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MAGAZINE
May 2021 Vol. 37, No. 8

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1 Corelogic mortgage recordings: Dane County 36 consecutive months as of December 2020.

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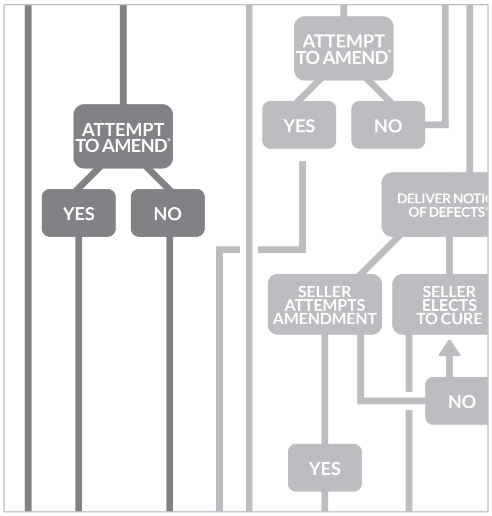

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BY **DAVE CLARK**
PROFESSOR OF ECONOMICS AT MARQUETTE UNIVERSITY
PRINCIPAL AT ECON ANALYTICS, LLC
WISCONSIN MONTHLY HOUSING REPORT

TIGHT INVENTORIES
Keep March Sales Flat and Drive Up Prices

Home sales flattened and median prices surged in March as inventories continued to shrink compared to last year, according to the monthly analysis of the existing home market. Home sales did establish a new record level for March, rising slightly, up 0.8%, above the previous record sales level established in March 2020. However, total listings of homes for sale fell 36.9% over the last 12 months, pushing median prices up 10.3% to $229,900 over that same period. A review of the market in the first quarter of 2021 shows home sales up 5.9% compared to the first quarter of 2020, and median prices up 11.2% to $218,000 over that same period. Once again, this set a new record for home sales in the first quarter of the year.

Read the full housing report: www.wra.org/HSRMar2021

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.

MARCH HOUSING

5,874
CLOSED SALES, MAR 2021
+0.8%
FROM MAR 2020

$229,900
MEDIAN PRICE, MAR 2021
+10.3%
FROM MAR 2020

ACTIVE LISTINGS BY PRICE

PRICE RANGE	NUMBER OF LISTINGS
$0-$124,999	2,539
$125,000-$199,999	3,918
$200,000-$349,999	5,589
$350,000-$499,999	2,749
$500,000 & higher	2,380

17,175
TOTAL STATEWIDE LISTINGS MAR 2021
-36.9% FROM MAR 2020

MEDIAN PRICES BY REGION

CENTRAL	$177,500
NORTH	$188,000
NORTHEAST	$200,550
SOUTH CENTRAL	$284,450
SOUTHEAST	$235,500
WEST	$219,900

AVERAGE DAYS ON MARKET
90 DAYS MAR 2021
COMPARED WITH
106 DAYS MAR 2020

MONTHS OF INVENTORY
2.3 MAR 2021
3.9 MAR 2020

HOUSING STATISTICS MONTHLY ACTIVITY

Statewide	March 2021	March 2020	% Change	YTD 2021	YTD 2020	% Change
New Listings	8,191	8,993	-8.9%	N/A	N/A	N/A
Total Listings	17,175	27,222	-36.9%	N/A	N/A	N/A
Closed Sales*	5,874	5,825	+0.8%	15,078	14,234	+5.9%
Median Sales Price	$229,900	$208,500	+10.3%	$218,000	$196,000	+11.2%
Months of Inventory	2.3	3.9	-41.0%	N/A	N/A	N/A
Avg. Days on Market	90	106	-15.1%	N/A	N/A	N/A
Affordability Index	201	212	-5.3%	N/A	N/A	N/A

	Median Price			Closed Sales		
Region	March 2021	March 2020	% Change	March 2021	March 2020	% Change
Central	$177,500	$149,900	+18.4%	356	333	+6.9%
North	$188,000	$155,000	+21.3%	539	451	+19.5%
Northeast	$200,550	$178,000	+12.7%	1,024	1,046	-2.1%
South Central	$284,450	$242,700	+17.2%	1,166	1,220	-4.4%
Southeast	$235,500	$229,000	+2.8%	2,272	2,257	+0.7%
West	$219,900	$200,000	+10.0%	517	518	-0.2%

*Report criteria: Reflecting data through March 2021. *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

Wisconsin Fairhaven Graduates

The WRA is committed to enhancing the fair housing knowledge of our members and bolstering their ability to promote fairness and stand out against real estate discrimination in all forms. In order to recognize WRA members who share the same commitment, the WRA created a new Wisconsin Fairhaven Graduate webpage last month during Fair Housing Month.

Fairhaven is the National Association of REALTORS®' interactive fair housing training platform that delivers powerful lessons to help promote equality in the housing market. During the training, students navigate real-life transaction simulations that confront challenging fair housing dilemmas, apply and assess their knowledge, and further their expertise by receiving valuable feedback.

Many WRA members and staff have completed their journey through Fairhaven and stand ready to combat discrimination whenever it appears in their real estate transactions. See the current list of Wisconsin Fairhaven Graduates on the new webpage at www.wra.org/Fairhaven.

REALTOR® & Government Day Recap

Last month on April 14, 2021, the WRA held its annual REALTOR® & Government Day (RGD) event, held virtually for the first time ever. And Wisconsin REALTORS® responded in record numbers: nearly 700 Wisconsin REALTORS®, the largest amount of RGD registrants ever, registered to participate in this critical event.

Event keynote speakers included WRA President & CEO Michael Theo, 2021 WRA Chair Mary Duff, REALTOR® and Wisconsin Rep. Jim Steineke, and Wisconsin Gov. Tony Evers. In addition to the keynotes, the WRA lobbying team outlined the WRA's four key legislative priorities for this year's event: workforce housing, property taxes, COVID-19 losses for landlords and broadband expansion. During virtual lawmaker visits, Wisconsin REALTORS® briefed more than 100 Wisconsin legislators on these four priorities.

Thank you to the hundreds of Wisconsin REALTORS® who came together to make a positive difference for Wisconsin real estate! Your support is greatly appreciated, and be sure to save the date for RGD next year: February 9, 2022.

Thank you to the event sponsor, Federal Home Loan Bank of Chicago.

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

The Rumor Mill Stops Here

13 things to know about the new home inspector law

The purchase of a home is typically the single largest investment a person makes. As a result, buyers purchasing a home want to understand the conditions relating to the home. Neither real estate licensees nor legal counsel are the experts when it comes to understanding the condition of the property. The expertise as to the condition of the property belongs to the home inspector.

For obvious reasons, there is a great deal of emphasis placed on the home inspector's report. But first, let us discuss the role of the home inspector and the content of the inspection report.

BEFORE THE NEW LEGISLATION

A few years ago, the WRA embarked on a path to help better align the terminology used in the real estate transaction by sellers as a "defect" in the Real Estate Condition Report (RECR) and by buyers and sellers as a defect in the offer to purchase, to the terminology used by the home inspector in the home inspection report. In this legislative endeavor, the WRA worked with the Wisconsin Association of Home Inspectors (WAHI) to modify the home inspector terminology used in the report. Before this legislation was passed, the home inspector statute used the phrase "material adverse fact." Therefore, as of July 1, 2018, when a home inspector called something a "defect" in the inspection report, the condition had to meet the definition contained in the home inspector statute of Wis. Stat. § 440.97(2m).

