

Commercial Advisory Council Leadership



June 27, 2008

Dear David,

Over the past 18 months the Commercial Alliance/VAR leaders have developed a white paper on the need for a separate real estate license or a certification process for real estate licensees who practice commercial real estate.

The study makes a compelling case that a higher level of expertise and training is warranted in order to practice commercial real estate. While one option would be to implement a separate license structure for commercial agents, it is recognized that an effective certification process would satisfy this need.

The recommendation is that VAR require additional education and/or accreditation for any Virginia licensee who performs Commercial Real Estate transactions. Included in this recommendation is the "grandfathering" of licensees who have demonstrated experience in commercial real estate.

The Commercial Alliance/VAR recognizes the process for gaining approval from VAR and has begun that work.

The attached is a similar letter being sent to commercial practitioners in the Commonwealth. We ask the support of your association and members.

Sincerely,

Commercial Alliance for VAR

Attachment

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June 27, 2008

Dear _____

Over the past 18 months the Commercial Alliance/VAR leaders have developed a white paper addressing the need for a separate real estate license or a certification process for real estate licensees who are commercial practitioners.

The study makes a compelling case that a higher level of expertise and training is warranted in order to practice commercial real estate, two entirely different fields of expertise and skill sets to assure competency.

While the first choice of commercial brokers' would be to implement a separate license structure for commercial agents, it is recognized that an effective certification process could satisfy this need, and would not discourage general licensees to pursue activity in the commercial field.

The recommendation to VAR is that VAR explore the idea of requiring an additional number of hours of one-time training for any Virginia licensee who does commercial RE (defined at this point as anything beyond single-family 1-4 units). Further, continuing education requirements would be focused in the commercial field. They are envisioning obvious grandfathering of licensees who practice solely in the commercial field or may also practice in both the residential and commercial environments. This recognition may be in the form of demonstrated commercial transactions of a specified number or having earned certain commercial designations.

You are encouraged to brief your commercial counterparts and other local members and associations in an effort to build consensus behind this initiative, and then be prepared to present a draft proposal to Public Policy Advocacy Groups.

The Commercial Alliance/VAR understands and acknowledges a more reasonable and acceptable posture of advocating a certification process for commercial real estate specialists. There are already subtle initiatives and processes in place which recognizes the differences and promotes the commercial field, right down to the VAR Bylaws Section IV "membership" and the provision of Institute Affiliate Members (i.e. CCIM SIOR) who are considered members of VAR.

One specific question that may surface is, if "agents" were to be certified, would their "broker" also have to be certified? In response, the broker is the responsible party and should provide the proper direction and control, knowing how the different transactions are handled. Without complete understanding and control there would be increased exposure and a risk of liability.

The Commercial Alliance/VAR is asking you to approach your local association and/or commercial organization and ask for their support. A sample paragraph is shown below that may be used for any board support or statement of policy.

"The _____ Association of Realtors will advocate and enhance the professionalism, integrity, and competency of the membership, promote the Code of Ethics, and work to safeguard private property rights by supporting the commercial certification initiative presently considered within the VAR organization".

Sincerely,

Commercial Alliance for VAR

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