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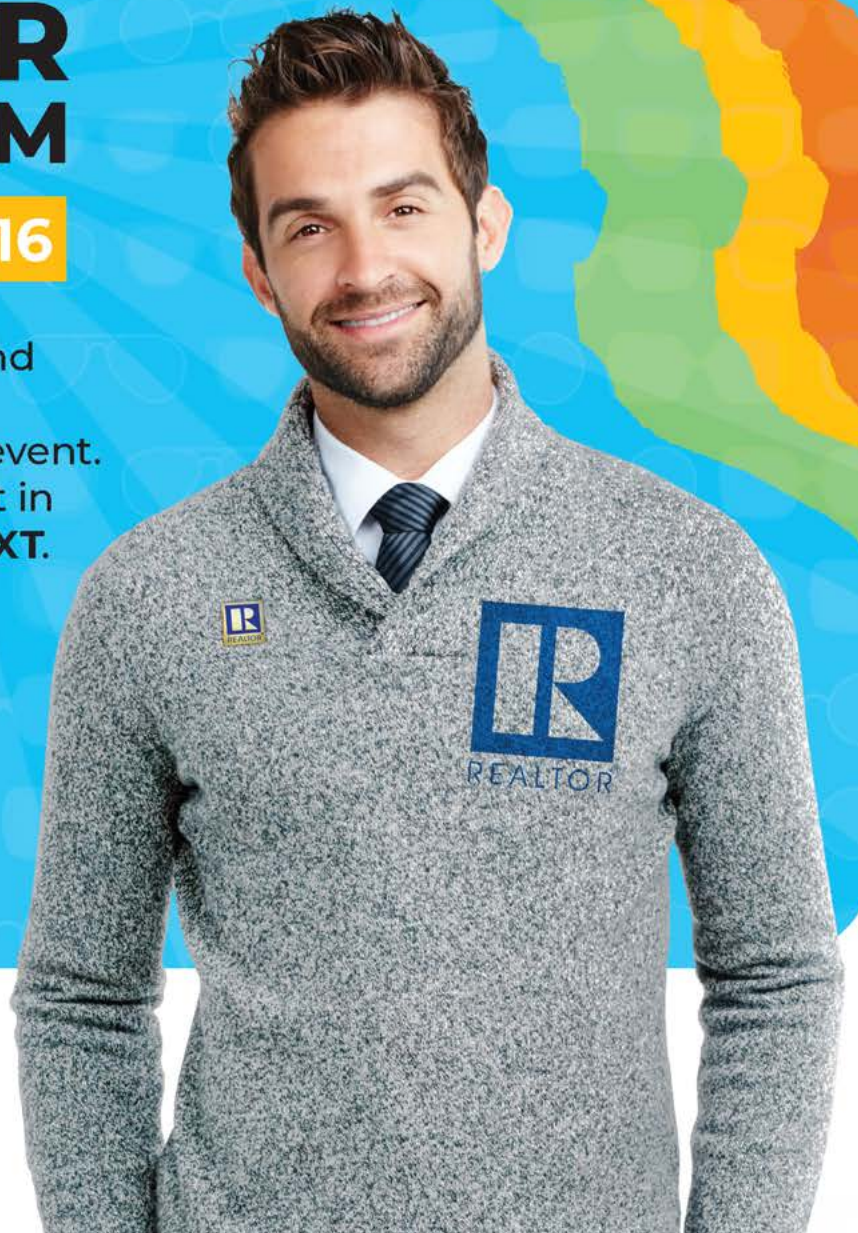
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Ceo's Message



Ginny Shipe
CAE, AHWD, C-RETS, RENE

The Right Habits

"The nature of man is always the same; it is their habits that separate them."
— Confucius

Ask a friend or a colleague to list three of their worst habits and they will probably tell you 10 without pausing. We all have habits that keep us from being the kind of people we aspire to be. The challenge is getting — and staying — tough about breaking them.

"I'll start exercising and eating healthy."

"This will absolutely be my last cigarette."

"I'll start working my business plan."

Sound familiar? Most of us recognize the stress that bad habits create in our lives and say we want to change. But again and again, we repeat the same patterns.

Why do bad habits have such a tight grip on us?

You may have heard the story of a teacher who illustrated the power of habits in the following manner. She took a roll of thread and wrapped it one time around a student's wrists that were placed together. "This represents the power of doing something one time," she said, adding, "Can you break the thread?"

The student easily did so. Then the teacher wrapped the thread many times around the student's wrists and repeated her challenge. Despite the student's best efforts, the thread was too strong to break. "This is the power of repeated habits," the teacher explained.

Many bad habits begin as an effort to accomplish something positive. Chronic complaining, for example, can start as an attempt to reclaim power in a life or situation that feels out of control. Yet, no matter how pure our initial intentions are, bad habits can sneak up on us.

This issue of *Real Estate Business* features articles and columns that all spotlight effective real estate habits. Read them. Share them. Apply the tips and suggestions to your business so that you develop the right habits to stay proactive in our ever changing field.