Further, this legislation provided that while the item had to meet the definition of defect in the home inspector statute if the home inspector called an item a defect in the report, the law did not require home inspectors to use the word defect. The WRA was cautiously optimistic this consistency change in terminology was going to resolve the constant complaint that the home inspector's failure to use the word defect in the report was creating serious challenges in the transaction. Thus, the WRA along with the WAHI knew there was a high probability that legislation may be needed in the future to address the overall issue of the use of the word defect in the report.

UNDER THE NEW LEGISLATION

Here we are in 2021, with new legislation to address the concerns of legislation past. To better assist you in understanding the new law created under 2021 Wis. Act 17, the following discussion outlines the top 13 things to know about the new legislation, including clarifications to a couple of frequently asked questions; we tried to hit them all. As of June 1, 2021, all home inspection reports will contain some of the same information, creating an expectation of consistency for all involved in the real estate transaction.

1. The legislation did not change the offer to purchase.

As defined on lines 445-447 of the WB-11 Residential Offer to Purchase, defect means a "condition that would have a significant adverse effect on the value of the Property; that would significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would significantly shorten or adversely affect the expected normal life of the premises."

2. Home inspectors were required to identify defects during the home inspection before the new legislation.

Home inspectors have been legally required to identify conditions that are defects during the home inspection, and this legislation does not modify that requirement. See Wis. Stat. § 440.975. Further, the law included a definition of defect in the home inspector statute.

3. This legislation DID NOT expand the home inspector definition of defect.

Defect means a condition of any component of an improvement that a home inspector determines, on the basis of the home inspector's judgment on the day of an inspection, would significantly impair the health or safety of future occupants of a property or that, if not repaired, removed or replaced, would significantly shorten or adversely affect the expected normal life of the component of the improvement. See Wis. Stat. § 440.97 (2m).

While the legislation modifies the definition of defect to clarify defects are conditions based on the inspector's judgment as of the day of the inspection, the legislation does not expand what the home inspector must identify as defects. The change was made to ensure home inspectors were not held to a standard that led consumers to believe a warranty was being made into the future condition of the property.

This new legislation does not change what is a defect to be identified by the home inspector. This bill simply requires a home inspector who identifies a defect during the inspection as currently required by law to label that item as a defect in the inspection report.

4. This legislation requires pre-registration education for new home inspectors.

Before the law change, current home inspectors did not have any pre-registration education requirements. However, for those who wish to become a Wisconsin-registered home inspector, they will now be required to complete 40 hours of education before taking the examinations.

5. This legislation DID NOT change the home inspection process

The home inspection is where a home inspector, who is registered in the state of Wisconsin by the Department of Safety and Professional Services, examines the readily accessible observable systems and components of improvements to residential properties. The home inspector's report is the written opinion of the home inspector regarding the condition of the property's improvements, mechanical and structural components of residential property that contains no more than four dwelling units.

Items that the home inspector may choose to report on but is not required to report on may surprise you. Wis. Admin. Code § SPS 131.33(2) does not require a home inspector to report on the following aspects of items:

a. Their life expectancy.

b. The reason for the necessity of a major repair.

c. The method of making any repair or correction, the materials needed for any repair or correction, or the cost of any repair or correction.

d. The suitability for any specialized use of an improvement to residential real property.

e. Whether they comply with applicable regulatory requirements.

And then of course there are the items that a home inspector may never report on, which include:

a. The market value or marketability of a property.

b. Whether a property should be purchased.

6. This legislation compels a home inspector to call a defect a defect.

Before the law change and after, home inspectors are required to identify conditions during the inspection that meet the statutory definition of defect. This new legislation requires the home inspector to label those items as defects in the report.

When the buyer makes their offer contingent on a home inspection, the offer is conditioned on a Wisconsin-registered home inspector performing a home inspection "which discloses no Defects." After the inspection, the buyer's home inspector must provide a written report to them.

Sellers and their legal counsel often claim the condition is not a defect because the home inspector did not use the word defect to describe the condition the buyer is citing as a defect per the offer to purchase terms. Without consistency, confusion and disputes will continue for consumers on both sides of the transaction.

7. This legislation requires the home inspection report to now include a summary page.

Typically, the home inspection report is lengthy and includes many details relating to the conditions of the property. This change allows buyers the opportunity to absorb a synopsis as to the inspector's overall observations of the property, while pointing the buyer to the place in the report detailing the inspector's observations.

In addition to having the home inspector label items as defects that meet the statutory definition of defect, every report as of June 1, 2021, will include a summary page. And per the new statutory language, every summary page will include at least all of the following:

- The property address.
- The home inspector's name.
- The date of the home inspection.
- The date the inspection report was received or prepared.
- The name(s) of the individual(s) who prepared the report.
- A list of conditions, labeled as defects, that are observed under par. (cm) to be defects, as defined in § 440.97 (2m).
- Other than items labeled as defects, a listing of components needing repairs, components needing further evaluation, items to monitor and maintenance items.
- References to the page, heading or item number in the detailed account for further information.
- Statements including:
  - NOTE: This summary page is provided for convenience and is not a substitute for reading the entire report and should not be relied upon as the complete list for the client's reference.
  - For the purposes of the report, defect, as defined in section 440.97 (2m), Wis. Stats., means a condition of any component of an improvement that a home inspector determines, on the basis of the home inspector's judgment on the day of an inspection, would significantly impair the health or safety of occupants of a property or that, if not repaired, removed or replaced, would significantly shorten or adversely affect the expected normal life of the component of the improvement.
  - The contract of sale may define defect to also include a condition that would have a significant adverse effect on the value of the property, but such a condition may not be labeled a defect in the report unless it meets the definition in section 440.97 (2m), Wis. Stats.
  - NOTE: A home inspector may not report on the market value or marketability of a property or whether a property should or should not be purchased.

Other than labeling items as defects when applicable, as well as the incorporation of the summary page and its minimum statutorily required language, there is not a uniform process by which the inspector must document the inspection. While Wisconsin real estate licensees who must use state-approved WB forms find this lack of consistency occasionally frustrating, home inspectors are not required to use a specific approved form. This legislation intentionally stayed away from being too prescriptive to allow home inspectors the ability to set themselves apart in their business models.

8. This legislation DOES NOT modify the responsibilities of home inspectors.

Under current law, home inspectors are required to identify conditions that meet the home inspector statutory definition of defect. This legislation does not change that. Therefore, home inspectors will continue to evaluate the property in the same manner.

9. This legislation DOES NOT increase the liability of home inspectors.

Home inspectors, before and after the law change, are required to identify conditions that meet the statutory definition of defect during the inspection. The mere fact a home inspector is now required to label those items defects does not increase liability.

Rather than referring to the condition in various ways, such as "major issues," "major concerns," "significant issues" and "potential safety and health issues," home inspectors will consistently be required to label those items identified during the inspection as a defect in the report.

Additionally, to address concerns voiced by home inspectors as to liability, Section 11 Nonstatutory Provisions of 2021 Wis. Act 17 state the legislature was not intending to modify home inspector liability by requiring the home inspector to use the term defect as defined in the statute.

Furthermore, during the last legislative session, the WAHI supported an amendment that removed the word "future" and inserted clarification that the condition identified as a defect is based on the home inspector's judgment on the day of the inspection.

