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AUGUST 2017

DATA-DRIVEN growth. DATA-DRIVEN growth.

PLUS: Coaching Barriers President's Report Commission & Dower Rights Capitol Report

MICHIGAN REALTORS®

THE CONVENTION
EVENT GUIDE INSIDE

Volume 16 | Number 4



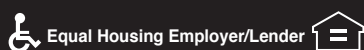
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08.17

{ AUGUST | TWO THOUSAND & SEVENTEEN | VOLUME SIXTEEN | NUMBER FOUR }



BY JASON COPEMAN, GRI



Great things happening at this year's convention

Summer is upon us, and with it comes preparations for The Convention! I am pleased at the rate at which the event is coming along, and delighted with the abundantly talented individuals we have been able to secure as our speakers. The Convention takes place September 27-29 at the Amway Grand Plaza Hotel & DeVos Place in Grand Rapids.

Ken Schmidt and Meagan Johnson will be this year's keynote speakers, and I am excited to hear what they have to share with our attendees.

Ken is the former Director of Communications for Harley-Davidson Motor Company, as well as a renowned speaker and communications consultant. He was an integral part of one of the most celebrated turnarounds in corporate history at Harley-Davidson, and has years of knowledge in customer relations, leader development, and other important areas.



Summer is upon us, and with it comes preparations for **THE CONVENTION!**



Meagan is known in the speaking community as a "Generational Humorist," someone with an unapologetic Gen X attitude who challenges her audiences to think differently and act decisively when dealing with multiple generations. She has been a speaker on the subject of multi-generational workplaces since 1997, and has been called in as an expert by such organizations as CNN and The Chicago Tribune. She is also a published author and an accomplished columnist.

We will be announcing the recipients of the Realtor® of the Year and Realtor® Active in Politics Awards at The Convention. We'll also have the opportunity to install my friend and colleague, Sara Lipnitz, as the 2018 Michigan Realtors® President! I'm very much looking forward to celebrating the many Realtor® honors this fall in Grand Rapids.

If you're interested in exploring more of Grand Rapids' outstanding art scene, The Convention will be taking place during ArtPrize, the international

month-long art competition held throughout the downtown area. Visit any of the nearly 200 participating venues to experience art from a wide variety of mediums. I strongly encourage you to register for The Convention as soon as possible, and join us in Grand Rapids for a fun, educational and rich experience that no other real estate event in Michigan provides.

Our 2017 approved projects for the Lighter, Quicker, Cheaper Placemaking Micro Grants Program are looking as promising as ever and they just keep rolling in. So far, we have confirmed grants to Battle Creek, Brighton, Howell, Jackson, Lewiston, Saginaw, South Haven and Ypsilanti. That totals over \$22,000 in awards to make those cities brighter and better! You can track the projects' successes, learn more, and even apply for your own micro grant at www.mirealtors.com/Education-Events/Lighter-Quicker-Cheaper-LQC.

I will leave you with a final word on participation in your local boards and committees. I personally encourage you to cast away any anxieties you may have about joining for the first time. Don't feel too intimidated to become

an active member of your organization!

As a member volunteer, you will be able to enjoy the experience of helping shape the industry in which you work. In every situation where you wish to incite change, you must start small and build momentum towards greater things, influence, experience and network diversity. Joining a local

board or committee will open doors for you personally, as well as improve the Realtor® experience for us all!

Enjoy your summer! I hope to see you all at The Convention in September. ●

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PRESIDENT

Jason Copeman
GRI

UPAR: 906.225.5555
jason@teamcopeman.com

PRESIDENT-ELECT

Sara Lipnitz

SFR, PMN
GMAR: 248.644.7000

TREASURER

Matt Davis

GRI
BCAAR: 269.967.3321

CHIEF EXECUTIVE OFFICER

Robert Campau, Esq.

