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Real Estate Trends + Technology

Downturn But Not Down

How some agents are overcoming
the naysayers and are thriving



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Rolling With the

Let's forgo the small talk.

The real estate market's downturn has taken many newer agents, most of whom have not experienced a down cycle, by surprise; it also has taken a toll on local and state real estate membership. Some agents, however, have taken the market in stride, turned a deaf ear to the naysayers, persevered, and, better yet, thrived. Here's what several had to say about their experiences with the 2008 market.

HUGH FISHER



Agent Taps His Feminine Side

Hugh Fisher was, well, skeptical, when his daughter persuaded him to attend a meeting on women-centric housing about a year ago. "I thought it would be a waste of time," says Fisher, a broker associated with Coldwell Banker in Rhode Island.

Live and learn. He ultimately incorporated ideas—culled from the gathering, which focused on the female point of view in

home design—into residences he was building in a local subdivision. While buyers were scarce before, seven houses sold on the first day of an open house for the subdivision and he's since received 68 checks from other prospects. At press time, Fisher had 69 closings and expects another 40 by year's end.

Timely, considering home sales in the state in the past year dropped about 25 percent from the previous year, he says.

"It's worked beyond our wildest dreams." The women-centric concept made sense, he notes, especially since the great majority of home-buying decisions are made by women. "But I'm a guy," he laughs. "A thick head."

ROSIE GONZALEZ



What's the Fuss?

An agent for two years with Coldwell Banker in LaGrange, Ill., Rosie Gonzalez says some of her more experienced colleagues are ruing the market's performance. The median price of homes there dropped from \$350,000 in the first quarter of 2007 to \$225,000 in the second quarter of this year, reports citydata.com.

But Gonzalez completed 12 closings last year and her business has increased 68 percent from 2007 to 2008, as

measured by number of closings.

It helps, she says, that first-time buyers, who might be more amenable to her advice, comprise 75 percent of her client base. It's a trust she doesn't take lightly. For instance, typically, Gonzalez takes clients to at least five homes to help them better delineate their options.

She's also ardent about staging homes, dedicating a portion of her garage to items she might need for showings. What about her car?

Nothing to fuss over.

SHERRI STONEBERGER



Market Psychologist

Given market conditions, Sherri Stoneberger has put her master's in psychology to particularly good use.

As she analyzes and studies every aspect of home sales, Stoneberger, an agent with Legacy Real Estate & Associates in Fremont, Calif., also leverages her intuition and instinct—as well as her sense of people and their needs.

That's especially important, considering that homes there—the fourth largest city in the San Francisco Bay area—are lingering on the market an average of 30 to 60 days and the asking price has dropped more than 34 percent in the past year, she observes.

Of course, she understands it's not all about psychology. To best advise her clients on a home purchase that would serve as a quality investment, Stoneberger researches the market and devours economic news. And she's keenly aware that nurturing friendships among her clients is just as important as psychology.

Freud couldn't have said it better.

TOM SLOYAN



Seeking Motivated Sellers

After 29 years in the business, Tom Sloyan has learned to adjust.

For example, these days, Sloyan, an agent with RE/MAX All Executives in Tucson, says he focuses on customers who must sell their home. He identifies them in various ways, including contacting past clients and owners handling a transaction themselves.

It beats devoting valuable time trying to create a non-existent market for a home, Sloyan figures. "If the time's not right to sell, I have to be honest [with homeowners]."

The market may have taken
the wind out of some agents'
sails, but not these

BY CHUCK GREEN

Punches

A total of 1,000 homes sold in April of this year, down from 1,318 last April, he notes. According to the Tucson Association of REALTORS®' multiple listing service, the median price of homes dropped to \$199,000 in February, down about nine percent from the same time last year.

Sloyan says he's endured similar markets before and that agents must keep their nose to the grindstone.

What would you expect from someone who's been at it 29 years?

DEVIN REISS



Hitting the Books

It's back to school for a number of agents in Devin Reiss' office.

Currently, they're enhancing their understanding of bank-owned and short sale properties, which over the past year have accounted for about half of the company's deals, says Reiss, co-broker and owner of Realty 500 Reiss Corporation in Las Vegas.

The Greater Las Vegas Association of

REALTORS® reports those transactions are occurring at prices below market value, while Data Quick reported that 58 percent of Las Vegas-area homes sold in May 2008 had been foreclosed on in the previous 12 months.

Consequently, agents also are prospecting more intensely to help maintain their accustomed level of sales, says Reiss, president-elect of the Nevada Association of REALTORS®. Maintaining a quality contact base is essential, he adds, as is following leads, regenerating, and advertising, especially with most customers hanging on the sidelines until a home strikes them as a good deal, he says.

"Right now, people are a little gun shy."

JIM BRINGHURST



Not the Time to Test the Market

Nowadays, Jim Bringhurst believes it's incumbent upon REALTORS® to monitor the competition to ensure their own listings are properly positioned and marketed.

And forget overly aggressive pricing, says Bringhurst, a broker for the Bringhurst Group in Salt Lake City. "You can't test the waters; you have to compare apples to apples."

Meantime, national reports of a dire mar-

ket are impacting local sales and testing the patience of REALTORS® there, says Bringhurst, immediate past president of the Utah

Association of REALTORS®. "It's affected the psyche of our buyers."

Unlike conditions elsewhere, his area is experiencing low unemployment and benefitting from job creation and the presence of new businesses, he notes. Yet, contrary to forecasts of home appreciation around seven percent this year, it's hovered at about one percent. Last year, it approached 15 percent.

Therefore, agents are compelled to do "little extras," including staging and optimizing curb appeal, he says. "No more just writing offers," as some had.

While Bringhurst's market has seen a 30 percent drop in sales volume, Bringhurst has experienced a doubling in his transactions in the first six months of 2008 as compared with the same period in 2007.

How about those apples?

BEBE McRAE



The Art of One Percent

Want a lesson in the art of negotiation in a real estate transaction? Sit across the table from Bebe McRae. A "challenging and unpredictable market," though it might be, McRae, an agent with The Grubb Company in Berkeley, recently sold a client's home after negotiating a raise in the commission to 6 percent up from the 5 percent of the previous listing agent's commission. It was

an extra point well spent: The home had been on the market for nine months; she sold it in 10 days.

McRae says such triumphs are a by-product of doing her homework and knowing the market better than consumers. "They believe they have access to a lot of information," says McRae, who, in terms of gross volume, is about one-third behind last year in sales. It's the agents, however, who network with listing agents, and know the properties they're looking at on the multiple listing service, and know how much work has been done to a house, she continues. Her job, she notes, is to help buyers understand how to evaluate and understand what data are relevant to their purchase. For sellers, she focuses on maximizing a listing's exposure, with an unlimited advertising budget. "Agents need to be more than facilitators," says McRae, adding they're also knowledgeable advisors and experienced directors of the difficult process both buyers and sellers face.

That's non-negotiable. ♦

Chuck Green is an Atlanta-based real estate writer.