

Instructor Manual
Texas Principles of Real Estate I (18th Ed)

COURSE DESCRIPTION

PURPOSE OF THE COURSE

This course is for individuals studying to become real estate professionals. As a core real estate course, it equips students with the information they need to pass their exam, get licensed, achieve success as a salesperson, and to serve their clients and customers in a way that is fair, ethical, lawful, and respectful. The concepts learned in this course serve as the foundation for more specialized topics in future courses and can be applied in actual real estate practice.

RELEVANCE OF THE COURSE

This course introduces real estate as a profession and covers real property, home ownership, brokerage/agency, fair housing and ethical practices, the Texas Real Estate License Act, legal descriptions, real estate contracts, interests in real estate, forms of ownership, and listing agreements. This course has inclusivity when viewing the requirements under the Texas Occupations Code 1101.003.

COURSE CONTENT SUMMARY

Principles I provides the basic knowledge of real estate laws, practices, and terminology is essential for anyone desiring to enter the field. This course covers all the topics required by the Texas Real Estate License Act to be included in a principles core course, with both national and state-specific content, and it illustrates the real-life applications of the concepts learned. Specifically, this course introduces students to real estate as an industry and as a profession and it examines the nature and characteristics of real estate; distinctions between real and personal property; physical and economic characteristics of real estate; the influence of supply and demand on real estate; the types of housing available and things to consider in the purchase of real estate, including tax benefits and insurance; legal relationships between buyers, sellers, and real estate professionals; a real estate professional's role in fair housing; provisions of the Texas Real Estate License Act; interests in real estate and how they affect ownership and use; forms of real estate ownership available to individuals and business entities; how land is identified and measured; the forms of legal description used in the United States; liens and how they affect homeowners; legal principles governing contracts; and contracts used in real estate; This course also discusses the types of listing agreements, as well as factors a broker or salesperson must consider when "taking a listing," allowing them to make decisions that respectful of the needs/wants of clients/customers.

LEARNING OBJECTIVES

Unit 1: Introduction to Modern Real Estate Practice

When you have completed this unit, you will be able to

- 1.1 identify the various careers available in real estate and the professional organizations that support them
- 1.2 describe the five uses of real property
- 1.3 list the seven sources of real estate law and give an example of each
- 1.4 describe the physical and economic characteristics of real estate
- 1.5 explain the operation of supply and demand in the real estate market
- 1.6 identify the economic, political, and social factors that influence supply and demand and the real estate cycle

Unit 2: Real Property

When you have completed this unit, you will be able to

- 2.1 distinguish among the concepts of land, real estate, and real property
- 2.2 explain the rights that convey with ownership of real property
- 2.3 identify the characteristics of fixtures and trade fixtures, including the legal tests of a fixture

Unit 3: Concepts and Responsibilities of Home Ownership

When you have completed this unit, you will be able to

- 3.1 identify the various types of housing choices available to homebuyers
- 3.2 discuss the primary considerations for determining housing affordability
- 3.3 explain the tax benefits of home ownership
- 3.4 distinguish the various types of homeowners insurance policies and relate them to property-damage claims
- 3.5 describe the requirement for and the coverage provided by a flood insurance policy

Unit 4: Real Estate Brokerage and Law of Agency

When you have completed this unit, you will be able to

- 4.1 explain the types of agencies and the processes by which agency can be created and terminated
- 4.2 describe an agent's duties to a principal, a principal's duties to an agent, and an agent's duties to customers, as well as a broker's duties related to minimum service standards

- 4.3 identify the broker's role in the disclosure of agency relationships and the types of agencies and the types of agency relationships and agency responsibilities created by Texas statute
- 4.4 distinguish employees from independent contractors and explain why the distinction is important
- 4.5 list the requirements for broker compensation and some common situations in which a broker would or would not be entitled to a commission
- 4.6 describe the various types of antitrust violations common in the real estate industry
- 4.7 explain the provisions of the Texas Deceptive Trade Practices Act—Consumer Protection Act (DTPA) and its applicability to actions of real estate agents

Unit 5: Fair Housing Laws

When you have completed this unit, you will be able to

- 5.1 describe the historical development of fair housing laws
- 5.2 identify the classes of people who are protected against discrimination in housing by various federal laws
- 5.3 explain how fair housing laws address a variety of discriminatory practices
- 5.4 identify the exemptions allowed in the Fair Housing Act
- 5.5 list at least three examples of housing discrimination that HUD has addressed in regulations
- 5.6 explain how complaints against discriminatory practices are enforced in Texas
- 5.7 distinguish the protections offered by the Fair Housing Act and subsequent amendments, the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act, and the Community Reinvestment Act
- 5.8 discuss the Fair Housing Act's prohibition of discriminatory advertising

Unit 6: Ethics of Practice as a License Holder

When you have completed this unit, you will be able to

- 6.1 describe the requirements of the Canons of Professional Ethics of the Texas Real Estate Commission