10. The legislation DOES NOT change negotiation rights between buyers and sellers.

Neither the home inspector nor this legislation determines how the buyer and seller choose to negotiate the terms of the offer based on the inspection report. The buyer may receive the home inspection and still decide to do nothing, offer an amendment or provide a Notice of Defects. Again, nothing in this legislation changes how the parties choose to negotiate once the report is received.

11. This legislation DOES NOT guarantee agreement between buyers and sellers.

This legislation is not a cure-all. Buyers and sellers may still disagree as to what is or is not a defect even if the home inspector calls the item a defect in the report. Whether any item listed is actually a defect as defined in the offer is determined on a case-by-case basis. If the parties cannot agree whether an item is a defect as defined in the offer, then the parties should be directed to their respective attorneys for advice.

12. Will this legislation encourage home inspectors to identify conditions that are cheap to repair as defects and modify the parties' rights to negotiate?

Home inspectors are required to identify defects during the inspection. The cost to the repair item is irrelevant. Neither the home inspector nor this legislation determines how the buyer and seller choose to negotiate the terms of the offer based upon the inspection report.

13. What if this legislation results in home inspectors labeling everything as a defect?

Under this bill and current law today, a home inspector could list everything as a defect. If a home inspector decided to list every item in the report as a defect even though it did not meet the statutory definition, it could result in:

1) A complaint filed at the Department of Safety and Professional Services challenging the competency of the home inspector's practice.

2) The inspector being known as providing an inspection report having no benefit to the buyer since the buyer is hiring the home inspector to assist in discerning the condition of the property.

For additional information about inspections and this new law, see the WRA inspection resource webpage at www.wra.org/InspectionResources as well as the May 2021 ***Legal Update***, "Legislation Makes Requirements for Home Inspection Reports," at www.wra.org/LU2105.

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

While the legislation modifies the definition of defect to clarify defects are conditions based on the inspector's judgment as of the day of the inspection, the legislation does not expand what the home inspector must identify as defects.


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

The Home Inspection in a Competitive Market

Real estate agents across the state are trying to navigate a competitive market for residential properties. Listing agents and sellers are accustomed to receiving multiple offers on a property, and agents working with buyers are innovating various negotiation strategies to give their buyers an advantage over other buyers competing for the same property. The competition and negotiation strategies in a competitive market are leading buyers to negotiate the Inspection Contingency in new ways.

My buyer wants to submit an offer without the Inspection Contingency. What should I do?

Historically, including an Inspection Contingency in an offer to purchase a residential property was standard in most cases. Occasionally, agents would encounter a transaction where the buyer was purchasing an existing structure that the buyer was going to completely remodel or even raze and rebuild and, in those instances, the buyer would perhaps not include the Inspection Contingency. Offers without the Inspection Contingency were the exception, however, and not the rule. In the current market, some buyers are opting not to include the Inspection Contingency as a negotiation strategy to make the buyer's offer more attractive to a seller.

A buyer can ask the agent working with the buyer to draft an offer that does not include an Inspection Contingency. An agent in this situation should have a conversation with the buyer about what that choice means. Without an Inspection Contingency, the buyer is not authorized to have a home inspector conduct an inspection and is essentially agreeing to purchase the property in its current condition. This means items like potential issues with the roof, electrical system, foundation and structure that would be discoverable during a home inspection might go undiscovered until after closing when the buyer starts experiencing problems in the property. If a buyer is choosing not to include an Inspection Contingency, one item the agent may want to discuss with the buyer is that agents are not expected to have the knowledge of a third-party expert such as a home inspector; and as such, an agent's inspection of the property prior to or during a showing may not reveal those items that a home inspector would notice and note in the home inspection report. The agent will want to make clear that the agent's inspection of the property and subsequent disclosure of material adverse facts, if any, is not a substitute for the trained eye of a home inspector.

Another point of discussion between an agent and the buyer who is choosing to forego the Inspection Contingency is that the agent should educate the buyer about the option to include an Inspection Contingency in the offer and that the buyer affirmatively declined to include this contingency. An agent should follow any company policy that may be in place to address the situation, but it would be a good idea to document in writing this discussion with the buyer. Documentation could include an email to the buyer documenting


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that the agent has discussed the buyer's opportunity to include an Inspection Contingency in the offer, that the buyer is affirmatively declining to include the Inspection Contingency and perhaps a link to the WRA's home inspections resource webpage at www.wra.org/InspectionResources. There are many useful resources on this webpage, but of particular use when a buyer is considering not including an Inspection Contingency is the Home Inspection Handout for Homebuyers. This handout includes a useful list of what is required in a home inspection and what is optional in a home inspection and gives a buyer a general overview of how the Inspection Contingency works in the WB-11 Residential Offer to Purchase.

An agent working with a buyer who does not want to include an Inspection Contingency may also advise the buyer that some sellers may counter the buyer's offer to include an Inspection Contingency on the advice of the seller's attorney. The attorney may be advising the seller to counter a buyer's offer to include an Inspection Contingency to perhaps limit seller liability for conditions discovered after the transaction has closed. If the buyer had a home inspection and the home inspector did not discover a condition issue during the inspection that is discovered after the transaction has closed, and the buyer subsequently sues the seller, the seller may be able to argue that the buyer ought to be able to rely on the inspector's report and not the seller's assessment of the property as represented in a real estate condition report.

My buyer received a former buyer's home inspection report that was attached as an addendum to the seller's real estate condition report (RECR). Can the buyer rely on that report and not pay for another inspection?

A licensee may provide a copy of the first buyer's inspection report if it has been attached by the seller to the RECR or RECR amendment. If the seller has not attached the first buyer's inspection report to the RECR, then to guard against any possible confidentiality concerns, the conservative approach says the licensee would not unilaterally provide a second buyer with the first buyer's inspection report without consent of all parties to the first transaction.

If the second buyer is provided a copy of the first home inspection report, the new buyer should be advised that the first buyer's inspection report is given to provide information only. The statutes regulating home inspectors provide that the home inspector will not be liable to subsequent buyers for any errors or omissions contained in the first buyer's inspection report. The new buyer may be advised that the buyer should have a new home inspection performed if the buyer wants the home inspector to be liable to the buyer for any oversights.

My buyer wants to include an Inspection Contingency "for information only." What does that mean?

"For information only" may mean different things to different parties. If an agent is working with a buyer who wants to include an Inspection Contingency "for information only," a further discussion with the buyer may be necessary to assess what the buyer's goal is with this qualifier to the Inspection Contingency. Does "for information only" mean that the buyer does not intend to issue a Notice of Defects, regardless of what the home inspector finds? If that is the buyer's goal, rather than including an Inspection Contingency, the buyer might instead use the additional provisions to include language authorizing the buyer to have a home inspection conducted by a Wisconsin-registered home inspector by a certain date and that the inspection is for information only. The buyer might further include language that the seller's authorization for the "information only" home inspection does not constitute an Inspection Contingency.

The other side of this discussion is that when a buyer includes an offer contingent on a home inspection, some sellers have been countering the buyer's offer to include language that the Inspection Contingency is "for information only." If a seller is requesting that a listing agent draft such a counter-offer, the listing agent may want to have a further discussion with the seller to determine what the seller means by "information only." Does it mean that the seller will not further negotiate with the buyer based on what the home inspector discovers? Does it mean that the seller will not cure any defects discovered by the home inspector? Does it mean that the seller wants to eliminate the buyer's ability to issue a Notice of Defects post-inspection? Once the seller better articulates the seller's goal of specifying "information only," the listing agent may be able to better draft a counter-offer that more clearly captures the seller's goal. If an agent working with a buyer receives a counter-offer specifying that the buyer's Inspection Contingency is "for information only," the agent can discuss options with the buyer including countering the seller's counter to try to clarify what "for information only" means in this transaction.

