal done by a licensed contractor. A licensee has a potential buyer for the property. Is there liability that the buyer would be assuming if the tank issue is not taken care of by the seller?

In the event a registered residential tank went through an undocumented closure, the responsible party should contact the DATCP's compliance team.

In most circumstances, a Wisconsin-registered tank specialty firm may be required to complete closure paperwork, and the property may be subject to inspection by the DATCP. If this is not done prior to the sale of the property, the new owner becomes responsible for the compliance of the tank and any potential contamination upon completion of the real estate transaction.

The buyer should also be aware there may be financing complications if their lender requires proper closure or removal of the storage tank before closing.

The licensee has a seller with an unused home heating oil fuel tank. The property was converted to natural gas, but the old fuel tank was left in the basement. Is that covered under item D6 on the Real Estate Condition Report? Does the tank need to be removed or can it simply be disclosed?

The disclosure obligation in the Real Estate Condition Report (RECR) requires the seller to answer whether there are storage tanks on the property. If there is a storage tank on the property, the tank should be disclosed on the RECR. Item D6 on the RECR provides the following:

> *"Are you aware of underground or aboveground fuel storage tanks on or previously located on the property? (If "yes," the owner, by law, may have to register the tanks with the Wisconsin Department of Agriculture, Trade and Consumer Protection at P.O. Box 8911, Madison, Wisconsin, 53708, whether the tanks are in use or not. Regulations of the Wisconsin Department of Agriculture, Trade and Consumer Protection may require the closure or removal of unused tanks.)"*

ASTs with a capacity of less than 5,000 gallons are not regulated by the DATCP at this time. As a result, unless the residential AST in question has a capacity of 5,000 gallons or more, removal would not be required by the DATCP.

What action must be taken when a UST is found to be leaking at removal?

Anytime a UST is closed or removed, and a suspected or obvious release is determined, a Tank Site System Assessment (TSSA) must be completed and documented on the DATCP Form TR-WM-140. In the event a release of product has occurred, the owner is required to immediately report the release to the Wisconsin Department of Natural Resources (DNR). Any remediation is determined by the DNR.

As of October 1, 2019, the DATCP no longer enforces portions of Wis. Admin. Code Chapter ATCP 93 that conflict with Wis. Stat. Chapter 168. As such, the DATCP no longer routinely inspects ASTs less than 5,000 gallons, and tank owners are no longer required to register ASTs less than 5,000 gallons. Additionally, technician and company credentials are no longer required for any work on ASTs less than 5,000 gallons including installation and removal. Credentials are still required for work on ASTs 5,000 gallons and larger.

RESOURCES

- The Bureau of Weights and Measures "Frequently Asked Questions: Residential Storage Tank Info for Real Estate Licensees" fact sheet: **datcp.wi.gov/Documents2/ResidentialTanksFAQ.pdf**.
- The Bureau of Weights and Measures can be contacted via mail at P.O. Box 8911, Madison, WI 53708, via telephone at 608-224-4942 and via email at **datcpstoragetanks@wisconsin.gov**.
- The DATCP's compliance team can be contacted at 608-224-4942, option 4, or via email at **datcpwmcompliance@wisconsin.gov** for guidance.
- To request copies of documents related to a DATCP-regulated storage tank, contact the DATCP public records department at **DATCPPublicRecords@wisconsin.gov**.
- The DATCP's storage tank website can be viewed at **datcp.wi.gov/Pages/Programs_Services/PetroleumHazStorageTanks.aspx**.
- The DATCP's public storage tank database can be found at **mydatcp.wi.gov/Home/ServiceDetails/4a171523-04c7-e611-80f6-0050568c4f26?Key=Services_Group**.
- The Bureau of Weights and Measures' fact sheets webpage: **datcp.wi.gov/Pages/Publications/WeightsAndMeasuresBureauFactSheets.aspx**.
- The Bureau of Weights and Measures' Abandoned Storage Tank fact sheet: **datcp.wi.gov/Documents/AbandonedTanksFactSheet.pdf**.
- The DATCP's list of registered tank specialty firms can be found at **mydatcp.wi.gov/documents/dtcp/List_of_Tank_Specialty_Firm_Registrations.pdf**.
- To report spills and releases, contact the DNR at 1-800-943-0003. Instructions for reporting spills and releases can be found on the DNR's website at **dnr.wisconsin.gov/topic/Spills**.
- To inquire about pressurized tanks, contact the DSPS at 608-266-2112 or via email at **dsps@wisconsin.gov**.
- Wis. Admin. Code Chapter ATCP 93 can be viewed at **docs.legis.wisconsin.gov/code/admin_code/atcp/090/93.pdf**.