As we all work toward setting new goals and developing positive habits, we need to be prepared for setbacks. We can't beat ourselves up when things don't go exactly as planned. Instead, we should use our fallings and failures as cues to what needs to be different next time.

Remember, "falling" is not "failing"...there's an "i" of a difference!

Ginny Shipe,
Chief Executive Officer

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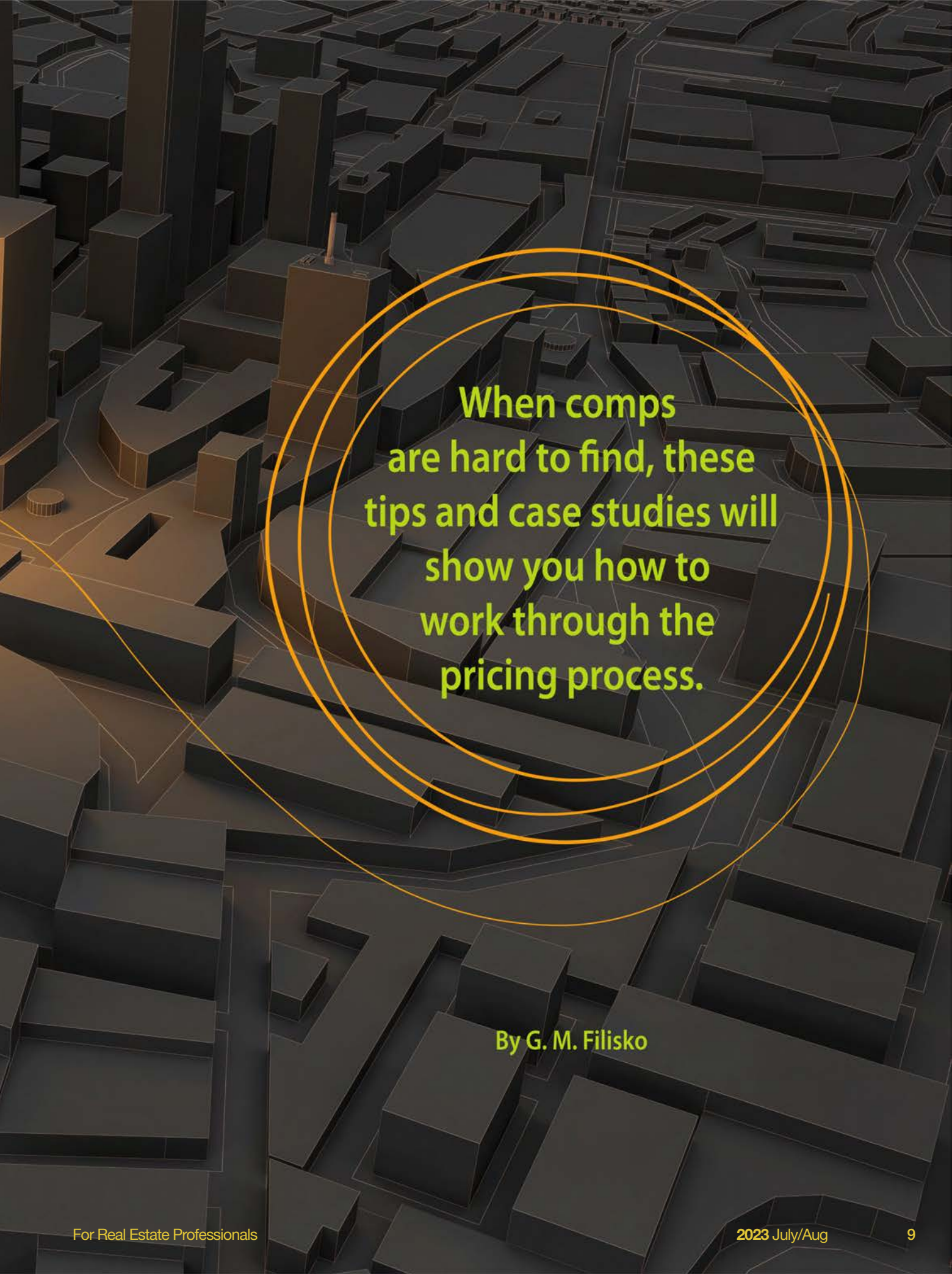
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A 3D rendered cityscape with various building blocks in shades of grey and brown. A prominent feature is a glowing yellow circular platform with concentric yellow rings around it, located on the right side of the image. The text is overlaid on this scene.

How to **PRICE** a Unique Listing



**When comps
are hard to find, these
tips and case studies will
show you how to
work through the
pricing process.**

By G. M. Filisko



A kitchen in the basement of an Illinois home was a first for Sean Lorch, RENE, an agent at Downing-Frye Realty in Naples, Fla. It was certainly a challenge when it came time to recommend a listing price to the sellers.

“The home was a raised ranch that was a little flood prone if it really rained,” he recalls. “If it was a regular basement that was flood prone, you could gut it if it flooded. But when it’s your kitchen? That’s the money room in any home.”

