

# National Association of Realtors: 'Marginal Agents Threaten Industry'

Have you noticed that some people have a low regard for real estate agents? I have been criticized in the past by fellow Realtors for suggesting that

## REAL ESTATE TODAY



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some agents are not providing what I consider to be good service or who misrepresent their level of production. The Realtor Code of Ethics makes it a violation to speak ill of another Realtor. I never do that, but I **am** guilty of criticizing poor service by **unnamed** agents, whether Realtor or non-Realtor. (A "Realtor" is a member of the National Association of Realtors, but only half of agents nationwide are members of NAR, unwilling or perhaps unable to pay \$500 in annual Realtor dues.)

As a champion of full-service real estate practice, you can imagine my pleasure when I read that the National Association of Realtors has declared "marginal agents" to be the biggest threat to our industry. Here are some excerpts from NAR's "DANGER Report":

*"The No. 1 threat to real estate professionals is other agents... The threat falls ahead of other pressing issues such as declining commissions, dwindling relevance, or a repeat [of the] housing crisis...."*

*"The real estate industry is saddled with a large number of part-time, untrained, unethical and/or incompetent agents. This knowledge gap threatens the credibility of the industry."*

*"The knowledge and competency gap from the most to the least is very large, due to the low barriers to entry, low continuing education requirements, and the lure of quickly making big dollars. For decades the industry has held the opinion that it's a profession, however the reality is that those outside the industry don't hold the same opinion."*

*"The delta between great real estate service and poor real estate service has simply become too large, due to the unacceptably low entry requirements to become a real estate agent. Professional, hardworking agents increasingly understand that the "not so good" agents are bringing the entire industry down."*

### Open House:

My foothills listing at 25462 Westridge Road will be open this Saturday, 1-4 p.m. Take a video tour at [www.BlueMountainHome.info](http://www.BlueMountainHome.info).

*"There are too many real estate agents that are simply not qualified to the level they should be. Furthermore, there are no meaningful educational initiatives on the table to raise the national bar for real estate agents across the board. And while this lack of agent knowledge is a significant danger in itself, when combined with a lack of basic competency it could be destructive and harmful to both the industry and the consumer."*

It should be noted that nowhere does NAR's report distinguish between Realtors (NAR members) and non-Realtors. While it would have been fair to say that non-Realtors outnumber Realtors in the field of "marginal agents," NAR did demonstrate last November its concern with competence among its Realtor membership when its Board of Directors proposed to create a "Code of Excellence" program to complement its century-old Code of Ethics. The proposal included a biennial Code of Excellence education requirement and continual updating of the training. It also proposed to "develop an industry standard that would allow consumers to evaluate

Realtors fairly and accurately."

That was last November. Unfortunately, a web search provided no evidence that such a Code of Excellence has in fact been created by NAR. Regarding the second proposal, it seems that every attempt to create a means for consumers to compare and contrast Realtors has been beaten back by the membership, most of whom are reluctant to be compared to their fellow Realtors. That leaves outsiders like Zillow and my favorite agent rating website, [www.RatedAgent.com](http://www.RatedAgent.com), to satisfy that need.

What can you do to make sure your agent is not "marginal"? 1) Make sure he/she is a Realtor. Ask to see the agent's NAR membership card. 2) Ask for a current listing and search for it online to see how well it is marketed compared to other listings. 3) Look for reviews on Zillow, RatedAgent.com or Yelp. 4) Does the agent make himself available 7 days a week and publish his cell number? 5) Is the agent a member of the Denver MLS? (I see too many Jeffco listings by agents who aren't.)

## Legal Marijuana's Effect on the Real Estate Market

It's time to recognize that legalized marijuana has had an effect on the metro area's real estate market. Although our agents haven't encountered many out-of-state buyers who are moving here because of legalization, we do see an impact on the overall real estate market. There's probably more impact in Denver, where recreational marijuana shops are growing like... weeds.

The biggest impact seems to be in the non-residential market. Long vacant warehouse space is being snapped up by growers, since the cultivation of marijuana is definitely an indoor affair. The surge in grow operations has also been a boon for HVAC, plumbing and electrical contractors, according to a June 4th CNN Money report.

My guess (since documentation is hard to come by) is that the influx of new residents from other

states is impacting the rental market more than the for-sale market — for now. Later on, I expect many of those renters will want to become homeowners.

I also surmise that most of the new residents are moving here to work in the marijuana industry, not merely to consume legal marijuana. Given how easy it is to obtain marijuana in states where it is illegal, I don't think anyone would move here to buy it legally.

I also agree with Gov. Hickenlooper's assessment that legalization has not led to Coloradans taking up marijuana who weren't already users. Rather, it has diverted existing users into legal channels.

At this point, I'd have to conclude that legalized marijuana has stimulated our economy, and the real estate market is sharing in the effects of it.



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