LEGAL RESOURCES

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

LEGAL HOTTIPS

WRA membership gives you access to the extensive WRA Legal Hottips online library, featuring years of hotline discussions covering liability, disclosures, fair housing and more. Weekly hottip updates ensure fresh insights.

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

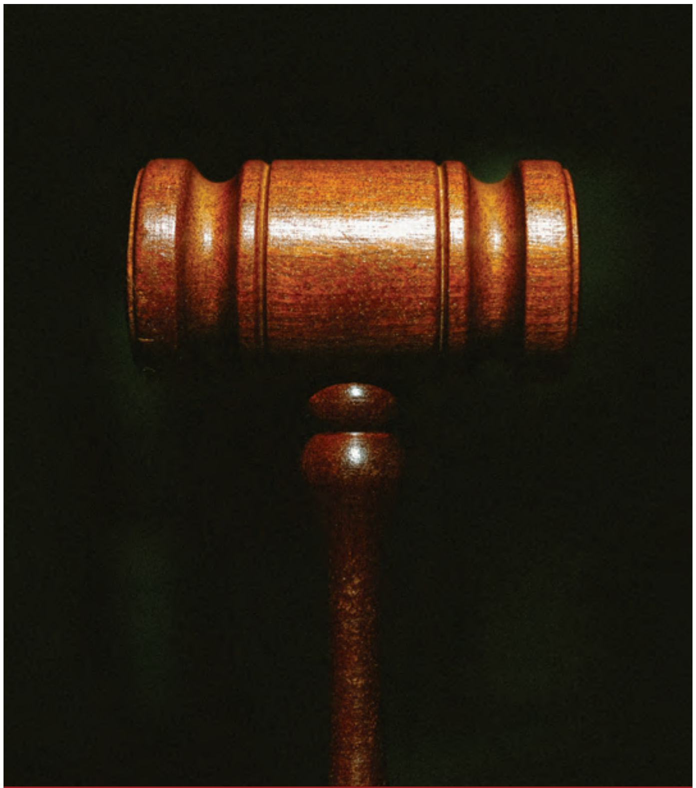
LEGAL UPDATES

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

July 2023: "Separation of Buyer Agency and Tenant Representation"
Learn about the revisions that separated the WB forms for buyer agency and tenant representation.

June 2023: "Revised Real Estate Condition and Disclosure Reports"
Learn about the recent revisions to the real estate condition report and vacant land disclosure report effective July 1.

