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## Grievances targeting agents rise

*Boom opened door to violations, abuses*

**Glen Creno**

The Arizona Republic  
Nov. 18, 2006 12:00 AM

Complaints against real estate agents are on the rise, with consumers accusing them of everything from selling property without a license to cutting corners to make a sale.

As of June, the number of complaints opened with the Arizona Department of Real Estate had jumped 53 percent since 2003, the year before the housing boom took the Valley by storm. Complaints forwarded for discipline increased 150 percent in that same time.

More consumers are not only griping about the way they have been treated, but they're also alleging they have lost money in real estate deals. Agents found in violation of state laws that govern license holders can wind up paying fines or having their licenses suspended or revoked.

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Part of the spike in complaints reflects the rush of new agents who flooded the market to take advantage of the housing boom of 2004 and 2005.

The number of new brokers and agents rose 38 percent in the past three years, well behind the pace of complaints.

The housing market fizzled this year as rising prices and more inventory kept buyers on the sidelines. When the market was hot, complaints were driven by the intense competition to get listings and make sales, said Tom Adams, director of regulation for the state real estate department, which oversees licensing and investigates complaints.

Now, buyers are scarce, it's harder to make sales, and agents may cut corners by doing something such as not disclosing a termite problem, he said.

Most of the complaints come from consumers. Others come from agents complaining about other agents or governmental jurisdictions reporting what they believe are illegal subdivisions. In all, 1,620 new complaints had been opened with the real estate department through the fiscal year in June.

Some are dismissed because they don't involve a violation.

"Someone will say, 'My agent was rude to me.' Well, it's not against the law to be rude," Adams said.

The department looks for agents selling without a license, criminal violations that can affect the status of a license, illegal subdivisions, or fraud.

The top three complaints: License violations, convictions or failing to disclose a conviction, and advertising violations. Real estate advertisements must list the name of the broker that the salesperson works for, according to the department.

Elaine Richardson, the state's real estate commissioner, said she was alarmed by the trend of new complaints exceeding the number of new brokers and agents.

"If we don't get a handle on it, that brings us back to people getting bilked out of their money," she said.

### Buyer beware

The complexity of a real estate deal can lead to disputes. Patti Schubert of Fountain Hills recently filed a complaint with the real estate department and other agencies, accusing her agent and a condo developer of mishandling her paperwork. She said she and her husband, Steve, lost nearly \$92,000 in earnest and upgrade money as a result.

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### For more information

The state and the Association of Realtors offer resources, tips and more for home buyers and sellers.

#### ARIZONA DEPARTMENT OF REAL ESTATE

**Web site:** [www.re.state.az.us](http://www.re.state.az.us)

**Main phone:** (602) 468-1414

**Consumer line:** (602) 468-1414, Ext. 520.

The Web site lets consumers research an agent's status or file a complaint (click on "Consumers" on the left side of the page, then scroll down to "find information on a broker" or "file a complaint"). Consumers also can check the status of investigations (click on "Department Divisions" on the left side of the page).

#### ARIZONA ASSOCIATION OF REALTORS

**Web site:** [www.aaronline.com](http://www.aaronline.com)

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**Phone:** (602) 248-2474 or

1-800-426-7274

**Agent information:** [www.aaronline.com/Consumer](http://www.aaronline.com/ConsumerAssistance/FindARealtor)

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#### Complaints and disputes:

[www.aaronline.com/](http://www.aaronline.com/documents/compdisp.aspx)

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#### Source: Arizona Department of Real Estate and Arizona Association of Realtors

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