

ANNETTE C. REYNOLDS

Listening Session Comments

I have been a real estate agent for 10 years, as my 3rd or 4th career. I am an "average" producer with 5-12 transactions per year and am now working in my 2nd brokerage – Keller Williams Chestnut Hill located in Newton, MA.

In an industry where there are thousands of practitioners, there is a wide array of capabilities among them. The barrier to entry to become a licensed real estate agent is very low – take a 30 hour course and pass a test. Sign up with a brokerage and a person has a real estate business as an independent contractor. There is an assumption that the brokerage will provide the necessary education to enable an agent to provide good, legal and ethical service to the public.

Recently the Inman Corporation prepared a special report entitled *Why and How Real Estate Needs to Clean House*. The number one Challenge mentioned was "Low-quality agents." The number 3 answer was "A broken overall consumer real estate experience." The other challenges dealt with industry portals such as Zillow and Trulia, technology challenges, and challenges with associations – issues beyond the scope of the Board of Registration.

The report also presented 11 proposals for weeding out shoddy real estate agents:

1. Increase Realtor association dues
- 2. Raise Realtor education requirements**
- 3. Increase real estate license fees**
- 4. Require real estate agents to demonstrate productivity**
5. Require real estate agents or Realtors to graduate college
6. Make it harder to qualify for a real estate license
- 7. Require agents to apprentice under a broker**
8. Beef up regulators' real estate complaint process
9. Beef up Realtor ethics complaint process
10. Make it easy to find out if an agent has committed infractions
11. Educate consumers on how to choose a real estate agent

Again, some of the suggestions are beyond the purview of the Board. However, I have highlighted proposals I believe that will help our industry in Massachusetts a tremendous amount.

Upon completing the licensing course and passing the test, an agent has a basic knowledge of the laws underpinning our industry. They have little knowledge about how to be an effective real estate agent. I suggest the following changes to the licensing process for real estate agents:

- I. Set up a two-tiered license system (similar to that of appraisers where new people to the profession enter as a Trainee Appraiser) where a trainee real estate agent is required to work under the supervision of a Licensed Real Estate Agent for a specified number of closed sales transactions (suggestion of 5-8). Once the trainee has achieved these transactions, the supervisory Licensed Agent would submit documentation for each transaction (perhaps MLS listing or HUD Settlement Statement) and an affidavit that s/he supervised the trainee with these transactions. It is tempting to require the Broker to fulfill this role, but this would create an unreasonable burden on the Brokers, especially those with large numbers of agents associated with them. Also, having a classification of trainee real estate agent would advise the public of an agent's experience status.
- II. Require more Continuing Education hours for license renewal. Currently agents are required 12 CEU's within the 2 years between license renewals. This breaks out to an average of 3 courses (2 hours each) every year. This could easily be doubled without creating an undue burden on agents.
- III. Increase fees for license renewal. The current fee is very low, especially compared to costs of National Association of Realtor membership and other costs of running a real estate business such as Multiple Listing Service subscription.

I do not recommend requiring additional academic educational requirements such as a college degree. A career in real estate sales is one field that a high school graduate can begin and be very successful at. The courses taught in college do not necessarily increase the skill level of a real estate agent.

The changes I suggest are in line with licensing requirements of other consumer-facing industries and should be able to be implemented relatively easily. There is always a resistance to change, and even though there will be push-back about the additional classification of "trainee-agent" and the increased paperwork necessary to become a full-fledged real estate agent, the benefits to the industry and consumer make it very worthwhile.

Respectfully submitted,

Annette C. Reynolds