RCE, CAE
rcampau@mirealtors.com

EDITOR & ADVERTISING

Joe Kras

MBA, SAG-AFTRA
jkras@mirealtors.com

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COMING EVENTS

August 29, 2017

2018 Michigan Realtors® District Director Elections
Online Voting Open

September 27-29, 2017

The Convention
Amway Grand Plaza Hotel & DeVos Place, Grand Rapids

November 3-6, 2017

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McCormick Place – West Building, Chicago, IL

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The Inn at Bay Harbor, Bay Harbor, MI

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Worlds. Are you embracing them? Hear from industry leaders:

- Kevin McQueen, President of the T3 MLS division of Swanepoel/T3 Sixty
- Dan Elsea, Owner of Real Estate One and Chairman of UpstreamRE
- Bob Bemis, Vice-President of Business Technologies with RPR/AMP
- Steve Allen - Director of MLS and Industry Development with Zillow
- & more
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BY BRAD WARD, VICE PRESIDENT
OF PUBLIC POLICY AND LEGAL AFFAIRS



Protection of Short Term Vacation Rentals

Summer in Michigan is something of a tradition. When the weather turns warm, people from all corners, and outside of our state, travel the Lower and Upper Peninsula looking to make those “Pure Michigan” memories. Unfortunately, a disturbing trend is beginning to threaten the good times enjoyed by second home owners and tourists alike; local governments are “reinterpreting” their zoning ordinances to prohibit short-term vacation rentals.

Short-term rentals have been part of Michigan for years and years. However, under new determinations of residential zoning, the rental of family cottages, cabins, and camps is coming to an end. Under the newly defined residential zoning in many communities, any short-term rental of a single-family residence (typically, for a term less than 28 days) is deemed a commercial activity and therefore not allowed in a residential zone. Goodbye to the weekly rental, farewell to the long weekend, so long to the right to rent out your property.

I use the word “reinterpretation” purposefully, because unlike a change in zoning, a homeowner that has been renting their property on a short-term basis loses that right at the drop of a hat. No re-zoning, no ability to be declared a non-conforming use to continue to rent. Banned. Alternatively, in some instances where short-term rentals have not been banned, they have been restricted to certain areas within the community to the detriment of the rights of owners in the other areas.

The Michigan Realtors® Public Policy Committee has had lengthy discussions over the last year on how to best protect short-term vacation rentals while also recognizing the right of quiet enjoyment for neighboring property owners and full-time residents. To be sure, there are plenty of horror stories of over-crowded rentals, noise, and parties gone wild. For this reason, Michigan Realtors® is seeking a sensible legislative solution to allow vacation rentals to continue through zoning without limiting local governments’ police powers to regulate vacation rentals as they see fit.

For the Public Policy Committee, short-term rental bans are damaging to: property rights, home values and the economy.

Property rights-- Part of your bundle of rights as an owner is your ability to rent it. This is subject to certain limitations such as deed restrictions, association bylaws, the property rights of others, and local rental ordinances governing the registration and regulation

of rentals. However, the regulation of rentals should be done through the local government’s police power, not administered through zoning. Furthermore, the “less than 28 days” provision that local governments are implementing arbitrarily states that a rental of a property for one month would be residential, but renting that same property for two weeks would be commercial.

Values-- Owning a second home in Michigan is an expensive endeavor. The non-principal residence tax rate alone adds thousands of dollars to the annual cost. In second-home regions, the ability to rent is often baked into the value of the homes within the market.

Economy-- The ban on vacation rentals makes for a convenient short-term solution to local issues with policing and enforcement, but can have long-term consequences for local businesses. Stores, restaurants, and entertainment-based businesses rely on the influx of tourism in summer and winter months, depending on the community, and limiting the options for visitors can take its toll.

Legislative Action

This year two identical bills have been introduced in the Michigan House and Senate by Realtor® members of the legislature. Representative Jason Sheppard (R- Lambertville) is sponsoring HB 4503, and Senator Joe Hune (R- Gregory) is sponsoring SB 329. These bills, as introduced, would clarify Michigan’s Zoning Enabling Act.