My buyer wants to bring a home inspector to the showing. Is this allowed?

Currently, Wis. Admin. Code § REEB 24.13(2)(a) Drafting and Submission of Written Proposals provides, "Listing firms shall permit access to listed property for showing purposes, to all buyers and persons assisting or advising buyers, without unreasonable delay, unless the buyer's or other person's access is contrary to specific written instructions of the seller." A home inspector, a contractor or another person who attends a showing with a buyer is arguably a person who is "assisting or advising" a buyer and is therefore allowed to attend a showing with the buyer unless the seller has provided specific written instructions that contractors, home inspectors or others shall not be permitted to accompany the buyer on showings.

Bringing a home inspector on a showing to engage in a mini-inspection may seem like a timesaver from the buyer's perspective because it may reveal items that cause the buyer to move on to a different property or it may give the buyer the confidence to write an offer without an Inspection Contingency. If a buyer brings a home inspector to a showing and subsequently decides to draft an offer without an Inspection Contingency, the buyer is no more protected from issues discovered during the course of the transaction or after closing than any other buyer who drafted an offer without an Inspection Contingency.

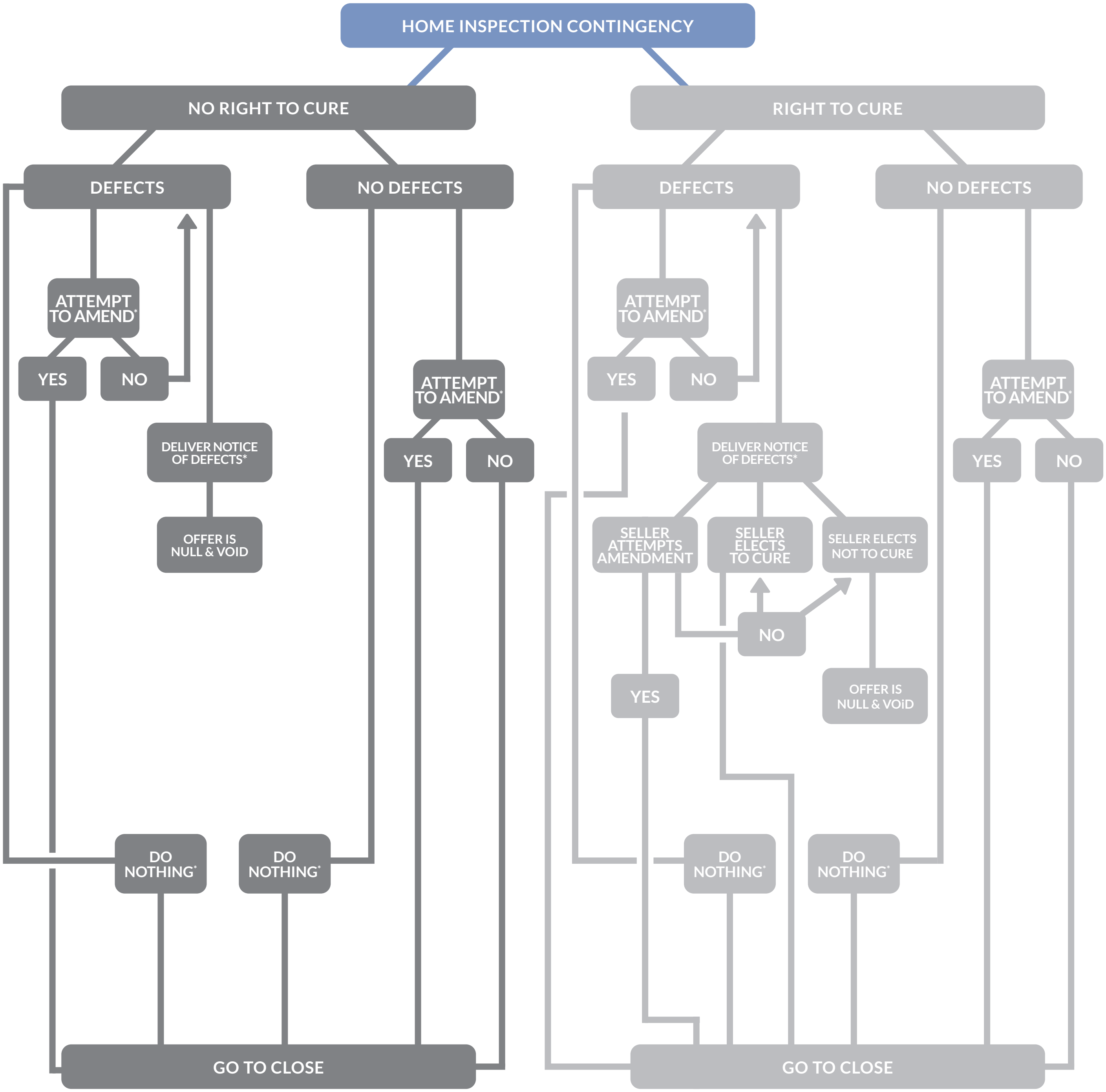
If a buyer brings a home inspector to a showing and subsequently writes an offer that does include an Inspection Contingency, the buyer has some other obstacles to address if the later home inspection reveals defects or other condition issues with the property. A key piece of the Inspection Contingency is that the buyer cannot object to defects the nature and extent of which the buyer had actual knowledge or written notice before drafting the offer. Lines 210-211 of the WB-11 Residential Offer to Purchase provide, "For the purposes of this contingency, Defects do not include structural, mechanical or other conditions the nature and extent of which Buyer had actual knowledge or written notice before signing this Offer." If a buyer takes a home inspector to a showing and the home inspector points out possible defects in the property or other condition issues with the property and the buyer ultimately writes an offer that includes an Inspection Contingency and objects to defects, the seller may be able to argue that some or all of the conditions the buyer is objecting to do not constitute defects because the buyer had actual knowledge of them prior to writing the offer. If the home inspector did not prepare any sort of written report after attending the showing with the buyer, it might be difficult for the seller to prove that the buyer had actual knowledge of the conditions prior to writing the offer. Difficult in no way means impossible, however. A seller with surveillance equipment on the property could easily record discussions between the buyer and a home inspector during a showing and with those recordings could establish that a buyer did have actual knowledge of some or all the defects the buyer is objecting to after completing a home inspection as a step in the Inspection Contingency.

The current market is competitive. There is no doubt about that. It is understandable that buyers are looking for ways to draft attractive offers by jettisoning contingencies, including the Inspection Contingency. Most contingencies are there to protect the buyer. Writing offers without an Inspection Contingency, including an inspection "for information only," or bringing a home inspector to a showing is not without risk to the buyer. And even though the market is driving buyers' desires to draft offers without contingencies, agents should continue to educate both buyers and sellers about these negotiation strategies and how they should be a part of the risk-benefit analysis for both parties in a transaction. If a buyer is instructing an agent to draft an offer without a contingency that offers some protection to the buyer, such as the Inspection Contingency, the agent must draft according to the instruction of the party, but the agent should document in writing the agent's efforts to educate the party about the benefit of including such a contingency and the potential risk if not including it.

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

HOME INSPECTION FLOWCHART

Determine which direction to take in your transaction.



