

Edward J. O'Donnell, Denise Stolar Johnson,
and Linda L. Crawford
9th EDITION

FLORIDA

REAL ESTATE BROKER'S GUIDE



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Real Estate Education

FLORIDA

Real Estate Broker's Guide

9th Edition | Edward J. O'Donnell, Denise Stolar Johnson,
and Linda L. Crawford

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FLORIDA REAL ESTATE BROKER'S GUIDE NINTH EDITION

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SAMPLE

I N T R O D U C T I O N

Congratulations on moving forward in your real estate career! Your decision to take the broker prelicense course, demonstrates that you want to improve your professional skills and knowledge.

This textbook follows the Florida Real Estate Commission (FREC) Course II syllabus and meets the state's requirements for the 72-hour broker prelicense course. It's designed to build on what you've learned as a sales associate.

The book is divided into four main sections:

Part I: Getting Started in the Real Estate Brokerage Business focuses on the important laws that guide a broker's daily work. Knowing these laws helps you provide fair and honest service to clients and avoid legal problems. This section covers how to get and keep a Florida real estate broker's license, the application process, and the pros and cons of different types of brokerage businesses. It also explains how to manage escrow accounts, including deposit timelines, handling disputes, and reconciliation requirements. There's a section on office inspections and discipline since FREC visits real estate offices to ensure they follow the rules. Lastly, it discusses budgeting, accounting, tax requirements, and training for new sales associates.

Part II: Valuing Real Property explains how appraisers estimate the value of properties. While brokers don't usually do appraisals, it's important to understand this process when listing, marketing, and selling properties. This section also covers the laws regarding appraisals and how to prepare a comparative market analysis, along with estimating the value of businesses.

Part III: Listing and Selling Real Property starts with how brokers work with customers and clients. It explains contract law related to listing and sales agreements. Understanding financing is key, so this section covers laws about notes and mortgages, different loan types, and the qualification process. You'll also learn about the duties needed to close a transaction and see examples of closing statements.

Part IV: Specialties gives an overview of important topics. It discusses investment real estate, the benefits and downsides of different income properties, and financial analysis techniques. Brokers need to know the laws about land planning and environmental issues affecting real estate. Managing investment properties is another important topic here.

Understanding the vocabulary in real estate is crucial to mastering the subject. Each unit starts with key terms in bold to help you recognize them before their definitions.

At the beginning of each unit, you'll find learning objectives that highlight the main points to focus on. There are also end-of-unit questions to reinforce these concepts.

Throughout the material, you'll see important information like legal references, examples, and case studies to help you understand and apply each unit's goals.

The authors would like to thank everyone who helped with this book, especially Robert Gordon Senior Instructor, Bob Hogue School of Real Estate and broker of Gordon & Associates Realty, Inc. Robert has been an invaluable asset for every edition of the *Florida Real Estate Broker's Guide*, providing suggestions throughout the years.

We wish you success in your career as a Florida broker!

Edward J. O'Donnell,
Denise Stolar Johnson,
and Linda L. Crawford
August, 2025

SAMPLE

GETTING STARTED IN THE REAL ESTATE BROKERAGE BUSINESS

- U N I T 1** BECOMING A LICENSED REAL ESTATE BROKER
- U N I T 2** OPENING A REAL ESTATE OFFICE
- U N I T 3** OWNING, MANAGING, AND SUPERVISING A REAL ESTATE OFFICE
- U N I T 4** ESCROW MANAGEMENT
- U N I T 5** OFFICE INSPECTIONS, DISCIPLINARY PROCESS, AND REAL ESTATE RECOVERY FUND

SAMPLE

CS1

BECOMING A LICENSED REAL ESTATE BROKER

LEARNING OBJECTIVES

When you have completed this unit, you will be able to accomplish the following.

- Explain the broker applicant requirements.
- Explain situations that may cause an application to be denied.
- Identify the consequences of failing to disclose a previous conviction.
- Explain nonresident applicant requirements.
- Explain mutual recognition agreements.
- Explain broker prelicense education and experience requirements.
- Identify exceptions to the course requirement.
- Identify the post-licensing and continuing education requirements for brokers.
- Explain active status and inactive status.
- Explain the renewal requirements for members of the U.S. armed forces and their spouses.
- Explain how it is unlawful to perform real estate services with an expired real estate license.
- Distinguish between licensure and registration.
- Distinguish between multiple licenses and a group license.
- Explain the provisions for issuance of multiple licenses.
- Identify the rules regarding change of address, residency, and change of business address.
- Identify real estate services that require a real estate license.
- Identify exemptions from licensure.