Since their introduction, there has been a large amount of misinformation about their content circulated by opponents of the measure; mainly the accusation that these bills preempt all local control and prohibit enforcement against vacation rentals. To the contrary, unlike short-term vacation rental legislation in other states, these bills do not prohibit, proscribe, or require regulation. They simply say that a local government cannot use zoning as a tool to ban the practice.

The ability of local governments to zone is not by right. Zoning can only be accomplished within the bounds of Michigan’s Zoning Enabling Act. The bills provide that rentals on a short-term basis are a residential use, not commercial. As such, these rentals would be permitted in all residential zones and not subject to any special use or conditional permit different from what is required of other residential properties in that

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zone. Furthermore, it explicitly provides that a local government can still provide for noise, advertising, traffic or other conditions on a uniform basis.

To this point, the bills have been introduced and have been referred to the Committee on Tourism in the House and the Committee on Local Government in the Senate. Over the summer, Michigan Realtors® is making the passage of these bills the focus of our conversation with legislators. It is our hope that the legislation will receive quick action once the legislature returns to a more regular session schedule after Labor Day.

Over the next few weeks you will see the association step up its communications efforts on these bills to members and the public alike. We believe that these bills strike a reasoned balance between preserving the right to rent on a short-term basis and local government's ability to police the behavior of the thousands of people that choose to make our great state their vacation destination. ●

“

Goodbye to the weekly rental,
farewell to the long weekend,

**SO LONG TO THE RIGHT TO
RENT OUT YOUR PROPERTY.**

”





COACHING...A **NEW** CONCEPT?

BY TOM KOTZIAN, JD, GRI

Wrong! Coaching has been around in other businesses forever. It often goes under the name of consulting, training, mentoring or counseling and is a proven method of helping people grow and move forward in their jobs or professions. Fortune 500 companies have always used outside consultants or advisory boards to implement new ideas or improve the production inside their companies.





Whether it's sports or business, winning and losing does not depend on innovative systems or trick plays. The information and knowledge that your competition has is the same as yours. So what does it take to win? It really boils down to motivating people to work hard and be accountable for their actions. In one word, it's coaching.

The only business that has avoided this concept for years has been real estate. If you look at the business of sports, coaching was never an option. It was an integral part of the system. In any type of organized sport, amateur or professional, all of the participants used coaching as a method of learning and growing, but also as a method of staying on track to meet their goals.

So what do these coaches do for the team or individuals they work with? The answer is quite simple...they instruct, remind, monitor and hold people accountable to the goals they set for themselves. The coach teaches the skills of what is referred to as the "basic tools required to do the job." The coach assists individuals not only in maintaining their confidence level, but also perfecting the skills to reach their next level of production. Production is charted and adjustments are made relative to the skills developed. From learning to ride a bicycle to solving algebraic equations, coaching has always been an important part of the learning process. The more an individual accepts the concepts of coaching, the better the coach will be as well as the result.

Does coaching guarantee success? No! There are a number of reasons why it doesn't work for everyone.

1 A POOR ATTITUDE of the individual or the coach can ruin the experience and performance capability. There are very few things as powerful as a negative attitude. If we truly become what we think about, then allowing a poor or negative attitude to seep into our thinking prevents us from achieving top performance and the coach from doing his or her job.

2 A LACK OF CLEARLY DEFINED GOALS AND OBJECTIVES will cause coaching to fail. This could be a result of the coach not properly assisting in helping the individual in setting up the goals or the individual for not setting them up in the first place. When individuals stop believing in the benefits of the activities in achieving their goals, the system collapses. A clearly defined objective not only defines where a person is going, but also what has to be done to get there. The definition of success has been defined as a progressive realization of a worthwhile goal or objective. Therefore, a lack of goals will cause an individual to fall short of their potential. The coach or individual that does not grasp the importance of this concept is doomed to failure or, at best, mediocrity.

