



Commissioner's Message –

The “Professional” Movement: Its Importance and a Discussion About What Makes a Real Estate Practitioner a Professional

by Wayne S. Bell, Real Estate Commissioner

In my last message, I talked about the evolution of the California real estate license law, and the noble and forward-thinking efforts of organized real estate to promote the elevation of the character and *professionalism* of the licensed practice and business of real estate, in all its forms, in this State.

In *The Realty Blue Book of California* (The Keystone Publishing Co. - 1924), there is an entire section devoted to “The Professional Movement”. In that segment, the authors wrote about their perspectives on what constituted the pieces which made for “professionalism” in the real estate business.

The prominent points discussed were the passage of the real estate law, real estate education and coursework, the creation of ethical standards and the national code of ethics (“founded on the Golden Rule and the Square Deal”¹), the dissemination of authoritative articles on real estate matters through the industry’s *California Real Estate Magazine*, a “new development of professional consciousness”, and a call for real estate industry boards “to develop new and higher standards of professional service”².

In the ninety (90) years since those ideas, concepts, and perspectives were written and shared, the ethics rules and license laws have been expanded and enhanced, educational offerings and articles on real estate and related matters have flourished,

¹ *The Realty Blue Book of California*, page 315.

² *Ibid.*, page 332.

discussions about “professionalism” have occurred statewide (including at the California Department and now Bureau of Real Estate), and real estate boards and associations have been actively involved in elevating the practices of their members.

Nevertheless, when I do outreach throughout California, I am told by real estate practitioners and consumers that some real estate licensees are simply not qualified and are *unprofessional*. In that context, I am frequently asked what I can do, as the Real Estate Commissioner, to make licensed real estate practitioners more professional.

Interestingly, in a profile entitled “Increasing Professionalism One Broker at a Time”, in the June/July 2014 edition of the California Real Estate Magazine, Steve Brown, the current President of the National Association of Realtors states that he is “most often asked about raising professionalism throughout the industry”³. Mr. Brown says that he is focusing on broker-based efforts to boost their agents’ professionalism, and on increased involvement in “professional” training programs⁴.

I am fully supportive of and enthusiastically endorse Mr. Brown’s aims and suggested approaches regarding professionalism.

In talking with myriad individuals involved in all aspects of the real estate business in California, I have concluded that professionalism is crucial to the real estate industry.

Professionalism is what is expected by real estate consumers, and it is foremost in protecting the public in real estate matters.

But What Makes a Real Estate Licensee a Professional, and What Adds Up to Professionalism?

In considering answers to the foregoing questions, I have posed those queries to real estate licensees involved in various licensed activities, consumers, family members, and colleagues. The responses I have gotten are numerous and include the notion that professionalism is:

³ California Real Estate Magazine (June/July 2014), page 20.

⁴ *Ibid.*, page 20.

1. A combination of appearance and attitude (or presenting oneself “professionally”), and excellent client service.
2. Understanding and following the important fiduciary duties imposed on real estate licensees (including placing the clients’ interests ahead of those of the licensees). Fiduciary duties impose the highest standard of care, and real estate agents must be committed to scrupulously fulfilling those obligations. For a more complete discussion of the fiduciary duties applicable to real estate licensees, when acting as agents, please see the following Real Estate Bulletin article: www.dre.ca.gov/files/pdf/reb/rebsum07.pdf.
3. Being organized, disciplined, prepared, trustworthy and responsive.
4. Being civil, kind, ethical and responsive (including communicating with clients and parties on the other side) in business dealings.
5. Delivering consistently first-rate work and results.
6. Following the lawful instructions of clients.
7. Having the education, knowledge and experience necessary to achieve the results a client wants.

What I discovered in the answers offered by others, in reading commentaries about professionalism, and in gathering my thoughts for this message, is that professionalism is exceedingly difficult to define, but it certainly encompasses all of those factors above (including those discussed and identified in The Realty Blue Book of California in 1924), as well as the qualities attached to trained, experienced, and skilled people, working at the level of excellence or competence that is expected of a professional in a given arena.

While it also necessarily includes a thorough and complete understanding of – and compliance with -- the standards of ethics, I want to use Steve Brown’s salient ideas on professionalism (the need for and value of broker-based responsibility and efforts, and participation in training programs) as a jumping off point for the remainder of my message on what makes a real estate practitioner a professional.

Professionalism in Any Aspect of Licensed Real Estate Practice Requires that Practitioners Have the Knowledge, Skills, Abilities, and Preparation Reasonably Necessary to Represent a Client Ethically and Well

While some can argue otherwise, my conclusion is that professionalism in performing real estate licensed services requires licensees to have the knowledge, skills and abilities (gained through education and/or practice and experience), and thoroughness and preparation (including organization and diligence) to well and ethically⁵ represent their clients.

Education, Training, Practice, Experience and Mentoring Make Perfect

A real estate licensee's education does not end with the passing of the real estate license examination. In fact, license examinations require minimum or "minimum-plus" competencies to practice. Professionalism requires far more in terms of education, training, actual practice, learning from other "professionals", and germane experience, and the "more" can only be provided by those who have practiced, done the work, understand the work, and/or can educate others about the work. The "more" also includes staying current on the laws, regulations and rules of conduct applicable to licensed real estate practice codified in the State's Real Estate Law, and making use of any pertinent resources provided by the California Bureau of Real Estate.

I would suggest that not many patients would go to a surgeon who only passed the medical boards (the minimum standards required for licensure), and who had no practical experience or mentoring. Rather, I would posit that patients go to a surgeon because of that doctor's experience, skills, abilities, results, and reputation.

The same analysis is surely applicable to what makes a real estate licensee a professional. It is a combination of education, training, practice, experience and mentoring that helps to create a real estate professional in terms of customer care, positive outcomes, and qualitatively high client service.

These vital components of professionalism can be developed by and are found in:

1. Experiential learning (learning from one's own experiences and the mistakes of others), and practice in the real world.
2. Careful and competent supervision of salespersons by experienced and "professional" real estate brokers.

⁵ Real estate professionals must always practice along the lines of the highest ethics possible.

3. Quality real estate education and study (including the study of applicable fiduciary duties, and ethical standards and canons), and “professional development” programs.
4. Mentoring, where a more experienced or seasoned real estate professional shares his or her time, skills, knowledge and wisdom with a newer or less experienced licensee in need of upbuilding and such mentoring.
5. Practical training programs on the “nuts-and-bolts” and the “how- tos” of the real estate practice, and on managing a real estate business.

It is also important to note that real estate licensees - no matter their practice area - should always endeavor to recognize their own limitations as far as practice competencies, and refer clients where necessary, associate with practitioners with the requisite experience and abilities, or acquire the education and skills that are needed before performing the real estate work.

The impartation and development of relevant and practical real estate knowledge and skills, together with ethical practice in full compliance with the fiduciary duties imposed by law, are the core foundations of professionalism.

Making the California real estate industry more professional, putting the focus on a “professional consciousness”, and uplifting the standard of practice in this State, are objectives I share with you.

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