*Deliver a copy of inspection report

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

The Best of the Legal Hotline:

Home Inspections: Back to the Basics

The following discussions from the WRA Legal Hotline address many of the basic elements of the Inspection Contingency, serving as a reminder to seasoned agents as well as a guide to new agents. In addition to the Inspection Contingency, this article also reviews radon testing.

Should the buyer include an Inspection Contingency?

This is not an easy "yes" or "no" answer. In fact, the question is worthy of an entire article to serve as an appropriate answer. You are invited to read "The Home Inspection in a Competitive Market," by Jennifer Lindsley on page 10.

When can the buyer have follow-up inspections?

After receiving a written report from an authorized inspection, the buyer reviews the report to determine if the inspector suggested or recommended follow-up inspections. If not, then no follow-up inspections are authorized, and an amendment would have to be agreed upon with the seller for additional access. When a follow up-inspection is recommended by the inspector, the buyer can conduct additional inspections as time allows.

Who pays for the buyer's follow-up inspections?

Per the Inspection Contingency, these inspections are at the buyer's expense.

Can the buyer have follow-up testing?

The follow-up inspection provisions of the offer to purchase are not an invitation to conduct testing! If a home inspector suggests testing — but no testing contingency is included in the offer — the buyer may ask the seller to amend the offer to include a testing contingency. The seller is not, however, required to agree and authorize tests after the acceptance of the offer.

Does the buyer have to give the seller copies of the inspection report(s) if there are no defects?

Yes. Per line 190 of the WB-11 Residential Offer to Purchase, the buyer is required to provide these copies to the seller:

> *"Buyer agrees to promptly provide copies of all inspection and testing reports to Seller."*

This obligation is independent of the decisions the buyer makes about the content of the report and whether the buyer will issue a Notice of Defects or attempt to renegotiate by amendment.

What is all the talk about nature and extent? The seller disclosed information in the real estate condition report (RECR) about cracks in the garage concrete floor. The buyer conducted the home inspection, and the inspector listed cracks as a defect in the written report. Can the buyer issue a Notice of Defects?

Whether or not the condition of the garage floor constitutes a defect and/or whether the condition was adequately disclosed in the RECR is not always easily determined. The Inspection Contingency states on lines 210-211 that "defects" do not include structural, mechanical or other conditions the nature and extent of which the buyer had actual knowledge of or written notice before signing the offer. In the event the inspection reports describe a condition beyond what the seller disclosed in the RECR, the buyer's notice may be an effective Notice of Defects. If, however, the seller's description in the RECR matches that of the inspector's report, the buyer cannot issue a Notice of Defects for the cracks. Legal counsel may need to be consulted to make that judgment.

When can the buyer kill the deal with a Notice of Defects?

When the Inspection Contingency in the offer to purchase is drafted with no seller right to cure, the buyer may make the offer null by following the terms of the contingency. If you break down the contingency to the component parts, the offer will become null and void when all the following occur:

- There was an Inspection Contingency in the offer.
- The Inspection Contingency did not include a seller right to cure.
- The inspection was conducted by a Wisconsin-registered home inspector.

- The inspector provided a written report.
- The written report listed defects.
- The defects are defects as defined in the offer.
- The defects do not include items the nature and extent of which the buyer was aware prior to the offer.
- The notice lists the defects to which the buyer objects.
- The buyer delivers the written inspection report.
- The buyer delivers these documents in a timely manner.
- The delivery of documents is by a delivery method authorized in the offer.

When all the above occur, the offer will become null and void. In addition to the inspection report and the Notice of Defects, the buyer will provide a cancellation agreement and mutual release (CAMR). When the seller signs and returns it, the CAMR serves as evidence of the parties' agreement to release all rights and interest in the transaction. If the seller does not agree to the CAMR, the question is which, if any, of the steps were not met. In the event the seller does not agree to the CAMR, the parties may need legal counsel to determine how to proceed.

After the inspection, should the buyer issue a notice or amendment?

This is the million-dollar question. The right answer is, educate the buyer on the implications of each and let the buyer decide! After considering alternatives as well as the buyer's objectives, the buyer must decide between a notice or amendment. It is the responsibility of the licensee to let the buyer know the potential outcomes when giving notice as well as the potential outcomes when giving an amendment. To help the buyer, consider using the home inspection flowchart on page 14. The broker can review the buyer's position in the flowchart to offer the buyer options, letting the buyer decide which path the buyer prefers to take.

The buyer had an inspection, the inspector identified a faulty insert for the fireplace and recommended a follow-up inspection of the fireplace, chimney and the flue. The buyer did not take the opportunity to have a follow-up inspection by an expert of the fireplace and chimney per the offer. Instead, the buyer provided an amendment requiring the seller to replace the insert. The seller agreed to the amendment, and the Inspection Contingency timeline lapsed. When the contractor arrived to replace the insert, she identified a crack in the flue and recommended the fireplace not be used until repaired. The quote to repair the crack in the flue was in excess of $6,000. The buyer is insisting the seller repair the flue. At this juncture, what is the buyer able to do?

In this situation, the buyer took a risk by not having a follow-up inspection as recommended by the home inspector in the written inspection report. Although buyers and sellers often agree to amend after the completion of the Inspection Contingency, the brokers must take care to assure the parties understand the implications of moving forward with an amendment. In this situation, the buyer's only contractual expectation is to have the insert replaced as described in the amendment. The fact an expert identified other issues outside the Inspection Contingency leaves the buyer with information but little room to negotiate resolution.

When drafting an amendment, the amendment should describe with detail what the seller is required to do as a condition of the amendment. Good drafting includes answering the who, what, when, where, how and what if not questions. Who will do the work, what work will be done, how it will be done, when is the deadline for the work, and what happens if it is not done according to the amendment.

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

Radon Testing

Offer or Addendum?

Let's talk radon for a minute. The radon testing contingency in the WB offer is optional. Likewise, local board or company addenda often contain optional radon or other testing contingencies.

The starting point here is to review the different contingencies with the buyer. When working with a buyer, it is important to read the specific addendum regarding testing and determine which meets the buyer's expectations. In some addenda, radon testing may be its own contingency, or radon may be included in a general testing contingency that invites the parties to list the tests to be performed. After review and understanding of how the contingencies work, the buyer chooses the preferred contingency. Remember, if the buyer prefers using an addendum testing contingency for radon, the WB contingency may be left blank or marked with "N/A."

Latest Legal Resources

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

LEGAL HOTTIPS

Search Q&As from the WRA Legal Hotline

Your WRA membership gives you access to the WRA Legal Hottips online library: a collection of discussions from the WRA Legal Hotline. The library dates back several years with hotline Q&As about disclosure, liability and much more related to Wisconsin real estate law. (WRA login required.) New hottips are published every week.

As always, if you're unable to find an answer to your real estate legal question, the WRA Legal Hotline is available with your membership!

Search the Q&As: **WRA.ORG/LEGALHOTTIPS**

WRA 360 SERIES

Episode 4: The Color of Wisconsin Property Law

Last month, the WRA met with keynote speaker and Madison-based attorney Brian Anderson for episode 4 of the WRA 360 video series. This dynamic, engaging and thought-provoking presentation analyzed some of the causes behind Wisconsin's housing segregation. Anderson discussed Wisconsin laws and practices, like redlining, restrictive neighborhood covenants and more, and their link to housing segregation in our neighborhoods and discrimination in our housing.