Lorch listed that home during The Great Recession, making the price even harder to calibrate than today. He told the sellers he’d give their preferred listing price of \$100,000 a shot. “I’ve been surprised by what a home sold for many times,” he says.

Turns out, the home didn’t sell, and the sellers let the bank take it in lieu of foreclosure.



SEAN LORCH
RENE

AGENT

Downing-Frye Realty
Naples, Fla.

“This isn’t perfection, and we do our best to value properties,” Lorch says. “Ultimately, the market will tell us what a home is worth.”



MELANIE J. McLANE
ABR[®], CRB, C-RETS,
CRS, e-PRO[®], GREEN,
GRI, PSA, RAA, RENE,
RSPS, SRES[®], SRS

BROKER

Jackson Real Estate
Jersey Shore, Penn.

True. But you still need to do your homework when it comes to pricing a listing—starting with recognizing that you have a unique property, according to Melanie J. McLane, ABR[®], CRB, C-RETS, CRS, e-PRO[®], GREEN, GRI, PSA, RAA, RENE, RSPS, SRES[®], SRS, broker, certified residential appraiser, and broker-appraiser at Jackson Real Estate in Jersey Shore, Penn. McLane recently hosted REBI’s [Pricing the Oddball](#) webinar.

5 Steps to pricing your Unicorn



Your first skill should be recognizing when your everyday process of arriving at a listing price needs to be adjusted to factor in the one-of-a-kind features of the home you're evaluating.

“So how do you know you're looking at an oddball?” McLane asks. “Your first signs are that it's an unusual style, or it may have functional issues. Maybe someone has 3,000 square feet of home with only one bedroom. That's unusual. Or they've used unusual materials. I've had people who've built houses out of tires.”

McLane suggests these five steps as you work through your analysis:

1 Start with comps.

“If it's just an unusual style, obviously look to see if you have comps,” says McLane. “But don't compare a weird house to a conventional home. That's not going to work. Many years ago, I had a geodesic dome home. There are probably 10-15 in my county. The man who owned the house I was appraising had bought a franchise and sold them. But none had sold in the past three years.”

2 Compare the home size and lot size to nearby properties.

“With that dome home, after looking for comps, I then looked at other styles of homes,” she explains. “My thinking was that if buyers liked two-story Cape Cods or ranches, this home wasn't going to work for them. So I looked for a property similar in size and in lot size.”



3 Tap into a common selling point.

“You also have to identify relevant characteristics of the property,” notes McLane. “For example, a common thing that drives value is waterfront. People will always pay more to be on the water. If you miss a relevant characteristic, you’ll get the value wrong.”

4 Evaluate highest and best use.

“If it’s a conventional residential home in a deed-restricted community or zoned residential, it’s probably a residential property,” she notes. “On the other hand, if the property is a special purpose like an old school or church, that’s different. You have to identify the highest and best use. What’s physically possible, economically feasible, legally permissible, and maximally productive?”

“Let’s say we have a unique home with limited market acceptance since it’s so bizarre,” notes McLane. “We need to look at whether it’s best to demolish the property and have the land available to be rebuilt on.”

This is where some agents have gone horribly wrong. “In one class I was teaching, a student

was a buyer’s agent who’d listed a property that had a trailer park,” recalls McLane. “The listing agent priced the property based on dividing it into three building lots. Then the property was sold sight unseen to an investor client.”

“When the agent asked if the investor was going to get rid of the trailers, the investor said the trailer park was an absolute gold mine based on the income it was generating,” she adds. “And for that use, the property was underpriced. That agent hadn’t looked at the income the property was generating. It’s very easy to get in over your head with a property you’re not familiar with.”

“I’ve been surprised by what a home sold for many times. This isn’t perfection, and we do our best to value properties. Ultimately, the market will tell us what a home is worth.”

Sean Lorch, Agent
Downing-Frye Realty
Naples, Fla.



“In another example, there was an old Victorian home in Pennsylvania, and the agent pulled comps for old Victorians,” McLane explains. “She didn’t check zoning, nor did she stand on the front porch and look up and down the street. If she had, she’d have seen the whole village had been rezoned commercial, and it was filled with professional offices.”

“Someone bought the property, turned it into two office suites with parking in the back, and sold it for \$150,000 more,” she recalls. “One of the neighbors just happened to reach out to the family and say, ‘Hey, did you know what happened to your grandma’s house?’ That turned into a lawsuit over the agent’s alleged negligence.”

5 Cultivate a great relationship with an appraiser.

“I always tell agents that they need to make friends with an appraiser,” suggest McLane. “If you don’t know what to do with a property, you can call your appraiser friend and ask, ‘Do you know of anything I can compare it to?’ A

property’s highest and best use is another thing you can call an appraiser for.”

“Agents, especially new ones, think they have to know all the answers,” she notes. “It’s important to know what you don’t know. Go to your broker, too. With their experience, they can point you in the right direction.”