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



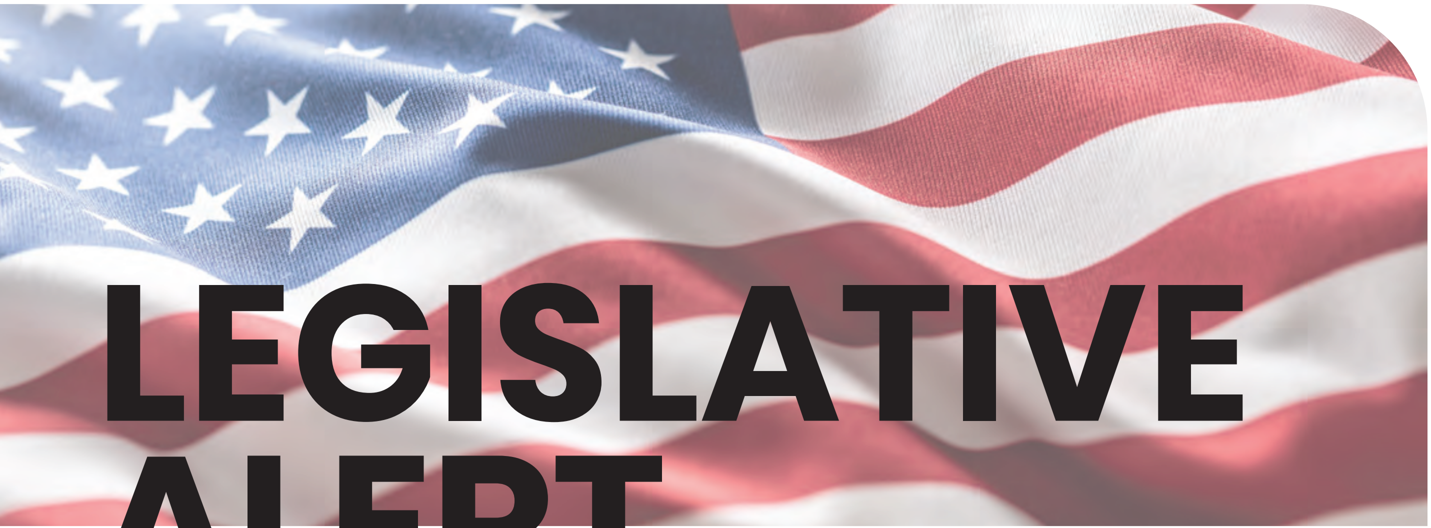
WRA LEGAL HOTLINE

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

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

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

www.wra.org/LegalHotline



LEGISLATIVE ALERT

WHAT'S NEXT? WRA LEGISLATIVE PRIORITIES FOR FALL

This fall, the WRA advocacy team is working with lawmakers on both sides of the aisle to pass legislation that addresses the following four issues.

Increase homeownership rates by removing barriers
Offensive, discriminatory covenants based on race and other protected classes appear in deeds as well as subdivision restrictions and covenants throughout Wisconsin. Upcoming legislation intends to empower the property owner to act when a discriminatory restriction is recorded on their land record.

Maintain a positive sales tax climate for MLS services
The WRA is pursuing legislation to statutorily clarify MLS services relating to the compensation and cooperation in the sales of properties by real estate brokers continue to be sales tax exempt.

Reduce risk for consumers and licensees in the transaction
The WRA is seeking several legislative changes to Wisconsin Statute Chapter 452, Real Estate Practice, that would include increasing fines and forfeitures for licensees who violate the law as well as reduce risks for licensees and consumers in the real estate transaction.

Eliminate title-related hurdles
The WRA is working to introduce legislation aimed at resolving legal title disputes on property that has been filled for more than 40 years. This legislation will drive economic growth in some parts of Wisconsin where growth has been stalled or even stopped by title issues.

Watch for more detailed information about these priorities during the next several months.

BUILDING REALTOR® ADVOCACY EFFORTS WITH PROPERTY OWNERS STATEWIDE

BY NATHAN CONRAD
WRA DIRECTOR OF POLITICAL ADVOCACY

Back in April at REALTOR® & Government Day, I said, "advocacy is everything."

The $525 million workforce and senior housing package would not be a reality had your advocacy efforts not taken place.

"Advocacy is everything" means we should be using every available tool in our toolbox to work on behalf of the industry to help grow not only your business but also the state's economy as well as the ability for every hardworking Wisconsinite to have the ability to afford a home.

We do this when we support candidates who support our issues through the REALTORS® Political Action Committee (RPAC) and Direct Giver contributions and endorsements. We do this through "thank you" campaigns that highlight the benefits that thoughtful and necessary legislation give to the community at large and bring that attention to the constituents of our partners in the legislature.

Most notably, we do this when we partner with like-minded organizations and amplify our message to a larger audience that helps encourage change on a meaningful and heavier scale.

Our main vehicle for change in this manner is the Wisconsin Homeowner Alliance (WHA), an organization that helps us advocate for measures large and small. The ability to be nimble and make your priorities heard through this organization is the cornerstone of effective advocacy. Not only is advocacy everything, but with the power of the WHA, advocacy can be everywhere.