Watch: **WRA.ORG/WRA360/EPIODE4/WATCH**

FORMS UPDATE

Revised WB-12 Farm Offer to Purchase

The Real Estate Examining Board approved a new version of the WB-12 Farm Offer to Purchase with an optional use date of April 1, 2021, and a mandatory use date of May 1, 2021. The farm-specific provisions were revised to modernize the unique farm-related provisions.

Read: **WWW.WRA.ORG/FORMSUPDATE**

LEGAL UPDATES

April 2021: WB-12 Farm Offer to Purchase 2021

This *Legal Update* provides a section-by-section breakdown of the recently updated WB-12 Farm Offer to Purchase, focusing on those provisions that are uniquely about farm transactions.

Read: **WRA.ORG/LEGALUPDATES**

WRA LEGAL HOTLINE

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

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Online question submission: www.wra.org/legalhotline

Available Sundays
In addition to usual Monday-Friday hours, the hotline is also accessible on Sundays from 1:00 p.m. to 4:30 p.m. CDT

Learn more:
WWW.WRA.ORG/LEGALHOTLINE

Critical Homeowner Issues *Featured at REALTOR® & Government Day*

Over 600 members lobbied their legislators on four critically important issues at the virtual 2021 REALTOR® & Government Day last month. These four issues included:

1. **Workforce housing:** Support for financial incentives to increase the supply of workforce housing in Wisconsin.

2. **Broadband expansion:** Support for the expansion of broadband services throughout Wisconsin.

3. **Property taxes:** Oppose the proposed property tax increase in the 2021-23 state budget allowing local levy limits to be increased by a minimum of 2% annually.

4. **COVID-19 losses for landlords:** Support for making landlords whole for losses due to government-imposed responsibilities, including tenant municipal utility bills and the COVID-19 eviction moratorium.

STATUS

All four issues are being debated as part of the state budget process in the Wisconsin Legislature. Watch for more information about these issues and more in future editions of *Wisconsin Real Estate Magazine.*

RGD 21
REALTOR® & GOVERNMENT DAY

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

Midterm Blues

The President's Party Loses Seats in Midterm Elections

In the 2018 midterm elections in Wisconsin, Democrats ran the table in all statewide constitutional offices for the first time since 1982. Democrats defeated three incumbent Republicans — Gov. Scott Walker, Attorney General Brad Schimel and Lt. Gov. Rebecca Kleefisch — and won the open seat race for State Treasurer. U.S. Sen. Tammy Baldwin was also easily reelected to a second six-year term.

With the exception of the U.S. Senate race, the victorious statewide Democrats defeated their Republican opponents by very slim margins. But a win is certainly a win, and one of the primary reasons for Democrats' success was former President Donald Trump.

The 2018 election was President Trump's one and only midterm election, and history shows that the president's party loses seats at the federal, state and local level in midterm elections. 2018 was a very good election cycle for Democrats across the country and in Wisconsin. With the lone exception of Republican Sen. Ron Johnson, Democrats today hold all the other constitutional offices in Wisconsin.

Political scientists and election prognosticators generally agree that midterms serve as a referendum on the incumbent president and that president's record. Looking ahead to next year with history as a guide, what might the election landscape look like in the 2022 midterm elections with President Joe Biden now occupying the White House?

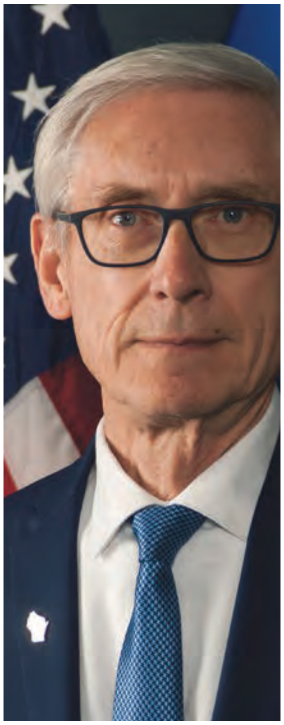
WISCONSIN 2022

The 2022 midterm elections in Wisconsin will include these statewide constitutional offices: Democrats Gov. Tony Evers, Lt. Gov. Mandela Barnes and Attorney General Josh Kaul. At the federal level, State Treasurer Sarah Godlewski has entered the race for U.S. Senate against GOP Sen. Ron Johnson. Sen. Johnson, however, has not decided if he will run for a third term in 2022.

If longtime historical midterm election results hold true, 2022 will likely not be a good election year for Democrats. President Biden and Democrats control all levers of power in Washington, and the political fallout from federal single-party control is typically bad to very bad for the party in power. The chart below illustrates the political damage midterm elections generate for the party of the president on both sides over the last 15 years. The four midterm elections — 2006, 2010, 2014 and 2018 — appear in **bold**.

Administration	Job Approval	Senate	House	Governors	State Legislators
Bush 2006	38%	**-6**	**-30**	**-6**	**-334**
Bush 2008	25%	-8	-21	-1	-89
Obama 2010	45%	**-6**	**-63**	**-6**	**-729**
Obama 2012	52%	+2	+8	-1	+168
Obama 2014	44%	**-9**	**-13**	**-3**	**-312**
Obama 2016	53%	+2	+6	-2	-13
Trump 2018	40%	**+2**	**-40**	**-6**	**-323**
Trump 2020	45%	-3	+13	+1	+141

Source: *New York Times*, National Conference of State Legislators



Governor
Tony Evers (D)

Senator
Ron Johnson (R)

Attorney General
Josh Kaul (D)

Lieutenant Governor
Mandela Barnes (D)

State Treasurer
Sarah Godlewski (D)

Here are additional historical facts to keep in mind as we look ahead to next year's midterm election.

Federal elections

According to the *Cook Political Report*, since the end of World War II, the party of the president has suffered an average loss of three U.S. Senate and 22 House seats in midterm elections. More specifically, first-term midterm elections — think 2022 — have cost their parties one Senate seat and 23 House seats. Democrats currently hold a narrow 218-212 majority in the House, and the Senate is split 50-50, so losing even a single seat will switch party control of the U.S. Senate. With their slim majorities in both houses of Congress, even a modestly bad election night next year could result in a GOP takeover of one or both chambers.

State elections

Looking back over the last 15 years, the number of midterm election seat losses in state elections has been significant. As you can see from the chart on the previous page, the party in power lost seats in gubernatorial and state legislative districts across the board in midterms. Voters have been voting against whoever is in power for the past 15 years.

Wisconsin governors

In a recent Smart Politics article, political scientist Dr. Eric Ostermeier wrote, "A Democrat in the White House spells trouble at the ballot box for the party's Wisconsin gubernatorial nominees — even incumbents." Ostermeier details the difficulty Democrats have in getting reelected when their party holds the White House: "A Smart Politics analysis of Wisconsin electoral data finds that Democrats have lost a staggering 32 of the last 33 elections for governor when a Democrat resides in the White House dating back to 1855." Ostermeier concluded, "the nationalization of politics and elections in recent years has created even greater challenges for gubernatorial nominees of a sitting president's party, particularly in purple states like Wisconsin." Coming on the heels of the bitter presidential election of 2020, it's hard to imagine that 2022 won't be another referendum on the incumbent president and his record.

Will history repeat?

Perhaps the past will not be prologue in 2022. It's conceivable that the COVID-19 pandemic and the current economic recovery could scramble all normal and historical political expectations for next year. However, with only a few exceptions, a sitting president and his party face very stiff headwinds in their first midterm election cycle. And these trends have survived very difficult times including wars, economic depressions and recessions, and political scandals. That's why both Democrats and Republicans know the words to "Midterm Blues."

