

TESTIMONY BEFORE THE HOUSE STATE AND LOCAL GOVERNMENT
COMMITTEE IN OPPOSITION TO HOUSE BILL 238 – REDUCTION IN REAL
ESTATE EDUCATION STANDARDS

BY Andrew Show, Exclusive Buyer's Broker

February 6, 2024

Chairwoman John, Vice-Chair Dean, Ranking Member Brennan and members
of the House State and Local Government Committee:

My name is Andrew Show. After working as a flight instructor early in my career, I transitioned to real estate as an investor, and then obtained my Ohio real estate license in 1992 and my Broker's license in 1995. I am a founding member of the Columbus Independent Brokers Association, a former president of the National Association of Exclusive Buyers Agents, a longtime corresponding committee member for the Ohio Realtors Legal Issues and Professional Standards Committees as well as a long-standing member of the Columbus Realtors where I've chaired committees on professional standards, residential membership, standard forms, and grievances among others, and I teach all real estate pre-license classes as an adjunct professor. I was honored to be inducted into the National Association of Realtors Buyer's Agent Hall of Fame in 2021 and selected as Columbus Realtors Broker of the Year in 2022.

It has come to my attention that this committee is considering reducing quality standards in real estate education by eliminating school accreditation and replacing it with approval by the State Board of Career Colleges and Schools. In my quick review of schools that are approved by the State Board of Career Colleges and Schools, you will be equating real estate professionals with bartenders, driving instructors and eyebrow tattoo artists. Who are the experts in complex real estate law that are overseeing this education?

I learned that this committee has been charged with reducing barriers to licensure, but the bar is already too low in Ohio. The market is saturated, and the inventory of housing can't support the influx of agents we have today. A report by the National Association of Realtors back in 2015 (called the Danger Report), surveyed 7,800 real estate professionals and found that the number

one threat to the industry was unethical conduct by brokers and licensees followed closely by the second threat of incompetency of brokers and agents. These proposed reductions in professional standards will amplify these issues.

I care about this industry and am a staunch proponent of ethical industry practices. My license holds value and this bill is attempting to weaken the value of my license and every license holder in the state by lowering standards.

I also wanted to mention my opposition to eliminating any requirement for a Broker to have an Associates Degree or equivalent. Broker's are business owners and responsible for the agents they sponsor. Why are we not requiring competency through education or at least long-standing experience as a salesperson? I am concerned for this industry and the threat this bill poses to Ohio real estate professionals and especially for Ohio consumers selling or buying a house.

I urge a no vote on House Bill 238 without the protection of quality real estate education standards.

Thank you for the opportunity to testify. I am happy to answer any questions.

House Bill 238

REAL ESTATE EDUCATION

MYTH - There are barriers to enter the real estate profession.

- FACTS
- There are nearly 50,000 current agents in Ohio.
 - On average, 350 new salespersons enter the industry each month.

MYTH - Real Estate Education is too expensive and requires too many hours.

- FACTS
- You can complete your education in 3 weeks for under \$1000.

MYTH - Ohio needs to lower education standards so real estate agents can more easily enter the market and have successful careers.

- FACTS
- Ohio's housing availability dropped by 20% over the past year.
 - Lawsuits against real estate professionals increased by 9%.
 - Investigations by the Division of Real Estate often result in the ordering of more education.

MYTH - The State Board of Career Colleges and Schools can replace accreditation recognized by the U.S. Department of Education.

- FACTS
- The State Board of Career Colleges and Schools approves schools but does not review curriculum or require the academic rigor of a national or regional accrediting body.
 - Of the 8 states that require State Board or its equivalent to review, all also require the involvement of the Division of Real Estate or its equivalent.

MYTH - Certificate-only training businesses can be defined as "Institutions of Higher Education".

- FACTS
- Federal law defines an Institution of Higher Education as an accredited and degree granting institution. Changing this definition solely in OH real estate license law will confuse the public.

MYTH - Brokers should not be required to have a degree or equivalent

- FACTS
- Brokers are business owners and are responsible and liable for the salespeople they recruit.
 - Benefits of the degree requirements include management and leadership, HR training, financial expertise, legal and ethical considerations.
 - Support exists for creating an alternate experiential pathway for agents that have worked as an active agent for 10 of the last 15 years and have 20 transactions during the immediate past 5 years.

MYTH - HB 238 is a "clean" occupational licensing review bill as required by SB 255 of the 132nd General Assembly.

- FACTS
- HB 238 far exceeds the scope and requirements of occupational regulation and occupational licensing board review by proposing to entirely upend the oversight of Ohio's real estate education providers