“If it’s a conventional residential home in a deed-restricted community or zoned residential, it’s probably a residential property. On the other hand, if the property is a special purpose like an old school or church, that’s different. You have to identify the highest and best use. What’s physically possible, economically feasible, legally permissible, and maximally productive?”

Melanie J. McLane
broker - appraiser
Jackson Real Estate
Jersey Shore, Penn.

CASE STUDIES

1

The unpermitted changes

For Christian Castro, an agent with Modern Broker in Clovis, Calif., his oddball listing sat on four acres and included the infrastructure for livestock, from fencing to large dirt lots to a shed. It also boasted a massive RV garage—except that part of it had been converted into a bedroom addition for which the sellers hadn't sought necessary permits.



CHRISTIAN CASTRO

AGENT

Modern Broker

Clovis, Calif.

Castro says he focused on three factors to set the price. He followed the advice of an appraiser and focused on units of comparison, such as price per square foot and price per acre, of comps. “I picked the appraiser’s brains, and they confirmed I could do that,” he notes. “That’s become a trend in my office—when comps are difficult and unique, we’ve been calling appraisers because they’re pricing properties all day every day.”

He then identified elements of the property that could raise or depress the property’s value. The plusses were the massive fireplace, livestock infrastructure, and septic system. The minus, of course, was that unpermitted addition.

“I approached that unpermitted work assuming that an additional room would add value,” he says. “With that in mind, I decided not to discount the addition. But I didn’t add as much to the potential value as I would have if the work was permitted. I kept 50-75 percent of what it would add if it were permitted.”

Then Castro turned to trusted colleagues. “I looked to agents who had similar listings, meaning bigger listings, in the area,” he says. “I said, ‘Do you have any comps that were way out of the area and weren’t conventional property that you still used?’ I also picked their brains on what elements they removed from the comps.”

The sellers wanted to list at \$945,000, but they agreed to list at Castro’s suggested price of \$899,000. The home sold in about a month for \$900,000. “The market was still relatively hot, so a quick transaction was expected. But the sale took a little longer than the average for the market at the time.”

2

The remote home with a big plus

Andrew Johnston, an agent and property manager at the Kagan Johnston Group at Go Global Realty in Las Vegas, specializes in equine and investment property. He was recently asked to list a custom-built home with an equine facility on two acres in a remote part of Vegas.

“It was horse permitted, which is very common here,” he recalls. “That equine facility was definitely going to be a major selling point. So I looked up the price per square foot on every home sold or custom built in around four miles. Then I averaged those out based on the quality of the build, such as whether it was traditional or luxury, to get an idea of the price per square foot. I also checked the rough land value in that area. Then I combined those things.”

The seller wanted to sell for \$1 million, yet the number Johnston recommended was closer to \$800,000. “After a bit of back and forth, I took the listing at the higher price point, where it sat for 90 days,” he recalls. “We had little activity, only investors lowballing. At that point, we relisted at \$850,000 and ended up accepting an offer, after another 30 days, for \$825,000.”

“In our industry, patience is a virtue,” says Johnston. “It can be frustrating to have the right answer but not be able to convince others of it. And occasionally, the market surprises you and you get an offer higher than expected. Ultimately, we don’t have the right as agents to tell someone what their house is worth. We just provide some of the evidence.”



ANDREW JOHNSTON

**AGENT & PROPERTY
MANAGER**

Kagan Johnston
Group
Go Global Realty
Las Vegas, Nev.

3

The stunner

Lorch stresses that it’s possible to have good and bad oddball properties. He had a good one in Woodstock, Ill., before he moved to Florida. “It was a Cape Cod, but it wasn’t just any Cape Cod,” he recalls. “It was oozing with vintage charm like built-in dressers and shelving. The detail work and the built-ins were super impressive.”

“The comps were \$160,000, but they didn’t have the charm or built-ins,” explains Lorch. “I thought we could get \$200,000 for it—and we did.”

“I think a lot of setting that price was based on gut,” says Lorch. “I know built-ins are valuable, and I thought they were like waterfront property. Here in Florida, we have cookie-cutter homes, but some are on the lake. I’ve seen premiums of 8, 9, and 10 percent if there’s a nice lake view.”


“So that was a little arbitrary I suppose,” he admits. “I knew the Cape Cod had a premium, so I thought why not start on the high side? The only way you can be wrong for sure is to not do anything for a feature like that. All you can do is your best.”



Not every seller deserves your time

What if you and the seller can’t see eye to eye on the listing price of their unique home? “Tell the sellers the market will give them an answer,” advises McLane. “I say to the sellers at every listing appointment, ‘You have a theory about what your home should sell for, and unless we have a closing and I’m handing you a check, it’s a theory. I don’t decide that, and you don’t decide that. The buyer will.’”