KEY TERMS

compensation
 Florida resident
 group license
 involuntary inactive status

licensure
 multiple licenses
 mutual recognition agreements

nonresident
 registration
 summary of applicants
 voluntary inactive status

INTRODUCTION

This unit begins with an explanation of who must be licensed and the qualifications necessary for obtaining a Florida broker license. The prelicense education requirement and ways the experience requirement can be satisfied are detailed. Post-licensing and continuing education requirements also are presented, as are exemptions from the educational requirements. Finally, the unit discusses how to obtain a broker's license through mutual recognition and contrasts real estate licensure and registration.

LICENSURE

Becoming a Broker

Florida license law defines a broker as a person who, for another and for compensation (or in anticipation of compensation), performs real estate services. Becoming a broker requires broker prelicense education, experience, and passing the state license exam. While many sales associates want the prestige of a broker's license, they are not interested in opening their own real estate brokerage business. A broker associate is an individual who holds a broker's license but who chooses to register and work in real estate under the direction of another broker. Sales associates and broker associates are employed by and work under the direction and control of a broker or a registered, unlicensed owner-developer.

Application Process

An individual applying for a Florida real estate license must:

- be 18 years of age or older;
- have a high school diploma or its equivalent;
- possess a U.S. Social Security number;
- be honest, truthful, trustworthy, of good character, and have a good reputation for fair dealing; and
- be competent and qualified to make real estate transactions and conduct negotiations with safety to investors and others.

A person desiring to become licensed must submit a Department of Business and Professional Regulation (DBPR) license application. The application is available on the internet at the DBPR's Form Center (see the web link that follows). Applicants may download, print, and mail the application, or they may apply online. The license application expires two years after the date the DBPR receives the appropriate signed or electronically authenticated application.

WEBLINK



You can apply for a Florida real estate license online at www.myfloridalicense.com/dbpr/.

Application fees New applicants for licensure are assessed an application fee in addition to the initial biennial license fee. Applicants for initial licensure and for subsequent license renewal also pay an unlicensed activity fee and may be required to pay a Real Estate Recovery Fund fee, if applicable. Applicants submit the license exam fee and the fingerprint processing fee directly to the vendor that is providing the service.

Initial License Fee Exemptions

The DBPR exempts three categories of applicants from the initial licensing fee for a professional license. The fee waiver applies to all professional licenses issued by the DBPR, not just real estate licenses. The three categories of applicants that are exempt from the initial license fee are the following:

1. Low-income applicants
2. Military personnel and their spouses
3. Military veterans and their spouses

Each category of exemption has specific qualification requirements. In all cases, license applicants are required to submit a license application, submit fingerprints, complete pre-license education, and pass the state exam. All applicants pay the license examination fee and the fingerprint processing fee to the vendor that is providing the service. The fee waiver does not include the examination fee and the fingerprint processing fee, because these fees are paid to outside vendors, rather than to the DBPR. The DBPR can only waive fees paid directly to it. If applicable during the current biennial license period, all real estate applicants pay the unlicensed activity fee and the Real Estate Recovery Fund fee.

Fee waiver for low-income applicants The DBPR is required by Florida law to waive the initial license fee for qualifying low-income applicants. Eligibility is based on the applicant's before-tax household income.

Fee waiver for military personnel and their spouses The DBPR is required by law to waive the initial licensing fee for a member of the U.S. armed services that has served on active duty. The fee waiver also applies to a spouse who was married to the active-duty member during a period of active duty, and to a surviving spouse of a member of the U.S. armed services who at the time of death was serving on active duty.

Fee waiver for veterans The DBPR is required to waive the initial license fee, the application fee, and the unlicensed activity fee for military veterans and their spouses who apply for a license issued by the DBPR. Note that this group is exempt from three types of fees. The application *must* be made within 60 months after honorable discharge from the U.S. armed services. If a veteran submits a license application after the 60 months has lapsed, the veteran applicant and spouse would be entitled only to the initial license fee exemption.

U.S. Social Security number Proof of U.S. citizenship is not required of applicants. However, applicants must possess a U.S. Social Security number. Florida law requires that an applicant's Social Security number be disclosed on all professional license applications. The Social Security number is used in determining child support obligations.



LICENSE APPLICATION

A U.S. Social Security number is required to apply for a real estate license. In the Full Legal Name section of the license application, applicants must enter their name as it appears on their Social Security card. Florida law requires that an applicant's Social Security number be disclosed on all professional license applications. The Social Security number is used to determine compliance with child support obligations.

Reference: Section 475.181(2), 455.213, F.S., and 559.79, F.S.

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