3 A LACK OF SKILLS or the wrong skills. If an individual has defined goals and objectives, they will need certain skills to reach them. If the coach does not have the ability to teach the necessary skills, or worse yet, does not know the required skills, the chances for achievement are quickly diminished or completely missing. The same is true if the coach is a great skill

instructor but the individual does not take the time to learn. The chances for great production and growth are slim to none.

4 A LACK OF PRACTICE TIME. Like in the military, the individual must practice, drill and rehearse until the attitudes, activities and skills become part of the subconscious mind, often referred to as unconscious competence. A coach who does not require skill practice routines is often going to fail. Olympic athletes practice for four years just to give a 5-minute performance. This is one area that separates the amateur from the professional. A professional golfer finishes a round of golf and goes directly to the practice tee for 30-60 minutes to work on his or her skills, while the amateur goes directly to the 19th hole.

5 COMPLACENCY is an awful disease that keeps individuals from growing or moving forward. Being satisfied with the status quo is the quickest way to eliminate growth and productivity from your business. It is a killer to learning and development, and more importantly winning. It is the coach's job to identify complacency and help the individual overcome it. The coach must have the ability to recognize complacency and develop a plan for the individual to overcome it. Although difficult, it must be done.

6 THE UNCONTROLLED EGO. Ego is defined as an exaggerated sense of self-importance, behaving in a manner that revolves around oneself. An uncontrolled ego is the most destructive and unprofitable trait you can have. It stops the individual from learning new information and from growing. It will stop good communication between the individual and the coach. It shows in how the individual promotes and advertises who they are and what they do as a Realtor®. There is always someone bigger, stronger, faster, smarter, more productive or richer. Individuals in coaching must be mentally prepared to accept this fact. When the ego is out of control, the individual is spending the majority of their time thinking or talking about themselves. . .and no one else cares. If either the individual or coach has an uncontrolled ego, they will soon self-destruct. They must focus on the reality of their self-importance if they expect to grow. Minds are like parachutes. . . they function only when they are open. Decisions must always be questioned as to whether they are ego based or business based.

Remember, being coachable is not at the individual's convenience. It's okay to be intimidated by your coach...that's what you pay them for. Whether or not you need coaching is up to you. Ask yourself the following question...where is your business today and is it where you want it to be? How about your profitability? Are you generating new business every day? Do you have a detailed business plan that you are using and are you being held accountable? Coaching will work if you have an intense desire to succeed and grow. Coaching will work only if you do. ●



***Tom Kotzian** is the former Chairman of the Michigan Board of Real Estate Brokers & Salespersons, 2017 Director of the National Association of REALTORS® and 2017 President of the North Oakland County Board of REALTORS®. He received his law degree from Michigan State University College of Law and hold the status of REALTOR® Emeritus.*