Unit 7: Texas Real Estate License Act

When you have completed this unit, you will be able to

- 7.1 identify the purpose of licensing laws, the activities that require a license, the situations that may not require a license, and the types of license categories
- 7.2 describe the membership and the scope of authority of the Texas Real Estate Commission (TREC) and the Texas Real Estate Broker-Lawyer Committee
- 7.3 distinguish the general and education requirements for real estate broker and sales agent licensing and the procedures for receiving or renewing an active or an inactive license
- 7.4 explain the purpose and operation of the real estate recovery trust account

- 7.5 identify the reasons for which a license may be suspended or revoked, the manner in which the Commission may investigate a license holder, and the disciplinary actions available to TREC

Unit 8: Legal Descriptions

When you have completed this unit, you will be able to

- 8.1 identify the three methods used to describe real estate
8.2 explain how to read a metes-and-bounds survey description, how to divide a section of land, and how to calculate the acreage in a tract of land
8.3 describe how a survey is prepared and how a datum and a benchmark relate to that process
8.4 distinguish the various units of land measurement

Unit 9: Real Estate Contracts

When you have completed this unit, you will be able to

- 9.1 distinguish among express and implied contracts; bilateral and unilateral contracts; executed and executory contracts; and valid, void, voidable, and unenforceable contracts
9.2 identify the requirements for a valid contract and the statute of limitations for contract 9.3 enforcement
9.4 explain how contracts may be discharged and the remedies available to a nondefaulting party
9.5 describe the differences between promulgated and approved forms and the requirements for their use
9.6 discuss the provisions of the Texas-promulgated contract, a broker's avoiding the unauthorized practice of law, and the computation of time
9.7 identify the purpose and procedures for a buyer's getting a property condition inspection
9.8 distinguish between the option contract and a contract for deed, including the characteristics of each

Unit 10: Interest in Real Estate

When you have completed this unit, you will be able to

- 10.1 identify the limitations on ownership rights that are imposed by government action
10.2 describe the various estates in land and the rights and limitations they convey
10.3 list the nine lien rights that are foreclosable against Texas homesteads
10.4 explain concepts related to encumbrances, including the creation and termination of easements
10.5 distinguish among the surface and groundwater rights in Texas
10.6 distinguish between specific and general liens, voluntary and involuntary liens, statutory and equitable liens and give examples of each

- 10.7 describe the key components in each of the four phases of the annual tax levy process, as well as the steps for levying special assessments
- 10.8 identify the process through which real estate taxes become delinquent and/or become a lien, the enforcement options, and the equitable and statutory rights of redemption
- 10.9 explain the various types of liens other than taxes and how they are prioritized to satisfy unpaid debts

Unit 11: How Home Ownership is Held

When you have completed this unit, you will be able to

- 11.1 explain the four basic forms of co-ownership and how each is created and terminated
- 11.2 describe the ways in which various business organizations may own property
- 11.3 state the common business entities through which real estate brokerages are organized and the filing requirements and License Act/TREC Rules by which they are governed
- 11.4 distinguish among cooperative ownership, condominium ownership, and time-share ownership

Unit 12: Listing Agreement (REPI)

When you have completed this unit, you will be able to

- 12.1 distinguish the different types of listing agreements and their terms
- 12.2 explain the listing process, the parts of the listing agreement, and the ways in which a listing may be terminated
- 12.3 describe the required property disclosures, the circumstances under which each one must be given to the buyer, and the ramifications to the seller or the real estate agent for nondisclosure
- 12.4 identify the limitations on an agent's placing cold calls or sending fax and email advertisements to market real estate

EVALUATION TECHNIQUES

Students have access to instructor for support if they encounter problems during their study.

Each unit has a multiple-choice exam, which provides a post-assessment at regular intervals throughout the course. Upon completion of the exam, the student is provided with his or her score and has the ability to review the questions and read a rationale that further explains why the correct answer is correct.

In addition, there are three scenario exercises that require the student to read a scenario and then apply the knowledge they have gained in the course to answer five or more application questions based on the scenario.

OUTLINE OF THE SUBJECT MATTER*

PRE-COURSE ANNOUNCEMENT:

- Restroom location.
- Video recording prohibited.
- Building access information: Student cannot go out the glass doors of the second floor, due to not being able to come back in. Must always use first floor security entrance.
- Cafeteria: Hand out the menu.
- Noise level/Police presence

ATTENDANCE VERIFICATION:

Registration Roster

BREAKS:

10 Minutes every hour

30 Minutes lunch (Fasttrack and weekend schedules)

COURSE PARTICIPANTS HANDOUTS: In some cases, where we ask students to practice filling out forms and complete calculations, we will provide blank forms to fill out, as well as completed forms to check their answers.