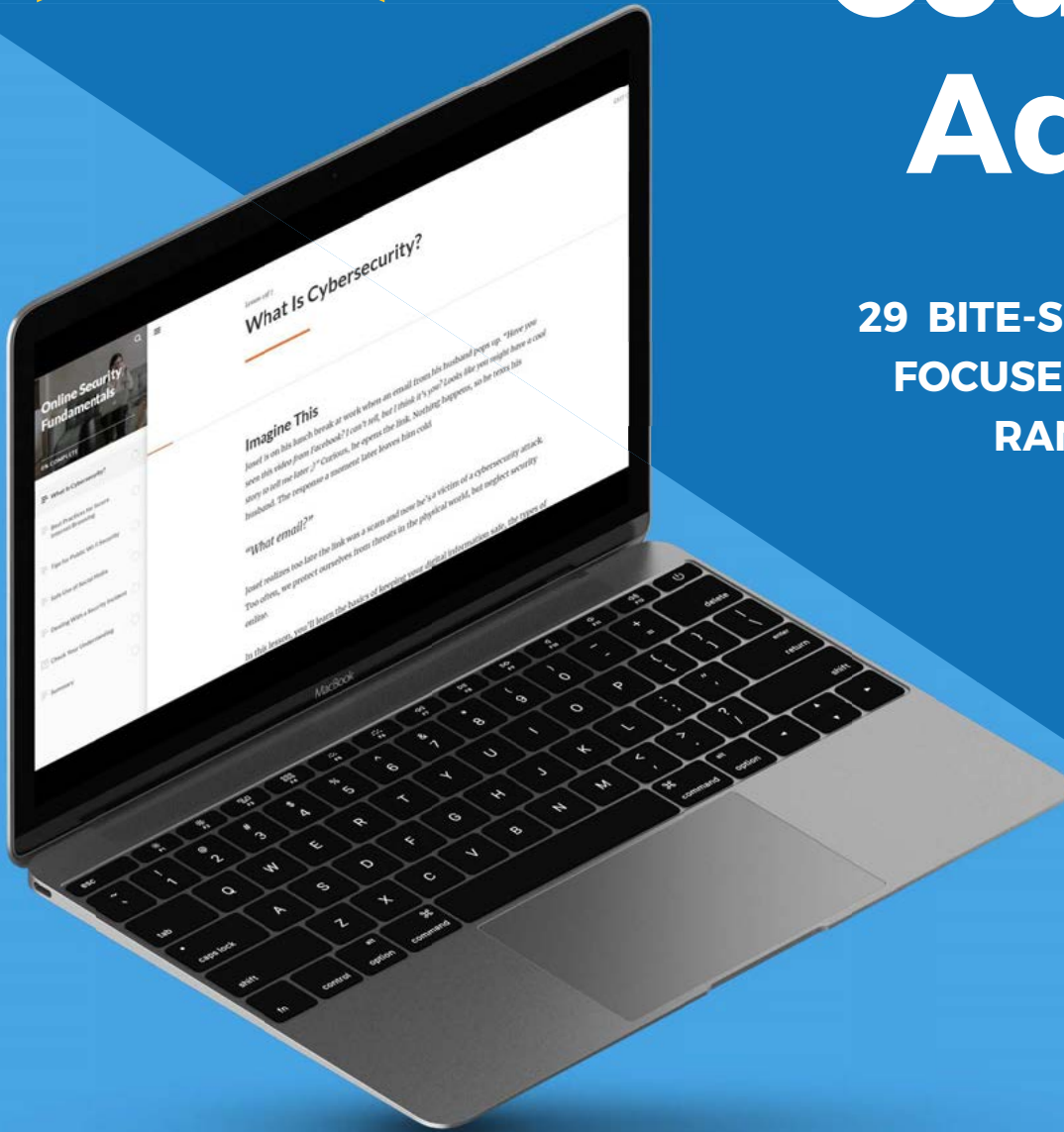
And sometimes, it’s best to offer to be on deck. “If a property is unique and the sellers won’t come near the pricing you believe is accurate, I say, ‘I’m sorry. I’m going to have to be your second agent,’” she explains.

“Often, sellers will give me a weird look,” states McLane. “I say, ‘You’re not going to be happy until you’ve tried this at your price. Do that. And if you list it for X months without altering the price and your home doesn’t sell, you’ll still be here and so will I.’ I’ve had people say, ‘You’re right. We need to think more about price.’” 

G.M. Filisko is a lawyer and freelance writer who specializes in real estate, legal, business, and personal finance topics.

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Best Ways to **SELL** **GREEN** Home Features



It can be a challenge to explain to buyers why home sustainability will benefit them. Here's how to catch their attention.

By G. M. Filisko

Best Ways to SELL GREEN Home Features



ASHLEY MELTON

AGENT

AgentOwned
Charleston, S.C.

Ashley Melton, an agent at AgentOwned in Charleston, S.C., sees the irony that when — as she explains that she has a hard time getting buyers interested in some of the green features of the homes she markets — she’s glancing out at the electric cars in her neighbors’ driveways.

Take solar panels.

“I’ve found that potential buyers tend to be unenthusiastic about homes with solar panels, and some actually inquire about having the panels removed before closing,” she explains. “I listed a house, a little on the high end, with solar panels. Many people really liked the house but didn’t feel the increased price because of the solar panels was justified. The panels were already paid for, so they weren’t going to burden the buyer. I probably had about 50 showings, and people just didn’t see the value.”