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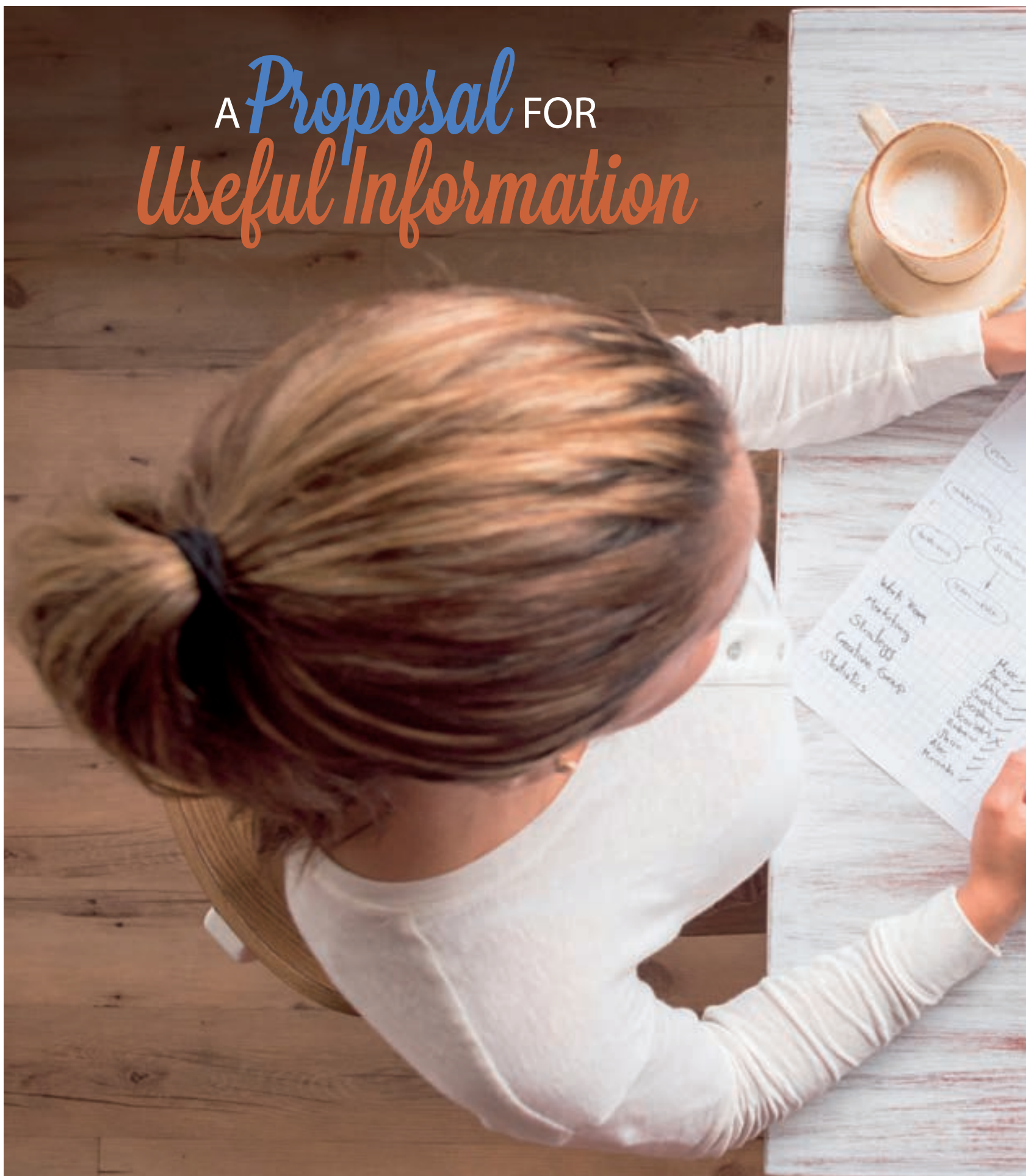
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A *Proposal* FOR *Useful Information*





At the recent 30th Annual Gathering of Eagles in Denver, there were various presentations about *disrupters* to the real estate industry, including the 100 percent concept of the 1970s, the aggregation of brands that started in the '90s and the Trulias and Zillows of today and tomorrow. Today's real estate broker will continue to face challenges and changes both from inside and outside the business. If we remain flexible and open to change, we can lead much of it. If we remain fixed in our ways and rigid to change, we will simply be part of it or carried along with the tide.

BY DAVID B. COLMAR,
COLMAR & ASSOCIATES

It's About the Numbers

In his 2003 book "Moneyball," Michael Lewis disclosed the strategy of the Oakland Athletics for how they transformed their team with one of the lowest payrolls into one of the best teams in major league baseball (MLB) through the use of readily available data that had not been used for on-base percentage vs. batting averages. It not only transformed the Oakland As, but also transformed baseball and many other sports. For example, golf is now filled with statistics and data as well as technology analyzing each shot and putting-average accuracy from varying distances to greens, driving distances, etc. Today, the New York Yankees have an entire department for data with over 21 statisticians. Ten years ago, this department did not exist.

