



In CRE Regulatory Environment, Laws Checklist Becomes Essential

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NEW YORK CITY- In the midst of the commercial real estate industry where rent and broker fee regulations aim to prevail, making sure real estate brokers are maintaining transparency and following changing real estate legislation guidelines is key, and if not taken seriously can cost brokerage firms thousands of dollars in litigation costs, David Michonski, founder of Quigler, a new real estate tool setting out to keep abreast of regulations on its brand new real estate application, tells GlobeSt.com.

On the Quigler application, consumers can see the sequential steps of a buy and sell transaction and follow along, including a Code of Ethics set forth by the National Association of Realtors, and all Federal, and in some locations State laws applicable to real estate transactions. And for consumers on the buy-side, it aims to provide transparency and real-time

updates from beginning to end so there aren't questions about what an agent is doing to earn that huge commission, Michonski said.

"For real estate transactions there hasn't been such a tool to boost confidence in complying with federal and state law, of what an agent is required to do at each step of a transaction," Michonski said. "With the application, the agent broker is informed of what law and step is required to close."

When new agents sign up there's a long lead time in the educational curve of the real estate industry, regulatory wise, it takes time to nail down, according to Michonski. "Laws are complex and keeping up with them is a full-time task," he said. "We want to develop good habits for life from the gecko."

Having a breadth of understanding could serve brokers well, especially in New York City's recently upped regulatory landscape.

According to a recent GlobeSt.com article, the New York real estate industry has been pushing back on rent regulation and had got a temporary injunction passed against tenant-paid broker commissions from a landlord-retained real estate agent, which has many asking how long will the injunction last, could the court deem it as justified since it is not law but a litigation position? Leni Morrison Cummins, a real estate attorney at Cozen O'Connor, tells GlobeSt.com

Since the passing of the Housing Tenant and Protection Act in 2019, the market has experienced a slowdown. The legislation clamped down on the popular strategy of transitioning rent-stabilized units to market-rate housing and set a standardized apartment application fee to \$20, which significantly tempered investor enthusiasm. However, with the Department of State guidance of a rental-fee ban has flushed everyone in the industry to take a closer look at the legislation, Cummins said.

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