MELISA CAMP
ABR®, e-PRO®,
GREEN, PSA

AGENT

HomeSmart
Phoenix, Ariz.

Even agents who specialize in selling sustainability understand the dilemma.

Melisa Camp, ABR®, e-PRO®, GREEN, PSA, teaches NAR’s GREEN designation course and wrote the introduction to NAR’s sustainability course, along with 17 sustainability

microcourses, all at [learning.realtor](https://www.learning.realtor). She feels the pain of her colleagues who want to highlight green home features but struggle to get buyers excited.

“I feel you,” says the agent at HomeSmart. “Speaking from my own feet on the ground in Phoenix, we don’t have inventory. So if a home is in original condition, you’re going to get a flipper. If it’s good condition, you’ll get multiple offers. In a low-inventory market like mine, these sustainability features aren’t likely to move the needle.”

But as [NAR's 2023 REALTORS & Sustainability Report](#) shows, green features *can* catch buyers' attention. It's a matter of knowing what upgrades to look for and showing buyers why those features should make them stop, take notice, and value your listing more than another.

"So much of the value of a greener home is hidden, and that story isn't told," says Betsy Littrell, owner and architect at Maypop Building Workshop and an agent at Parks Real Estate in Nashville.



BETSY LITRELL

OWNER AND ARCHITECT

Maypop Building Workshop

AGENT

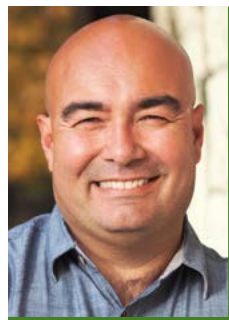
Parks Real Estate

Nashville, Tenn.

Wayne Beals, managing broker at The Beals Group at Exit Strategy Realty in Chicago, agrees. "With sustainability, I think agents haven't yet wrapped their mind around the benefits," he states. "So they generally dismiss it as not relevant."

"But 90 percent of the next generation of homebuyers, the 30-45-year-old crowd, are walking into a car dealership and not even considering a gas-powered vehicle," he insists. "When they turn 55, climate change will be here. It's very relevant to their generation. This is one of those emerging trends. And if agents don't get informed on it, they'll become obsolete."

Here are nine ways you can help buyers, sellers, and yourself as you sell sustainability.



WAYNE BEALS

MANAGING BROKER

The Beals Group
Exit Strategy Realty
Chicago, Ill.



1 With an existing home, start with an energy audit.

Beals' Chicago market is typical of many cities in the eastern half of the country—filled with old buildings that have been retrofitted for today's dwellers. With an existing home built out in the past several decades, an energy audit can begin to tell your listing's energy efficiency story.

“Basically a building engineer comes in and depressurizes your home to look for every air leak,” he explains. “The purpose isn't to stop the leaks but to identify them. The sellers can then talk to people like insulation contractors. Stopping those air leaks is important, and next comes attic insulation.”

“After the sellers do those things, they can have the home retested—and then you can market the house,” says Beals. “You can say, ‘Here's the audit. Here's the work done as a result. Here's the new energy score of the house. And here are the new utility bills. You can confidently tell sellers the house is tighter and more comfortable and has better indoor air.’”

Want to know more? Check out NAR's [Drive with NAR](#) podcast.

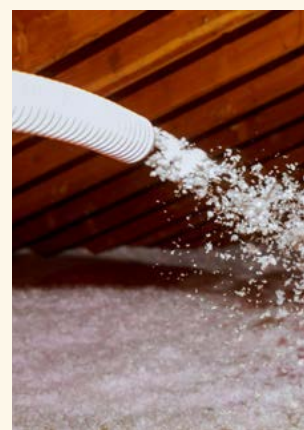


2 Know how efficient the HVAC system truly is.

“The MVPs for my buyers here in Phoenix are the HVAC systems,” says Camp. “Here, you can't be without AC, and people look at that because it's a big ticket-item if you have to replace it. You're looking at \$10,000.”

“The energy efficiency of an AC system is measured by the SEER,” she explains, referring to the seasonal energy efficiency ratio. “Generally, though the size factors in, the higher the SEER, the better. The minimum under federal law is 14.”

“Sellers may not know the SEER of their system,” says Camp. “But more agents are having the photographer take a picture of that new, shiny HVAC for the listing photos. Sometimes I'm in a dress and heels showing the buyers the year of the system. If you have a new system with a higher SEER, I think you're pretty safe telling buyers the system will likely last 10-20 years if they regularly service it and change the filters.”





3 Understand what makes newer windows very valuable.

“With most of the folks I work with, the windows are a big feature,” says Littrell. “With rising energy prices and older homes, that moves the needle. More often than not, newer windows are better than older, but there are some pretty crappy new windows out there.”