Currently, the WHA is running an aggressive grassroots targeting program to increase membership and engage with the members of the public throughout Wisconsin who are interested in protecting property rights, lowering property taxes and engaging at all levels of government to propel these issues to the forefront of community discourse.

With an ongoing strategic goal of the WRA to engage more granularly on a local level with town, village, city and county boards, this interaction with a growing WHA is pivotal to increasing our volume and influence while helping pass meaningful resolutions and ordinances that will increase housing inventory, help grow your business and further protect property rights here in the Badger State.

While the grassroots targeting campaign is off to a great start, and our targeting efforts are reaping results, there is no better advocate for our advocacy efforts than you as a member. We highly encourage you to send your friends, acquaintances and clients to **www.wisconsinhomeownersalliance.org** and ask them to join us in our efforts to become the largest grassroots army in the state that can effect change on the local and statewide level. With your help, we can make it happen!

WISCONSIN 2024: THE CENTER OF THE POLITICAL UNIVERSE

A LOOK AT WISCONSIN AS A BATTLEGROUND STATE IN THE 2024 ELECTION

BY JOE MURRAY
WRA DIRECTOR OF POLITICAL & GOVERNMENTAL AFFAIRS

In a recent *Milwaukee Journal Sentinel* column, veteran political reporter Craig Gilbert hypothesized Wisconsin's role in the 2024 elections: "What does seem certain is that Wisconsin will play the same leading role it has for most of the past 30 years: as an electoral prize, madly contested by both parties and, if the election is close enough, a potential decider."

Gilbert is correct. Wisconsin has been and continues to be a highly competitive battleground state in presidential elections and other top-of-the-ticket races for U.S. Senate, governor and attorney general. With the 2024 presidential race already underway, political pundits expect Wisconsin to be center stage once again next year. With this in mind, here are four political dynamics to watch as the 2024 Wisconsin elections come into focus.

NEW LEGISLATIVE DISTRICT MAPS

On August 1, Wisconsin's Supreme Court flipped from majority conservative control to majority liberal control for the first time in 15 years. Law Forward, a progressive Wisconsin law firm closely associated with Democrats, filed a legal challenge against the state's current legislative district maps seeking new district maps before the 2024 election. State legislative maps were drawn by Republicans in 2011 and 2021.

If new maps are adopted in time for the 2024 Wisconsin elections, Democrats will have their best opportunity in 12 years to pick up state legislative seats in the November elections. Depending on how the lines are drawn, there could very well be more competitive and open legislative seats in 2024.

Today, there are 64 Republicans and 35 Democrats in the Wisconsin Assembly, and 22 Republicans and 11 Democrats in the Senate. These numbers could be significantly different after the November 2024 elections should the district maps be redrawn as the Democrats want.

U.S. SENATE ELECTION SPENDING

In 2016, Wisconsin Sen. Ron Johnson fought off a stiff challenge from former Sen. Russ Feingold, retaining his seat and setting a new record for election spending for U.S. Senate races in Wisconsin. Two years later, Democratic Sen. Tammy Baldwin easily defeated Republican Leah Vukmir in a far less competitive U.S. Senate race, spending less money in the process.

U.S. Senate Election Spending	
Election	**Grand Total Election Spending**
2016: Johnson (R) vs. Feingold (D)	$74,657,191
2018: Baldwin (D) vs. Vukmir (R)	$53,794,194
2022: Johnson (R) vs. Barnes (D)	$205,630,470

Source: Open Secrets

Fast forward to the 2022 midterm election in Wisconsin, a highly competitive showdown between incumbent Ron Johnson and former Wisconsin Lt. Gov. Mandela Barnes. Take note of the staggering amount of money spent in this contest, as shown in the chart above. The Johnson-Barnes election spending was far greater than the previous two statewide Senate elections combined.

