

## **Real Estate** <sup>[1]</sup>

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by Wiley J. Williams, 2006

Real estate is one of the largest industries in North Carolina, representing billions of dollars of the state's economy and touching the lives of millions of North Carolinians, from first-time homeowners to large corporations such as Charlotte's Summit Properties, owners of some 50 apartment complexes in the Southeast. In North Carolina law, real estate, as distinguished from personal property, is land; anything permanently attached to land, such as buildings, fences, trees, grass, shrubs, minerals, and other substances beneath the surface; and the airspace above land. The real estate industry in the state is made up of real estate brokers and salespersons, who market real property on behalf of owners. Many more people work in appraisal, architecture, building, contracting, mortgage finance, market analysis, and related fields.

In 1927 the General Assembly <sup>[2]</sup> created the first North Carolina Real Estate Commission <sup>[3]</sup>, whose major responsibility was to issue licenses that were renewable annually. However, it was not until 1957 <sup>[4]</sup> that the state attempted comprehensive regulation and licensing of the profession. The act, applicable statewide, defined a real estate broker as a person, corporation, or firm who for compensation sold, auctioned, exchanged, bought, leased, or rented real estate; and a real estate salesperson as any person who for compensation was engaged on behalf of a broker to perform any of these tasks. As amended in 1967 <sup>[5]</sup>, a real estate licensing board was required to maintain a current roster of brokers and salespersons. The General Assembly in 1979 reenacted the board and established the Real Estate Recovery Fund <sup>[6]</sup>, whereby the board was to set aside \$100,000 to be used for payment of unsatisfied judgments where an aggrieved party suffered a direct monetary loss by reason of acts committed by licensed brokers or sales personnel. (Additional legislation about the fund was enacted in 1987.) The second session of the 1979 legislature added the regulation and licensing of real estate schools to the board's responsibilities. In 1983 the General Assembly changed the board's name to the Real Estate Commission <sup>[7]</sup>, with the position of executive director replacing that of secretary-treasurer as the chief administrative officer. In 1989 the General Assembly established the North Carolina Real Estate Appraisal Board <sup>[8]</sup> as an advisory agency to the Real Estate Commission, and four years later this board was made independent.

A few years before the state first attempted real estate regulation, real estate-related organizations began to appear in the private sector. Most prominent was the North Carolina Association of Realtors <sup>[9]</sup> (NCAR), which was founded in 1921 and became "the voice of real estate in North Carolina." The association offers members such special services as contract forms, legislative and regulatory representation, and continuing education workshops and seminars. Its political action committee (RPAC) is active in lobbying the state legislature and other state agencies, and it maintains a monthly publication, *Tar Heel Realtor*. NCAR is one of 54 state and territorial associations affiliated with the National Association of Realtors <sup>[10]</sup>, founded in 1908. Other real estate-related organizations have established state or regional offices, principally in Charlotte <sup>[11]</sup>, Greensboro <sup>[12]</sup>, and Raleigh <sup>[13]</sup>.

A state business directory in 2002 listed more than 6,300 North Carolina real estate firms of all sizes, with thousands of separate listings for such related occupations and fields as appraisers, auctioneers, consultants, developers, environmental assessment services, inspection services, investment services, loan officers, property managers, rental services, real estate schools, time-sharing (i.e., vacation) rentals, and title specialists.

### **References:**

Fillmore W. Galaty, Wellington J. Allaway, and Robert C. Kyle, *Modern Real Estate Practice in North Carolina* (3rd ed., 1998).

David A. Hagen and Ralph A. Palmer, *North Carolina Real Estate: Principles and Practices* (1991).

### **Additional Resources:**

North Carolina Real Estate Commission: <http://www.ncrec.state.nc.us/> <sup>[14]</sup>

North Carolina Association of Realtors: <http://www.ncrealtors.org/> <sup>[9]</sup>

North Carolina Real Estate: <http://www.realtor.com/northcarolina/nbselnc.asp?source=web> <sup>[15]</sup>

Session Laws from the North Carolina Digital Collections, NC Department of Cultural Resources:

1927: [digital.ncdcr.gov/u/?p249901coll22.237802](http://digital.ncdcr.gov/u/?p249901coll22.237802) <sup>[2]</sup>

1957: [digital.ncdcr.gov/u/?p249901coll22.310950](http://digital.ncdcr.gov/u/?p249901coll22.310950) <sup>[4]</sup>

1967: [digital.ncdcr.gov/u/?p249901coll22.312659](http://digital.ncdcr.gov/u/?p249901coll22.312659) <sup>[5]</sup>

1979: [digital.ncdcr.gov/u/?p249901coll22.388668](http://digital.ncdcr.gov/u/?p249901coll22.388668) <sup>[6]</sup>

1983: [digital.ncdcr.gov/u/?p249901coll22.340239](https://digital.ncdcr.gov/u/?p249901coll22.340239) [7]

1989: [digital.ncdcr.gov/u/?p249901coll22.36088](https://digital.ncdcr.gov/u/?p249901coll22.36088) [8]

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