Theo Epstein became the youngest general manager in the MLB with the Boston Red Sox in 2002. Armed with data and statistics, he helped his team win the World Series in 2004 and 2007. In 2011, he became president of the Chicago Cubs, rebuilt the team and

farm system and won the 2016 World Series for the first time in 108 years. For baseball, he proved that data and numbers could trump gut instincts! He expanded the use of data for performance guidelines, injury prevention and scouting. He implemented specialized cameras with a four-year-old technology company to do skeletal reconstruction to improve movement, especially with pitchers. He continues to disrupt the sport of baseball.

Using Big Data in Real Estate

As a business, we have a great deal of data, much of which we're not using. We have performance data and historical trends, financial data—mostly in the form of profit and loss statements—and productivity information. However, while other data is available, we don't always use it in making strategic decisions about office or service center locations, design and function, agent and consumer programs and more. Very little effort goes into shaping and creating the long-term strategic plans using available information and data.

We look at historical data that continues to produce old results, sometimes on an old model—desk costs relative to our operation, per-person productivity and more.

There is an enormous amount of available demographic information that we rarely tap into to develop or improve our recruiting programs. We know our sales associates, but know little about them. We frequently hire experienced sales associates with little in the way of interviews or essential information such as background checks. Instead, we make gut decisions or negotiate a commission split based simply on what we have to give away. However, do these agents fit into our long-range plan? Are they team players? What kind of characteristics do they have? What is their background? What is their reputation? What does our existing team look like and does this person add to what our team needs for the future?

A Case for Numbers

Consider the following—in 2016, the REAL Trends Top 100 brokerages closed 1.875 million transaction sides for a per-person productivity (PPP) of 8.4 and an effective commission rate of 5.12 percent. The PPP in 1991, 25 years ago, was 8.8 with an effective commission rate of 6.10 percent. So, per-person productivity has been flat for 25 years, but the commission rate has dropped 1.6 percent. In 2010, the REAL Trends 100 closed 1.9 million transaction sides. How many transaction sides did your company close in 2010? How many agents on your 2010 roster are still with you today? If agents are not with your company, what is being done to mine the data in those files?



“As a business,
we have a great deal of data
much of which we're not using.”

Every brokerage leader should also know the following:

- What does it cost my company to secure, process and market a new listing?
- How much is lost if the listing expires or moves to a competing company?
- If time is money, what could happen if the average days-on-market for my company is 20 percent better than the MLS?
- What would happen financially and with marketing if my company's average sale-to-list price was 15 percent better than the MLS average?

More Questions to Ask

Probing further, what does it cost to recruit one agent—both new and experienced? Take into consideration the time to interview, set appointments, prepare written materials, training, start-up costs, upfront financial commitments, orientation costs, management time costs and more. \$3,000? \$5,000? If you hired 100 agents in a year but lost 60 (quit the business, retired, moved, left for a competing company), then your “fallout rate” (# agents lost/agents hired) would be 60 percent. How much did that cost? What can you do to reduce it and what is a reasonable goal for your company? What actions must you take to achieve your goal? We have the information we need to answer these and other strategic questions, and doing so will help our companies remain viable and competitive.

Hiring a Chief Data Officer

Many companies already have a chief technology officer (CTO) or IT department. These are needed to ensure everything functions, and the company is in compliance with software licenses, computers are up and running and that connectivity in all the offices works. Companies that realize that sales, hiring, training and customer relations are changing and in need of transformation might consider adding the chief data officer (CDO). The CDO is a corporate officer reporting to the CEO. The CDO should be responsible for enterprise-wide governance and utilization of information as an asset via analysis, data mining and other means. The role is part strategist and adviser, part steward for improving data quality and part developer of new products. Consider that the CTO is the company's technology captain for defense, and the CDO is the technology captain for the company's offense.

