

Book Review

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This section contains reviews on textbooks, professional books and other scholarly books that are appropriate to real estate. Areas of interest include, but are not limited to, mortgage markets, real estate investments, real estate finance, asset and property management, real estate development, corporate real estate, valuation and other areas related to real estate. If you have an interest in reviewing a particular book or if you wish to be considered as a reviewer, please contact James Frew.

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Modern Real Estate Practice, Fillmore W. Galaty, Wellington J. Allaway and Robert C. Kyle, 530 pages, Sixteenth Edition, Dearborn Real Estate Education, 2003.

Reviewed by: Charles C. Carter, Florida Atlantic University

This basic real estate principles text introduces topics that are covered on state real estate brokers' and salespersons' exams. It could also be used when teaching a prerequisite course that precedes real estate finance, real estate investments, or real estate development.

When I was a student in such a prerequisite course, my principles book was *Modern Real Estate*, by Charles Wurtzback and Michael Miles. This excellent, large book (801 pages) went through five editions with John Wiley & Sons but is no longer available in print. Since this text is probably familiar to a number of readers, however, I will follow my natural impulse in this review and measure the Galaty, Allaway and Kyle text against it.

First, a preliminary comment on the publisher, however. Dearborn Real Estate Education probably sells as many real estate texts as any other publisher (despite the fact that many are available in soft covers). Overall, the books they have published have improved over the years; I do not hesitate to use them for community college courses. Indeed, many of the book's reviewers, which are acknowledged by Galaty et al. (in the Preface), teach at community colleges throughout the country. Hence, will I direct many of my comments to a similar audience (they may be the most interested in adopting this text).

Essential Content

The introductory chapters on real estate brokerage (Chapter 5), listing agreements (Chapter 6) and fair housing practices (Chapter 20) are necessary in any text intended to cover material likely to be on a broker's or salesperson's exam. Other essential chapters included in this book are: legal descriptions (Chapter 9), estates in land (Chapter 7), co-ownership and business forms (Chapter 8), title transfer and recording (Chapters 12 and 13), and land use controls (Chapter 19). The usual introductory chapters on appraisal (Chapter 18) and real estate finance (Chapters 14 and 15) are also included.

In addition, introductory chapters on agency (Chapter 4) and contracts (Chapter 11) have been included; these are necessary chapters in a text on real estate law but I would not include them in a principles text.

An important reason to revise a real estate principles book is to update relevant federal income tax laws that affect real estate transactions, since this information is so important. (The Tax Reform Acts of 1981 and 1986 made a great difference for those involved in the real estate industry, for example.) Yet the Galaty et al. text contains only a minimal description of how federal income tax laws affect real estate (in Appendix 1 on real estate investment). Adding more material on this topic would strengthen the text.

Positive Features

In the individual chapters, there are subheadings entitled “in practice” where the authors offer tips for brokers and other real estate professionals. For example, in Chapter 2: “Real Property and the Law,” (in their discussion on the classification of fixtures), the authors offer the advice that buyers and sellers list items to be included and excluded in the sale, especially if there is any doubt whether such items could be classified as either fixtures or personal property. This is sound advice and common practice.

In several chapters, numerical examples illustrate distinct points. For instance, in Chapter 7: “Interests in Real Estate,” concrete examples of easements in gross and easements appurtenant are set out under the subheading “For Example,” along with a diagram illustrating the examples. These small additions will undoubtedly save a lot of class time.

Today, website addresses are necessary to direct the student to additional reading. Fortunately, plenty of web links are listed, both in the individual chapters and in a special appendix on web links.

Limitations

Special appendices are generally useful for explaining topics that require further elucidation. A certain amount of common knowledge must be taken for granted, however. Thus, I question whether students really need help with “fractions, decimals, and percentages,” the topic of Section 2 of Math FAQs (pages 431–438). Perhaps this material is too basic and detracts from a text written for a college audience.

After attending law school and then practicing real estate law, I have developed certain predispositions about the proper way to present real estate law material. This text, discusses freehold estates in Chapter 7, along with nonpossessory estates (easements) under the subheading “Encumbrances,” and possessory estates (leaseholds) in Chapter 16, with hardly a word connecting the three topics. A more integrated approach is necessary, such as the one employed by Wurtz bach and Miles in their Chapter 4: “Real Estate Interests and Forms of Ownership,” which sets forth “freehold,” “possessory” and “nonpossessory” estates in land.

When teaching legal property descriptions, I demonstrate how to figure the angles in metes and bounds descriptions by relating protractor angles to the points on a compass, north, south, east and west. By turning the protractor right side up and upside down I can show all the angle possibilities, say, north 22° west, north 46° east, south 33° east and south 58° west. It seems to me that even the Wurtz bach and Miles text (in Chapter 5: “Transferring Real Estate Interests”) lacked this kind of complete explanation of how to figure metes and bounds legal descriptions, and so does this text. An additional appendix on this subject would help illustrate these concepts.

Conclusion

In sum, this very adequate text covers most of the subjects necessary to fulfill its purposes. In several places, however, the book would be improved by changing how the material is presented. I have compared this book to the Wurtzbaach and Miles textbook, but it may be written for a somewhat different target audience. I would not hesitate to use this text for a community college course or for undergraduate courses in many universities.
