

MIKE'S 5 RECOMMENDATIONS FOR 2017



1. 2016 MARKED AS THE BEST YEAR FOR REAL ESTATE SALES SINCE 2006.

Like that infamous year, bubbles have and are forming in key urban markets on both the East and West Coasts. Cash, ironically has been the accelerant fueling the fire in the upper tier of price points in both the local market and nationwide. The "Greatest Generation" is passing away. WWII was preceded by the Great Depression and changed cultural norms for an entire generation. Saving wasn't an option, it was considered mandatory. Those who served in WWII with only about 1 million remaining are dying at a rate of 555/day. With this generational departure, the greatest transfer of wealth in recorded history is taking place. Baby Boomers are the beneficiaries and much of that wealth transference is being

invested in real estate, i.e., personal dwellings. For 2017 the aforementioned trends are still in place but many cash rich, upscale buyers are waking up to the fact that their desired home purchase may be a bit overpriced. Look for a slow-down but not a complete market withdrawal. As for the "middle market", \$250K up to \$550K, look for steady growth even in the face of rising interest rates. New home inventory for the past several years has been aimed at this market segment and no abatement is in sight. Buyer confidence is high as employment reaches pre-recession highs. As for "starter homes", those existing and new homes priced in the \$125K to \$249K price range, inventory will remain tight and prices will rise accordingly. Raw land and infrastructure costs are too high for developers to devote investment to this market. Millennials are struggling with student debt, career placement and family creation. Two of these three discourage the purchase of a home while the third all but necessitates investing in a home of one's own. Given these headwinds, Millennials will still constitute about 54% of home sales in 2016 with a small increase predicted for next year. Rising rents and home prices at the starter level will plateau as interest rates force a retreat in rising prices. Don't overlook the market created by single female head of households. Single females constitute 17% of the buyer market and that percentage will only rise in the coming year. It's going to be a pretty good year for real estate...if you're prepared to compete. My next four recommendations are aimed at equipping you to compete for business effectively in 2017.

2. CRM - CUSTOMER RELATIONSHIP MANAGEMENT

platforms and services are "blowing up" in popularity. 2017 will mark the year that CRM becomes a permanent addition to the Realtor toolbox. The 2016 NAR Survey of Homebuyers and Sellers offers insights as to why such a tool is necessary for continued success in real estate sales. Forty-two percent of buyers used an agent that was referred to them by a friend, neighbor, or relative and 11 percent used an agent that they had worked with in the past to buy or sell a home. Without "top-of-mind" awareness nurtured via CRM, will those friends, neighbors, relatives and former clients remember to refer their friends, family and colleagues to you? Eighty-eight percent of buyers would use their agent again or recommend their agent to others. Eighty-five percent of Sellers said they would definitely recommend their agent for future services, but alas only about 12% ever use the same agent a second time. The length of the re-sale cycle all but guarantees that buyer, and sellers, forget their previous agent unless said agent is actively "in the FLOW" with these former clients over the 5-7 years between resales. Using a Realtor when engaging in a successful real estate transaction bonds client and agent as no other type of sales transaction. Friendships, dependencies and trust are created but unfortunately, the minute the transaction closes, each party goes their separate way with little thought given to future relationships. This is where CRM comes to the rescue by providing a vehicle for the continuation of the original relationship for many years to come. Important dates such as anniversaries and birthdays are commemorated over the intervening years. Newsletters get emailed or snail-mailed. Blog posts get read. Annual homeownership information such as: neighborhood and home value reviews get conducted thus cementing the value of the continued relationship. The agent's name becomes a household word and is considered by the homeowner as a "trusted advisor". Needless to say, CRM holds the promise to revolutionize the real estate brokerage business at the agent level when thinking about return and referral business. Get busy with CRM!



3. SAVE A TREE, LIMIT PRINTING OF BROCHURES AND FLYERS



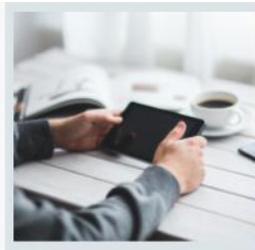
The era of property brochures and flyers as marketing tools is finally coming to an end. Stop obsessing over every word, pagination and graphic in your printed marketing collaterals. Buyers don't care! They're walking through showings and Open Houses carrying their tablet computer or smartphone viewing the virtual tour you've uploaded. Print collaterals still have limited value when they contain information not readily available within a virtual tour. This includes; lot, plat or location maps with measurements and landmarks including; schools, shopping, restaurants and walk scores. Too, the print collateral still contains some value to Sellers. Given the amount of your fee, Sellers want to see their listing agent pro-actively marketing their house, in other words... spending some money. Stress to your Sellers the value of your knowledge and local market expertise, not yours nor your marketing department's print output.

4. CREATE AN IPW, INDIVIDUAL PROPERTY WEBSITE



Property websites have been around for years but given the leverage they now offer as a marketing vehicle, 2017 will see their application increase exponentially. Do things for your Sellers they either won't or can't do for themselves. The IPW permits you, the listing agent, to leverage the social networks of your client(s) when they post and share the website to their Facebook friends, LinkedIn, Twitter and Instagram followers. Too, the IPW permits the listing agent to upload not only listing data but personal branding content such as bio pages, testimonials, client "love letters", etc. Content that is not permitted within the CMLS listing. Make 2017 the year you get creative and differentiate yourself from the competition with the IPW.

5. BUYERS AND SELLERS ARE SMARTER THAN EVER!



Better bring your A-Game in 2017. Today's real estate clients have access to a wealth of real estate data and expect local knowledge of same right down to the hyperlocal level from their agent. It's not enough to know only the local elementary and secondary schools, you've got to be able to recall, recite and/or regurgitate data from months' supply of inventory to odds of selling at the drop of a hat. Your familiarity with such esoteric metrics help position you as an expert with access and knowledge inaccessible to the typical consumer. Market analysis tools such as: RPR (Realtors Property Resource) and SAM (Statistical Analysis Module) offer access to remarkable data. Local economic data published by the Chamber of Commerce and Economic Development Commission provide insight on local demographic and business trends as well as pending new business announcements. Know your data, it helps solidify your customer's impression that you're as good as you think you are!

Hope you have enjoyed my quick overview of 2017. I'm confident you'll enjoy a remarkable year if prepared and equipped for the challenge of competition for business. Wishing you much success in 2017!

See you at the closing table, Mike