The spending explosion in Wisconsin over the last few elections is incredible. And much of that spending explosion is driven by outside groups — typically "super PACs" associated with political party leaders and allied special interest groups. If Baldwin draws a top-tier GOP challenger in 2024, the 2022 spending record is likely to fall.

WISCONSIN AS A SWING STATE

Wikipedia describes a swing state like this: "In American politics, the term swing state (also known as a battleground state, toss-up state or purple state) refers to any state that could reasonably be won by either the Democratic or Republican candidate in a statewide election, most often referring to presidential elections, by a swing in votes."

Wisconsin has been a swing state in which voters waver between electing Democrats and Republicans since at least the mid-20th century. According to UW-Milwaukee history professor Jonathan Kasparek, "Republicans and Democrats began their intense competition in the state in the 1950s and 1960s, once the Democrats became a prominent force in presidential and gubernatorial elections."

Wisconsin Election Totals in Recent Presidential Races	
2000	Gore (D) 47.83% vs. Bush (R) 47.61%
2004	Kerry (D) 49.70% vs. Bush (R) 49.32%
2016	Trump (R) 47.22% vs. Clinton (D) 46.45%
2020	Biden (D) 49.45% vs. Trump (R) 48.82%
2024	To be determined

Source: Ballotopedia

Political prognosticators have placed Wisconsin on the 2024 list of eight states that will ultimately decide the outcome of next year's presidential election. As noted by Doug Sosnik, political consultant for NAR and a former political director for the Clinton Administration, "The strongest predictors of the 2024 outcome have now zeroed in on polling of likely voters in eight states that represent less than 20% of the U.S. population — Arizona, Georgia, Michigan, Nevada, New Hampshire, North Carolina, Pennsylvania and Wisconsin."

2024 REPUBLICAN NATIONAL CONVENTION IN MILWAUKEE

Another event that puts the political spotlight on Wisconsin is the 2024 Republican National Convention (RNC), which will be held July 15-18, 2024, in Milwaukee, and planners say the convention will bring 50,000 people to Milwaukee to nominate a ticket to take on the Democrats. Wisconsin's status as a premier swing state brought the Democratic National Convention (DNC) to Milwaukee in 2020, but the COVID-19 pandemic required the Democrats to move to a virtual convention that year. Back-to-back national conventions in Milwaukee are yet another example of just how important Wisconsin is to both sides of the political divide.

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- Users can download the entire library at once or download a single form in an unlocked PDF format.

MAXIMIZE YOUR MARKETING POTENTIAL

Your WRA membership has its perks. On top of legal services, conference discounts and more, the WRA partners with outside companies to add even more value to your membership. Case in point: The Paperless Agent Marketing Club.

The Paperless Agent offers resources and tools to give you an edge with your real estate marketing. As a WRA member, you can access The Paperless Agent's premium features at a discounted rate, including free webinars exclusively available just for
WRA members.

These free webinars take place twice a month and cover a variety of marketing-related topics to give you proven strategies and tactics to improve your marketing.

You'll find topics like lead generation, social media marketing, text messaging and more. Circle these dates for upcoming Paperless Agent webinars:

- September 14
- September 19
- October 5
- October 17
- November 2

Ready to join a free webinar? Visit the WRA's Paperless Agent webpage at **www.wra.org/paperlessagent** to learn more and to gain webinar access.

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

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

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Make your transactions paperless with Transactions (zipForm Edition).

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Discuss your real estate practice questions with a real estate attorney.

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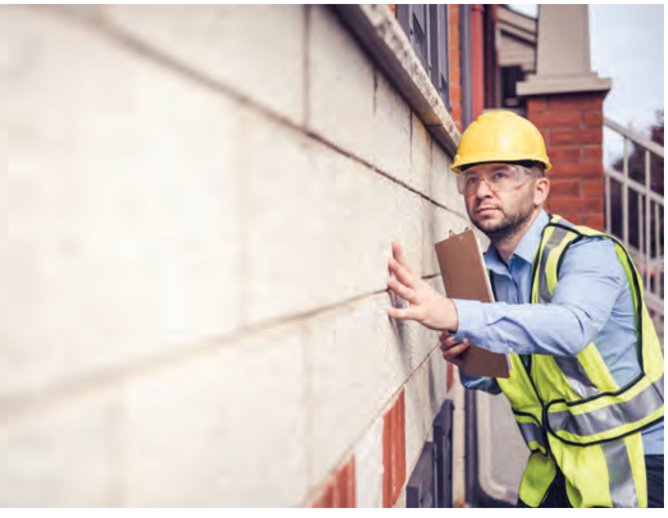
WRA ANNUAL CONVENTION