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

2021 REALTOR® Advocacy

Thank you to the Wisconsin REALTORS® who advocate for homeowners and property owners

In the pages that follow, we recognize WRA members who support the WRA's advocacy efforts through major financial investments in the REALTORS® Political Action Committee (RPAC) and the Direct Giver program. These funds support candidates for public office who support REALTOR® issues and property owner rights. When combined with members who communicate regularly with their elected officials in Washington, D.C., Madison and local communities across the state, these contributors help create the regulatory environment within which our industry can thrive.

RPAC

REALTORS® POLITICAL ACTION COMMITTEE

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

There are several reasons to become a major investor; one of which is that in Wisconsin, real estate was deemed "essential" at the beginning of the COVID-19 pandemic in early 2020 when much of the state was shut down. Unlike many other workers in the state, real estate practitioners in Wisconsin were allowed to continue to conduct business, and in many cases, continued to thrive. This was the single biggest win of 2020 for real estate professionals and the industry.

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

"RPAC is essential to our advocacy efforts in Wisconsin. We must continue to support lawmakers who understand and appreciate the importance of a thriving housing market to the Wisconsin economy."

Rita Blenker, Century 21 Gold Key Realty Inc., Marshfield

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

Brad Lois
Bear Realty of Burlington Inc., Burlington

Tom Larson
Wisconsin REALTORS® Association, Madison

John Horning
Shorewest REALTORS®
Brookfield

Joe Horning
Shorewest REALTORS®
Brookfield

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

Brittany Voigt
Century 21 Ace Realty
Appleton

John Flor
Keller Williams Realty Diversified, Chetek

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.

RPAC major investors current as of April 19, 2021.

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

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Ogden & Company Inc. AMO
Milwaukee

Rose Bogosian
Gonnering Realty Inc.
Kenosha

Becky Merwin
The Rauland Agency Inc.
Walworth

Rita Blenker
Century 21 Gold Key Realty
Inc., Marshfield

Tom Keefe
Keefe Real Estate
Lake Geneva

Joe Murray
Wisconsin REALTORS®
Association, Madison

Chuck Olson
Coldwell Banker River Valley
REALTORS®, Onalaska

Bruce Kilmer
Coldwell Banker River Valley
REALTORS®, Onalaska

Cori Lamont
Wisconsin REALTORS®
Association, Madison

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

Roger Mater
RE/MAX Service First LLC
Madison

Mark Bourque
Berkshire Hathaway
HomeServices Epic Real Estate
Kenosha

Pete Wiese
American Edge Real Estate
Services, Inc., Menomonie

Michael Gniot
Shorewest REALTORS®
Kenosha

Jackie Kumm
Edina Realty Inc.
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Milwaukee

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Scott Welsh
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waukee

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LLC, Appleton

Greg Dallaire
Dallaire Realty
Green Bay

Stacey Hennessey
Century 21 Affiliated
Appleton

Dan Lee
First Weber Inc.
Madison

Dan Stacey
RE/MAX Results
La Crosse

Tracy Johnson
Commercial Association of
REALTORS® Wisconsin
Milwaukee

Kyle Broom
Badger Realty Team
Cottage Grove

Margaret Labus
@Properties
Lake Geneva

Casey Watters
Real Estate Solutions
Rice Lake

Joe Germain
Woods & Water Realty Inc.
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Gary Grolle
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Twin Lakes

Jack Drzewiecki
Acre Realty Ltd.
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Scott Revolinski
Founders 3 Real Estate
Services, Milwaukee

Ned Purtell
Founders 3 Real Estate
Services, Milwaukee

Robert Flood
Founders 3 Real Estate
Services, Milwaukee

RPAC major investors current as of April 19, 2021.

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


Andy Hess
Founders 3 Real Estate Services, Milwaukee


Tim Besaw
Besaw & Associates Realty Ltd., Green Bay


Dan Kruse
Century 21 Affiliated
Madison


Sharon Helwig
RE/MAX American Dream
The Real Estate Professionals LLC, Marshfield


Cora Frank
RE/MAX Affiliates
Menomonie


Stan Hill
Stark Company REALTORS®
Madison


S.R. Mills
Bear Realty Inc.
Kenosha


Steve Mills
Bear Realty Inc.
Kenosha


Anthony Nudo
Nudo Realty LLC
Kenosha


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Keefe Real Estate
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Kathy Martello
RE/MAX Realty 100
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Tom Didier
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Jeff Hoffman
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Adam Williquette
American Commercial Real Estate, West Bend


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Steve Anderson
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Tom Richie
Real Estate Solutions
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Don Timmerman
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Steve Beers
Keefe Real Estate
Lake Geneva


Pete Didier
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Cedarburg


Brian Stephan
RE/MAX Results
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Connie Erickson
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Tom Sykora
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Peter Sveum
Coldwell Banker Success
Stoughton


Bob Webster
Keefe Real Estate
Lake Geneva

Ozaukee REALTORS® Association
Cedarburg

Southshore MLS
Hudson

Western Wisconsin REALTORS® Association
Hudson

Lakes Area REALTORS® Association
Elkhorn

RPAC major investors current as of April 19, 2021.

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And ultimately upgrade your transactions!

Contract catastrophes or forms frustration bogging you down? If you're plagued by transaction derailments or closing delays, look to the Line by Line online video series for solutions. The video series provides in-depth forms analysis so you can enhance your understanding of your contracts. With Line by Line training, you'll ultimately draft your real estate forms with confidence and enjoy a smooth transaction!

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- WB-36 Buyer Agency/Tenant Representation Agreement
- WB-4 Residential Condominium Listing Contract
- WB-11 Residential Offer to Purchase (2020)
- WB-14 Condominium Offer to Purchase
- WB-28 Cooperative Agreement
- WB-3 Vacant Land Listing Contract
- WB-13 Vacant Land Offer to Purchase
- WB-5 Commercial Listing Contract
- WB-38 and WB-47 Buyer Agency/Tenant Forms
- WB-15 Commercial Offer to Purchase
- WB-37 Residential Listing Contract – Exclusive Right to Rent
- WB-24 Option to Purchase
- WB-2 Farm Listing Contract and WB-42 Amendment to Listing
- WB-12 Farm Offer to Purchase
- WB-6 Business Listing Contract – Exclusive Right to Sell
- WB-16 Offer to Purchase – Business with Real Estate Interest
- WB-17 Offer to Purchase – Business without Real Estate Interest
- WB-35 Simultaneous Exchange Agreement

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WRA
Wisconsin REALTORS Association

Love Letters Are for Romance, Not Real Estate

The housing market has seen tremendous activity over the last year despite the pandemic. Especially in hot markets with low inventory, buyers are competing with love letters. Unfortunately, this practice can increase the risk of an errors & omissions (E&O) claim for real estate professionals.

To entice and play on the emotions of a seller, buyers will write a love letter to describe why their offer should be chosen. Seemingly harmless, these letters expose real estate professionals and their clients to a higher risk of fair housing violations.

Consider if a potential buyer love letter included details of children running down the stairs on Christmas morning to open presents in their new home. This statement not only reveals the potential buyer's familial status, but it also reveals the family's religion, both of which are protected characteristics under the law. Using this information, knowingly or unconsciously, as a basis to accept or reject an offer violates the Fair Housing Act.