“It’s the type of window that matters,” she explains. “Aluminum-clad wood windows have an exterior wrapped in metal that makes them super durable and low maintenance and a step above vinyl builder-grade windows. Fiberglass windows are also energy efficient and very low maintenance. When sellers say they’ve recently installed new windows, ask for more detail. Selling high-quality windows is about understanding and touting their differences.”



4 Do a happy dance if the sellers have installed a heat pump.

“Heat pumps are an HVAC technology that has a reversible refrigerant cycle that makes them very efficient,” explains Littrell. “In new homes, a heat pump is a specific type of HVAC that’s much better than a gas furnace.”

Littrell says heat pumps add more value to a listing than a standard HVAC system, which means you’ll need to dig into the specifics of the heat pump system to be able to sell it. But once you do, they market themselves. “You’re selling that the energy bills will be dramatically lower and that the system will be much quieter than a standard HVAC system,” she says.



5 Investigate whether a roof has added pluses.

“The roof is another big-ticket item here in Phoenix,” says Camp. “If sellers have replaced it the past few years. I’d ask for the warranty. Some roofing companies are giving long warranties, some even for 100 years.”

It’s not just energy efficiency you should ask about but fire resistance, too. “We need to be putting on more roofs that are fire resistant,” says Camp. “If you have a forest around you and the roof caught fire, the whole building would be lost.”

“So ask sellers what they’ve had done with the roof,” she advises. “Here, we have a lot of clay roofs with tile over them. If the home is about 30 years old and it’s original, I can tell the buyers the inspector is likely to say the underlayment is going to have to be replaced. But if sellers say they’ve done that recently, you can definitely explain that to the buyers.”



6 Ask sellers about the extent of the home's insulation.

"I don't think many agents sell the benefit of a house that's better insulated with high-quality windows," says Beals. "A better-insulated home costs less to heat and cool and is more comfortable. It's also quieter, and everybody wants a quieter interior. So look for well-insulated walls and triple-paned windows. When I have a listing and the insulation has been improved, I highlight it."



7 Discuss the pluses of an induction range.

"Induction ranges are a big deal this year," says Beals. "They're more energy efficient than electric and much more than gas, and they offer a better cooking experience. There's a reason chefs use them. We also know that combustion from gas stoves can exacerbate asthma and allergies."

Is it worth suggesting to sellers that they swap out their existing range with an induction range? "In general, I'd recommend homeowners consider new appliances when they list," he says. "But I also think that depends on the buyer population in your community."

"As a general rule, having a new gas range isn't going to pay off," says Beals. "But buyers respond to aesthetics. So if you have an old gas range, something that's not cosmetically as nice as today's ranges, I'd 100 percent suggest replacing the old gas range with an induction range."



8 Be prepared for the pros and cons of solar.

"There are two kinds of solar financial arrangements," says Beals. "There are solar leases, and there's solar ownership. I don't think most agents understand the difference."

"For owned solar, it's a huge selling point," says Littrell. "You can sell that buyers will save on energy costs, but you can also sell resilience when it comes to blackouts and brownouts."

Solar leases are more complex. "The buyer has to absorb the terms of that lease, and they don't own the panels on the roof," explains Beals. "The benefit to buyers is minimal. In fact, I think it's a bad deal for the consumer."





Camp’s home and investment property have solar panels that paid for themselves in six years, well under the projected payoff of 10 years. So she’s an advocate for solar in homes when sellers own the equipment. But she agrees with Beals that selling homes with leased solar panels can be challenging.

“The thing that makes people uncomfortable is that leases for solar panels aren’t written in favor of consumers but in favor of the company leasing the panels to the homeowners,” she explains. “Be careful not to put the lease agreement in the MLS. I’ve seen agreements that have sellers’ private information in there, such as their Social Security number.”

“Some agreements say the company has reserved the right to change the terms of the solar lease at any time,” says Camp. “So a lot of buyers will opt to break my heart and remove the solar panels, and then the roof has to be repaired. Or they require the lease to be bought out, which isn’t always economically feasible.”

The other challenges with solar: Depending on the area and the home, it may not have a big payoff. “It’s not often the highest carbon impact per dollar in investments,” says Beals. “It’s usually the lowest. Most homes in my area are heated by gas, so solar doesn’t help buyers that much. It’s also a political statement for a lot of people. It can be a symbol of liberalism to buyers who are extremely conservative. That’s part of the culture war in America.”



9 Rejoice if your listing fits the definition of a healthy home.

“There’s a lot of buy-in in the market for healthy homes,” says Littrell. “There are systems that make sure your home has filtered fresh air, which is important when it comes to things like pollen and smoke from fires, as there was on the East Coast recently.”

That type of system might already be installed in a high-end newer-built home. In that case, bone up and then boast about the benefits.

Retrofitting an existing home is a harder lift. “It’s not something you’d suggest a seller consider adding for an average home,” says Littrell. “For a higher-end home—say a half-million-dollar home and up, it starts to make sense. Healthy homes and resilience are what people care about.”

G.M. Filisko is a lawyer and freelance writer who specializes in real estate, legal, business, and personal finance topics.