What's at Stake?

Rising technology costs, outside services needed to operate in today's changing climate, consumer needs and wants, attracting younger talent, rent increases and more are all at stake in today's market. Decisions can be expensive. Managing the data can alter the approach we take in recruiting both new and experienced agents and providing that edge to make us more competitive. The decisions we make can increase or reduce the bottom line in a business with already thin profit margins. Information can be an asset or a liability, depending on how we see it and what we do with it. Treating it as an asset and tapping its potential can raise the value of your business. In an ever-changing marketplace, it can also help to keep your company alive, profitable and competitive. ●



Dave Colmar is President of Colmar & Associates, a broker and 37-year industry veteran. Colmar & Associates is a consulting firm to the industry. Dave is a frequent contributor to REAL Trends. Reprinted with permission from REAL Trends, Inc. Copyright 2017



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Commission without a contract & dower rights gone

At the very beginning of their career, Michigan Realtors® learn that if you want sellers to pay you a commission, you must have signed a document in which they expressly agreed to pay you a commission. Realtors® are constantly reminded that oral agreements to pay commission are unenforceable. This is based upon a provision in the Michigan statute of frauds that makes certain types of agreements, contracts or promises void unless they are in writing. These types of agreements include “an agreement, promise or contract to pay a commission for or upon the sale of an interest in real estate.” In a surprising decision, the Michigan Court of Appeals recently found an exception to this seemingly flat out, straightforward rule.

In this case, representatives of North American Brokers (the “Brokers”) were working with St. John Providence (“Providence”) on a concept that required a particular type of property. At that time, the Howell Public Schools (the “Schools”) had the “Latson School” property listed for sale. It appeared to the Brokers that the Latson School property might fit Providence’s needs.

There was a for sale sign on the Latson School property which specifically provided that it was “broker protected.” The Brokers spoke to Providence about the potential use of the Latson School property. However, Providence ultimately purchased the Latson School through a different real estate firm and so the Brokers received no commission in connection with Providence’s purchase of the Latson School.

The Brokers sued the Schools and Providence for a commission. The Brokers, who had no written commission contract, had various theories under which they were entitled to a commission, including a theory based on the doctrine of promissory estoppel. The Schools immediately filed a motion for summary disposition arguing, among other things, that the Brokers’ commission claim was barred by a statute of frauds, i.e., the Brokers had nothing signed by either the Schools or Providence in which either of them indicated they would pay the Brokers a commission on the sale of the Latson School property. The circuit court judge granted the motion and dismissed the Brokers’ claim, and the Brokers appealed.

The Court of Appeals acknowledged that the Brokers’ claim was covered by the statute of frauds. The Court of Appeals also acknowledged that the for-sale sign on the Latson School property was not a writing signed by the Schools that satisfied the

statute of frauds. Yet, the Court of Appeals noted that in other contexts, the Michigan Supreme Court had applied the doctrine of promissory estoppel “to avoid the arbitrary and unjust results required by an overly mechanistic application of the [statute of frauds].”

The Court of Appeals stated that in order to establish a claim under the doctrine of promissory estoppel, the Brokers would have to prove there had been a promise that the Schools should have reasonably expected would cause the Brokers to bring the Latson School property to Providence’s attention. The Brokers must also prove that they had relied on the “broker protected” statement on the sign and that under the circumstances, the promise must be enforced if “injustice is to be avoided.” The Court of Appeals found that in their complaint, the Brokers had set forth the basic elements of promissory estoppel claim.