The National Association of REALTORS® (NAR) recommends these best practices related to buyer love letters*:

- Educate your clients about fair housing laws and the pitfalls of buyer love letters.
- Remind your clients their decision to accept or reject an offer should be based on objective criteria only.
- If your client insists on writing a buyer love letter, do not help your client draft or deliver it.
- Avoid reading any love letter drafted or received by your client.
- Document all offers received and the seller's objective reason for accepting or rejecting an offer.

In general, real estate professionals should be careful to recommend buyer love letters and should remind sellers to evaluate offers on their own merits.

Lisa Scoble is Vice President of Programs managing the Real Estate Errors and Omissions Program at Pearl Insurance. She can be reached at 309-679-0508 or via email at lisa.scoble@pearlinsurance.com.

DISCLAIMER: This article was produced in conjunction with AXA XL and is not to be taken as legal advice.

** Editor's note: Please note that not all information above is consistent with Wisconsin license law. Please consult the WRA "Dear Seller" resource webpage at www.wra.org/DearSeller for additional details as well as further resources about this topic.*

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Take your career to a new level

Thinking about climbing the real estate ladder? The WRA's online broker pre-license training course guides you through the information needed to pass the state broker exam. In addition to helping you prepare for the licensing exam, this online training provides you with an overview of real estate brokerage fundamentals, like consumer protection, business management, business ethics, financial management, office management and much more.

More information: **WWW.WRA.ORG/BPL**

BLENDED SALES PRE-LICENSE

Virtual course: July 12-16, 19-21, 2021
9:00 a.m. - 1:00 p.m. each day

Brokers: are you looking for new licensees for your team? Your recruits can gain the knowledge they need for a real estate career with the WRA's sales pre-license blended training.

This pre-license training format combines livestreamed instruction with online education. This course includes eight livestreamed training sessions in July as well as online course activities for a flexible and interactive education experience.

Register: **WWW.WRA.ORG/BLENDEDSPL**

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October 4-6, 2021 in Milwaukee
Live/virtual format

The WRA Annual Convention is taking place in Milwaukee this fall. Not near Milwaukee? No problem. With the new live/virtual convention format, you can choose your convention experience. It's your convention. Attend how you want!

In-person keynotes, parties and activities take place in Milwaukee while virtual components are available so you can join in the fun no matter where you are! Feel the inspiration from the keynote speaker, meet fellow REALTORS® or browse through real-time workshops, all from the comfort of home.

Watch for more details next month!

TRAINING PRODUCT	TRAINING FORMAT	DETAILS & REGISTRATION
PRE-LICENSE TRAINING		
ONGOING ONLINE TRAINING		
Appraisal Pre-license Course	On Demand	www.wra.org/APL
Broker Pre-license Course	On Demand	www.wra.org/BPL
Sales Pre-license Course	On Demand	www.wra.org/SPL
SCHEDULED TRAINING		
Sales Pre-exam Review Webinar: June 4, 2021	Virtual webinar	www.wra.org/SPLwebinar
Sales Pre-exam Review Webinar: July 9, 2021	Virtual webinar	www.wra.org/SPLwebinar
Sales Pre-license Course: July 12-16; 19-21, 2021	Blended	www.wra.org/SPLblended
PROFESSIONAL DEVELOPMENT		
ONGOING ONLINE TRAINING		
GRI On Demand	On Demand	www.wra.org/GRI
Line by Line Forms Training	Online Video Series	www.wra.org/LinebyLine
Quick Start	On Demand	www.wra.org/QuickStart
REAL ESTATE CONTINUING EDUCATION		
SCHEDULED TRAINING		
Course 2: May 18, 2021	Marinette	www.wra.org/MarinetteCE
Course 4: May 18, 2021	Marinette	www.wra.org/MarinetteCE
Course 1: June 9, 2021	Sheboygan	www.wra.org/SheboyganCE
Course 2: June 9, 2021	Sheboygan	www.wra.org/SheboyganCE

Check Out THE LATEST CONTENT

LEGAL UPDATE LIVE

Wisconsin real estate legal discussion

RECENT EPISODES

EP. 11: “Fair Housing and Fairhaven”

EP. 10: “Form Revisions on the Horizon”

EP. 9: “New Professional Standards and MLS Policy Changes”

EP. 8: “Landlords Beware”

EP. 7: “Cursory Overview of Changes to the WB-11 and WB-14”

Watch: www.wra.org/LegalUpdateLive

CAPITOL INSIGHTS

Real estate advocacy podcast

RECENT EPISODES

EP. 23: “Red Alert! The Need for Wisconsin Workforce Housing”

EP. 22: “Landlords: Help Is on the Way”

EP. 21: “WHEDA and the Workforce Housing Shortage”

EP. 20: “The Good, the Bad and the Drugly”

EP. 19: “Shoreland Zoning, Beached”

Listen: www.wra.org/CapitolInsights

WRA 360

New professional development series

Watch: www.wra.org/WRA360

HOUSING REPORT

Monthly analysis in Wisconsin housing

Watch: www.wra.org/HousingVideo

BY **KRISTI MIKALSEN**
VICE PRESIDENT, WRA BUSINESS SERVICES
EDUCATION

Credibility For Life

Elevate your definition of success

It's May, a time of year when spring sporting events are in full mode. Baseball, golf, horse racing, NASCAR — you name it, it's on TV, online and in the papers. As I watch these sporting events, I am intrigued by not only the longevity and evolution of these sports but by the athletes' commitment, confidence and desire to succeed.

Much like professional sports in our lives, the Graduate, REALTOR® Institute (GRI) designation has been a staple of the WRA organization since the designation launched in the late 1960s, and its participants exhibit many of the same qualities of commitment, confidence and desire to succeed.

Over the years, the GRI program has shifted from three 30-hour courses held annually to a combination of self-study education and classroom instruction held via Zoom. What was once completed in two to three years for the designation can now be completed within approximately one year. Participation since inception has remained steady with over 5,000 Wisconsin REALTORS® having achieved the designation.

Like sports, to excel in real estate requires commitment. Reaching peak performance involves hard work and dedication. GRI designees are committing to 60 hours of education beyond pre-license and the biennial continuing education. The 60-hour requirement is comprised of half On Demand and half live instruction. The On Demand portion of GRI is self-guided online instruction in the core education areas of market knowledge; business skills; systems and tools; avoiding setbacks, fines and lawsuits; safety and professionalism. The live instruction can be any combination of live designation or certification classes held by the WRA. Not only does this allow agents an opportunity to grow in areas of interest such as resort and second home properties, buyer agency, green properties or working with seniors, but it demonstrates expertise in specific real estate matters to clients as well.

Confidence, likewise, is an essential characteristic in real estate. Being nervous at the plate with bases loaded or growing weak in the knees when faced with a long-winning putt will likely negatively impact a successful outcome in sports. The same can be true in real estate. Your ability to handle stressful situations is crucial to easing client nerves and producing a positive outcome. The new skills gained by taking the GRI will provide a solid foundation to increase confidence needed to face many transaction challenges.

But probably the biggest differentiator between the average player and top performer is the desire to succeed. While working as a team is important, setting yourself apart from the competition is equally important. The GRI designation allows an agent to stand out from the competition. It shows clients a commitment to the profession and a desire to fulfill their needs.

So if you haven't already joined the thousands with the GRI designation, now's the time to step up your game. Clients will see your commitment to expertise in the field and will feel confident in your abilities and your desire to help them succeed.

Kristi Mikalsen is Vice President of Business Services for the WRA.