OCTOBER 1–3, WISCONSIN DELLS

Unleash your potential at the WRA Annual Convention — the biggest real estate conference in Wisconsin. With one month left to sign up, register now for a three-day adventure of training, networking and entertainment. Just like navigating sharp turns in the market, the convention equips you with the tools to fine-tune your business into a well-oiled machine. Don't let this opportunity zoom by — rev up your journey now!

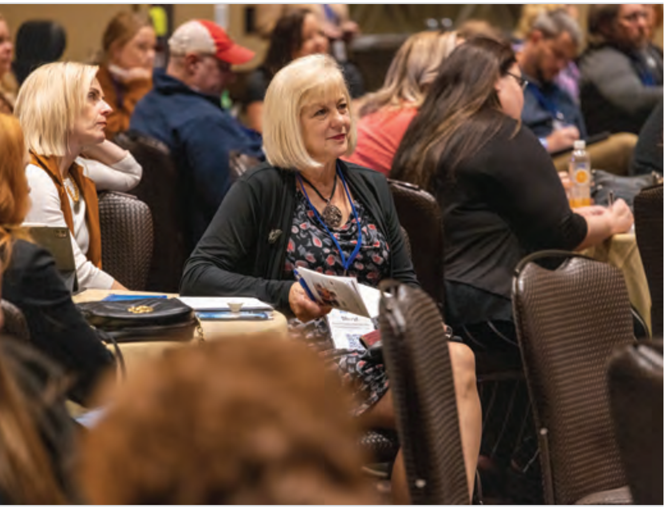
PANELS AND WORKSHOPS

Cruise past your competition with exclusive training only found here. Real estate experts from Wisconsin and beyond join forces to deliver some major torque. Throttle up your knowledge with nearly 40 workshops and panels on the convention agenda. You'll gain new business ideas with workshops covering ChatGPT, short-term rentals, social media marketing, real estate video and more. Plus, you can watch, listen and learn from expert panelists as they join forces to discuss real estate referrals, social media marketing strategies, commercial real estate and more.



HOME INSPECTION EDUCATION HOUSE

Experience a home inspection with the Wisconsin Association of Home Inspectors (WAHI)! An education staple for WAHI training, the Home Inspection Education House is now available for Wisconsin REALTORS®, and it's only at the 2023 WRA Annual Convention. In this first-of-a-kind convention training, join REALTORS® and inspectors at a local house in Wisconsin Dells to understand the inspection through an inspector's eyes. Transportation will be provided, but be sure to sign up for this special event early.

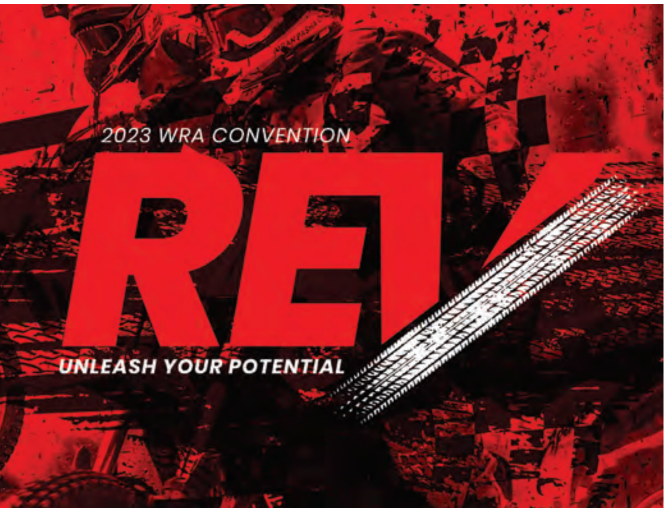


ONE-DAY TRAINING COURSES

Take a deep journey into specialized training with two one-day courses offered at the convention. Instructor Chandra Hall leads the Ninja Selling course to enhance your business productivity and work-life balance, while instructor Mark Given will help you strengthen your digital brand in the CRS course, “Mastering Relevant Consumer-focused Marketing.” Plus, these courses count as designation credit and CE credit.