Unit 1: Introduction to Modern Real Estate Practice

Overview

Real Estate—A Business of Many Specializations

Real Estate Law

Professional Associations

Characteristics of Real Estate

Real Estate—The Business of Value

Factors Affecting Supply

Factors Affecting Demand

Cycles

Summary

Unit Exam (post-assessment)

Time: 200 minutes

Instructional Strategies: Lecture, Audio-Visual Equipment

Unit 2: Real Property

Overview

Land, Real Estate, and Real Property

Real Property vs. Personal Property

Summary

Unit Exam (post-assessment)

Time: 60 minutes

Instructional Strategies: Audio-Visual Equipment

Unit 3: Concepts and Responsibilities of Home Ownership

- Overview
- Home Ownership
- Housing Affordability
- Tax Benefits for Homeowners
- Homeowners Insurance
- Summary

Unit Exam (post-assessment)

Time: 95 minutes

Instructional Strategies: Lecture - Audio-Visual Equipment

Unit 4: Real Estate Brokerage and Law of Agency

- Real Estate Brokerage and Law of Agency
- Overview
- The Law of Agency
- Creation of Agency
- Agency Positions and Disclosure
- Nature of the Brokerage Business
- Texas Deceptive Trade Practices—Consumer Protection Act
- Fraud in Real Estate and Stock Transactions Statute
- Summary

Unit Exam (post-assessment)

Time: 180 minutes

Instructional Strategies: Lecture - Audio-Visual Equipment - Group Discussion

Unit 5: Fair Housing Laws

- Overview
- Equal Opportunity in Housing
- The Evolution of Federal Fair Housing Laws
- Housing Discrimination
- Familial Status Discrimination
- Exemptions
- HUD Regulations and Agency Interpretations
- Disability Discrimination
- HUD Regulations Regarding Discrimination Against the Handicapped
- Fair Housing Concerns and AIDS Disclosures
- Design and Construction Requirements for New Housing
- The Americans with Disabilities Act
- Lesbian, Gay, Bisexual, and Transgender (LGBT) Housing Discrimination Issues
- Texas Fair Housing Laws and Enforcement of Fair Housing Laws
- Federal Fair Lending Laws
- Fair Housing Advertising
- The Hunter Case

HUD Advertising Guidelines
The Fair Housing Poster
Creating Protected-Class-Sensitive Advertising
Summary

Unit Exam (post-assessment)

Time: 150 minutes

Instructional Strategies: Lecture – Group Discussion – Scenario Learning

Unit 6: Ethics of Practice as a License Holder

Overview
Professional Ethics
Summary

Unit Exam (post-assessment)

Time: 30 minutes

Instructional Strategies: Audio-Visual Equipment - Responsive Reading-Recitation

Unit 7: Texas Real Estate License Act

Overview
Real Estate License Laws in All States
Basic Provisions of the Texas Real Estate License Act
The Real Estate License Act (TRELA)
Summary

Unit Exam (post-assessment)

Time: 180 minutes

Instructional Strategies: Audio-Visual Equipment – Lecture - Responsive Reading-Recitation

Unit 8: Legal Descriptions

Overview
Legal Descriptions
Methods of Describing Real Estate in Texas
Measuring Elevations
Understanding Land Units and Measurements
Summary

Unit Exam (post-assessment)

Time: 100 minutes

Instructional Strategies: Audio-Visual Equipment - Lecture

Unit 9: Real Estate Contracts

Overview
Contracts
Contract Defined
Contracts Used in the Real Estate Business
Summary

Unit Exam (post-assessment)

Time: 135 minutes

Instructional Strategies: Audio-Visual Equipment - Responsive Reading-Recitation

Unit 10: Interest in Real Estate

- Overview
- Historical Background
- Government Powers
- Estates in Land
- Encumbrances
- Water Rights
- Liens
- Tax Liens
- Liens Other Than Taxes
- Uniform Commercial Code
- Summary

Unit Exam (post-assessment)

Time: 180 minutes

Instructional Strategies: Audio-Visual Equipment - Lecture

Unit 11: How Home Ownership Is Held

- Overview
- Forms of Ownership
- Ownership in Severalty
- Co-Ownership
- Trusts
- Ownership of Real Estate by Businesses
- Cooperative and Condominium Ownership
- Summary

Unit Exam (post-assessment)

Time: 70 minutes

Instructional Strategies: Audio-Visual Equipment – Discussion – Scenario learning

Unit 12: Listing Agreement (REPI)

- Overview
- Listing Property
- Property Disclosures and Notices
- Marketing and Promotion
- Summary

Unit Exam (post-assessment)

Time: 120 minutes

Instructional Strategies: Audio-Visual Equipment – Discussion – Scenario learning

FINAL EXAM

The final exam evaluates the student's understanding of the course's core topics/learning objectives and his or her ability to apply these principles in common real estate scenarios. The final exam tests on information throughout the course, with an emphasis on topics that we know can be especially difficult for students to understand. Because important topics are introduced and reinforced several times throughout the course, a given question on the final exam might test students on information presented in multiple units. The exam questions allow students to not just recall information they have memorized from the course, but to apply the knowledge they have gained after completing the course to common real estate scenarios.

The final exam is 60 questions.

BIBLIOGRAPHY

See Dearborn permission letter.