In its opinion, the Court of Appeals discussed whether the doctrine of promissory estoppel should be applied to avoid the statute of frauds, and acknowledged that there had been considerable debate on the issue. The Court of Appeals stated “this is not the first time that this Court has questioned the continuing validity of utilizing a judicially created exception that is inconsistent with the language of a statute [of frauds].” The Court of Appeals went on to state that, “regardless of the wisdom of using a judicially created exception to a statute” since the Supreme Court has created this exception, this Court must apply it. The Court of Appeals found that since the Michigan Supreme Court created the promissory estoppel exception, only the Michigan Supreme Court had the authority to overrule the use of the doctrine. Despite its misgivings, the Court of Appeals felt that it was compelled to reverse the decision by the circuit court and remanded the case back to the circuit court to determine whether despite the statute of frauds, the Brokers were entitled to be paid a commission based on the doctrine of promissory estoppel. In its decision, the Court of Appeals made the following editorial remark:

While we acknowledge that our opinion reaches the correct result under our present legal framework, it is the wrong result. We urge the Michigan Supreme Court to grant leave to address the issue presented in this case. The judicially created doctrine of promissory estoppel, as applied to the facts of this case, subsumes the statute of frauds and makes the statute of frauds irrelevant.

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The decision of the Court of Appeals in this case is somewhat surprising because over the years, Michigan courts have expressly rejected other theories presented by brokers in an effort to get around the statute of frauds – even theories that have been used successfully to get around the statute of frauds for other types of contracts. Years ago, in fact, a federal court predicted a wholly different outcome. In *Hazime v Martin Oil Co of Indiana*, 792 F Supp 1067 (ED Mich 1992), a case involving an alleged oral agreement for the sale of real estate, the federal court stated:

A survey of Michigan cases involving doctrine of promissory estoppel reveals that there has never been a decision that addresses whether it may be applied to a statute of frauds case, like this one, involving a real estate transaction. Nevertheless, the Court is satisfied that if the Michigan Supreme Court looked at the issue today, it would rule that, under the circumstances of this case, the doctrine of promissory estoppel may not be applied to a statute of frauds case involving the sale of real estate.

The Schools have proceeded to the Michigan Supreme Court and have a pending application for leave to appeal. In the meantime, for now, there appears to be a promissory estoppel exception to the general rule that an agreement to pay a commission must be in writing signed by the party who is willing to pay the commission. However, it is strongly recommended that no Realtor® place any reliance on this exception. First, the Michigan Supreme Court may follow the Court of Appeals' recommendation and overturn this decision. Second, even if the decision is upheld, it is typically difficult and expensive to establish the elements of a promissory estoppel claim. The

legal expense involved in obtaining a judgment and collecting a commission under a promissory estoppel claim will typically exceed the commission amount.

OWER – IT IS GONE

One January 5, 2017, Governor Snyder signed legislation abolishing dower rights in Michigan. The legislation became effective on April 6, 2017. Many Realtors® are still expressing some uncertainty about how to deal with dower going forward. The answer is very straightforward. For men who have died before April 6, 2017, a widow may still elect dower. This election is not available to

widows of men who die on or after April 6, 2017. Going forward, because of the elimination of dower, a wife will no longer be required to sign a deed, mortgage, the grant of right-of-way or easement or any other document in which her husband transfers or encumbers an interest in real estate. The wife no longer has any dower rights to release; thus, it is not necessary that she sign these documents.

As an aside, while dower has been eliminated, there is a separate statute that requires both a husband and wife's signature on a mortgage on residential property that is titled solely in the husband's name and is occupied by the husband and wife as their homestead if the mortgage that is being granted as security for debt which was

not used to purchase the homestead. Unlike dower, this statute applies equally to husbands and wives. As an example, if Bob and Mary, husband and wife, both occupy 123 Elm Street as their homestead, and the property is solely in Mary's name, both of their signatures would be required on a mortgage Mary is giving to a bank to secure a loan which will be used to start Mary's new business. For most Realtors®, it is highly unlikely that they will ever run into this requirement, as it involves borrowing against a homestead already owned by one spouse for funds to be used for some other purpose. ●

In a surprising decision, the
**MICHIGAN COURT OF
APPEALS RECENTLY
FOUND AN EXCEPTION**
to this seemingly flat
out, straightforward rule
(statute of frauds).



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