

REAL ESTATE PRINCIPLES AND PRACTICES

CHAPTER I

INTRODUCTORY

Real estate a business.—Since the time mankind ceased nomadic existence and took up fixed habitations, land and buildings thereon and interests therein have been the subject of commercial transactions. Large areas of the earth's surface are now privately owned, improved in many cases with very valuable buildings and in populous communities the land represents a large part of the wealth of the community. It is bought and sold, improved, managed and variously dealt in constantly. This has given rise to the real estate business which engages the attention of many persons; from the man who buys a home only a few times during his life, to the man whose entire time is devoted to the business either for himself or others.

Ethics of the business.—In every real estate transaction the parties must be governed by the highest ideals of fair dealing and honesty. This does not require either party to give away any fair advantage, nor confide to the other his motives or necessities. Neither is he required to relax in the least his good judgment. But failure is certain, soon or late, to overtake him who goes beyond the truth in his representations or having once given his promise or agreement, fails to live up to it. And this is so even if the agreement be not legally enforceable. Taking advantage of catch-words and technical phrases may seem desirable at the time, but the successful real estate man will redeem his promise even when to do so results in loss to him, for he knows that a good reputation is his most valuable asset. Others will deal with him when they know his word can be relied on, for it is not always convenient to put all relations on a legally enforceable basis. Consequently the man whose standard is high finds his business constantly increasing, while the one in whom full reliance cannot be placed, soon finds himself with little if any business.