

## What to do in our Changing Real Estate Economy By Patti Brotherton

All of us have noticed that the real estate market is changing. How quickly you adapt to the change is how much you keep to your current sales level or grow your business. Many top agents like this changing market because their business grows and others drop out of the business eliminating some competition. More than ever, keeping ahead of the market trend is going to separate the winners from the losers. All that said, what do you do?

### Listings

Let's start with your current listings. For eon's trainers, market gurus and others have said that pricing properties correctly is the key. No change there, but we have been able to "get away" with taking listings priced higher than we would like in the past two years because the market place caught up with the price with low inventory. We still have low inventory in some parts of the country, but the buyers are demanding better pricing. In other words, when the seller wants to price their property 10% more than you believe it will sell, don't take the listing. Let another Realtor do it and you get it when it expires.

With listings that have been on the market more than 90 days, guess what? They're priced too high. There are several ways to reduce listings. Most importantly is that you communicate with your sellers on a consistent basis and let them know what is actually going on in the market place. By that I mean, send them a copy of your MLS "hotsheet" weekly with all new listings, solds, price changes, and expireds. You are not telling them they are too high, the market is.

Prepare a CMA monthly on their property. When you update the information monthly, they are prepared for you to talk about reducing the price. This CMA should give specifics about the properties that have sold in the last 30 days—new kitchen, seller paid all the costs, seller made a \$50,000 price reduction, etc. If there were no solds in the last 30 days, than you have to be ahead of the market and price the property **BELOW** the competition, not with it. Communicating this information to your sellers on a consistent basis makes you the hero. You are not a hero by telling them what they want to hear and not having their property sell.

Use a *price evaluation team* to go into your listing and make recommendations on price and what might need to be done to a property to sell it. This way, again, you are not the bad guy. This team of three agents from your office can give you an honest opinion and they may be able to point out something that you hadn't thought of. Even better is the fact that you are trying to do everything in your power to get their property sold including getting an unbiased group of agents to make suggestions.

### Buyers

With the interest rates remaining at this low level, it is a wonderful time to purchase a home. Buyers need to be educated about what they can afford and what affect the interest rates have on their buying power. It is easy to show what a 1% change in the interest rates would do. Is that unreasonable to expect in the future? No. Seeing what an interest rate would do is extremely beneficial to a buyer. It's important for your buyers to know that the mortgage rates have not dropped every time the Federal Reserve has dropped the discount rate.

Buyers today are making lower offers on property—don't be shy about bringing those to sellers. When there are multiple offers on property that's one thing, but when a property has been sitting on the market quite awhile, why not? You don't know exactly what a seller will take or what a buyer will pay.

Use your buyers to cold call for sellers. If inventory is still low in your area, than make those phone calls. Use a one-party listing and get your buyers in the door. Again, with the seller of this type of property, do your CMA first. Make sure the seller understands the market and how wonderful it would be to have it sold quickly.

#### Other Brokers

When inventory is building, or inventory is staying on the market longer, you need to be diligent about reminding other brokers about your listings. That's easy to do with email. You can also use picture flyers to each brokerage or the top 100 agents in your area. We all know that pictures are worth a thousand words, so use them in emails as well as the flyers. Don't let anyone forget about your listings. And when you are reminding the agents, make sure you tell the sellers what you are doing.

Encourage offers. It is important that every time you see other agents, that you tell them to bring any offer. You need to start negotiations somewhere. There is nothing worse than having nothing to work with. Your sellers might not like a really low offer, but it will help them realize that perhaps they were priced too high.

***It is a changing real estate world. It's also exciting. Many agents are doing better than they have ever done in their real estate business, others are wondering what is happening. Take a step back and look at your marketplace and then make the adjustments that are needed to keep your business growing; you'll be the winner.***