2023-24 REAL ESTATE CE

It’s never too early to hit the road toward your end-of-biennium credits. You can earn up to four hours of credit for the 2023-24 real estate CE biennium at the convention. CE courses 1 through 4 are available in live format at the convention for just $9.50 per course!



UNLEASH YOUR POTENTIAL

Looking for opportunities beyond real estate training? Whether you want to connect with other REALTORS® or want some high-octane fun, the convention has it all. Join fun-filled parties, golf, a 5K run/walk, trivia night and more while boosting your horsepower and mingling with fellow real estate leaders and thinkers. This is your chance to unite for the ultimate Wisconsin REALTOR® convergence to accelerate your sales network and prepare for sharp turns in the real estate market.

HIT THE ROAD: WWW.WRA.ORG/THROTTLEUP

OFFERING	FORMAT	DETAILS & REGISTRATION
EVENTS		
Annual Convention: October 1-3, 2023	Wisconsin Dells	www.wra.org/ThrottleUp
PRE-LICENSE TRAINING		
SCHEDULED TRAINING		
Sales Pre-license Course: October 9-13, 16-18, 2023	Blended (On Demand and virtual)	www.wra.org/SPL
ONGOING TRAINING		
Broker Pre-license Course	On Demand	www.wra.org/BPL
Sales Pre-license Course	On Demand	www.wra.org/SPL
PROFESSIONAL DEVELOPMENT TRAINING		
SCHEDULED TRAINING		
SRES Designation Course: September 13-14, 2023	Virtual	www.wra.org/SRES
CRS Marketing Course: October 1, 2023	Live at the WRA Annual Convention in Wisconsin Dells	www.wra.org/ThrottleUp
Ninja Selling Course: October 1, 2023	Live at the WRA Annual Convention in Wisconsin Dells	www.wra.org/ThrottleUp
ABR Designation Course: October 24-25, 2023	Virtual	www.wra.org/ABR
ONGOING TRAINING		
GRI On Demand	On Demand	www.wra.org/GRI
Line by Line Forms Training	On Demand	www.wra.org/LinebyLine
Mini Course Series	On Demand	www.wra.org/Mini
Quick Start	On Demand	www.wra.org/QuickStart
WEBINARS AND FORUMS		
SCHEDULED TRAINING		
October 5, 2023	Virtual	www.wra.org/BLF
APPRAISER CONTINUING EDUCATION		
SCHEDULED TRAINING		
Land Valuation Course: September 6, 2023	Virtual	www.wra.org/2023AppraiserCE
Unacceptable Practices Course: September 18, 2023	Virtual	www.wra.org/2023AppraiserCE
Five Appraisal Mistakes Course: October 6, 2023	Virtual	www.wra.org/2023AppraiserCE
FHA Course: October 11-12, 2023	Virtual	www.wra.org/2023AppraiserCE
USPAP Update Course: October 30-31, 2023	Virtual	www.wra.org/2023AppraiserCE
REAL ESTATE CONTINUING EDUCATION		
SCHEDULED TRAINING		
Course 1: October 1, 2023	Live at the WRA Annual Convention in Wisconsin Dells	www.wra.org/ThrottleUp
Course 2: October 1, 2023	Live at the WRA Annual Convention in Wisconsin Dells	www.wra.org/ThrottleUp
Course 3: October 1, 2023	Live at the WRA Annual Convention in Wisconsin Dells	www.wra.org/ThrottleUp
Course 4: October 1, 2023	Live at the WRA Annual Convention in Wisconsin Dells	www.wra.org/ThrottleUp

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