The Oddest Home Tech Your Colleagues Have Tried to Explain to Buyers

Well-done smart-home tech sells. But other gadgets, like high-tech toilets—can confuse buyers.

Sellers can be quirky, as you well know. Sometimes, they think a particular home feature will rock buyers' world, but when you see it, you're puzzled.

That can be true with tech, too. We thought it would be fun to ask real estate pros nationwide to share the technology sellers thought was a huge selling point—that wasn't—along with DIY tech that turned out to be a complete mess. We also asked them to reveal the technology that actually did impress potential buyers. Read on for great war stories.

Fido, Kitty, Meet Robo-Feeder

One of the coolest technologies I've encountered was a seller who installed a state-of-the-art home theater system with a large projection screen, immersive surround sound, and comfortable theater-style seating. It provided a cinematic experience in the comfort of the home and was highly appreciated by movie enthusiasts and buyers who enjoyed entertaining guests with movie nights.

On the other hand, I once listed a property where the seller had installed a robotic pet-feeding system. It was programmed to dispense food at specific times and even had voice recordings to call the pets for their meals. Some

buyers found it interesting. But the majority viewed it as unnecessary or preferred a more hands-on approach to pet care.

I also met a seller who thought that installing a cutting-edge home-energy management system would be a significant selling point. It claimed to optimize energy usage, monitor consumption, and provide real-time data on energy efficiency. However, buyers didn't perceive it as a compelling feature and were more focused on the overall condition and layout of the home.

And unfortunately, there have been instances where sellers attempted DIY installations that were potentially unsafe or not up to code. In one case, a seller had installed a surveillance camera system around their property without consulting professionals or obtaining necessary permits. The wiring and camera placements didn't adhere to safety guidelines or local regulations. They had to fix the installation and bring it up to code before the property could be sold.—*Cam Dowski, agent, interior designer, and founder of WeBuyHousesChicago*

The toilet that talked

One of the oddest technologies a seller installed in a home I listed was a voice-activated toilet. The seller thought it was a huge selling point,



but it turned out to be a flop with buyers. Most people found it unnecessary and even a bit creepy to have a toilet that could talk to them.

Another seller installed a DIY security system that wasn't up to code and was potentially unsafe. They'd wired cameras and motion sensors throughout the house, but they hadn't properly grounded the system or obtained the necessary permits. Wiring was exposed and haphazardly attached to the walls. And some of the cameras were poorly positioned, resulting in blind spots and compromised security coverage.

This caused a lot of issues during the inspection process and ended up devaluing the property. The buyers requested a professional assessment and proper remediation before proceeding with the purchase.

Other sellers have installed really cool and innovative technology that has helped to sell their home. For example, one seller installed a smart thermostat that allowed them to control the temperature remotely. This was a huge selling point for buyers who were interested in energy efficiency and convenience.

—*Samantha Odo, chief operating officer/agent, Precondo, Mississauga, Ontario, Canada*

Deals were slip-sliding away

I'll never forget the home that had the homemade water slide. It ran from the attic on the side of the house around to the above-ground pool in the backyard. The supports were made of ordinary lumber, much of it scavenged. The owner managed to salvage the slide itself from a local community center that was closing.

The other “feature” of this slide is that it was the primary way to fill the swimming pool below, and there wasn’t a way to recirculate the water slide water and reuse it. I had a look at the monthly water bills—they were ugly.

More than a few families toured the house, but it didn’t sell until I convinced the owner to tear out the water slide.—*Martin Orefice, CEO, Rent to Own Labs, Orlando, Fla.*

Stubborn—until liability explained

In terms of cool technology, I’ve seen sellers install smart-home systems that allow for remote control of lighting, temperature, and security systems. Others have installed home theaters with high-end audio and video equipment.

On the other hand, some sellers have installed elaborate sound systems that were too complicated for buyers to use or maintain. In one home with surround sound, the client got a credit at closing to deal with the system. Others have installed home automation systems that were difficult to operate or didn’t work properly.

And when sellers decide to DIY projects, they tend to backfire. For example, when they play with their electric outlets, they seem to never wire correctly, and it’s nearly always a fire risk.

In one DIY electrical case, the bank’s appraisal flagged the work and deemed it unsafe. As a condition to close, it had to be fixed by a professional and reinspected. At first, the sellers were annoyed and wanted nothing to do with it. When their attorney stepped in and explained their potential liability, they quickly complied. The minute a lawsuit floats around, everyone seems to be on track again.—*Peter Michael, principal broker, Piere Michel, New York City*

Who knew high-tech toilets were a thing?

One cool technology example is a shower head with a waterproof Bluetooth speaker. It allows homeowners to enjoy music or podcasts while showering, adding a touch of luxury to their daily routines.

An odd technology installation was a smart toilet with a \$6,000 price tag. Despite the seller’s belief in its appeal, buyers didn’t respond well. They prioritized functionality and simplicity over advanced technology when it came to toilets.—*Joseph Melara, founder/managing broker, Residential Brokers, Palm Springs, Calif.*

Huge premium for voice-activated system

One of the most unforgettable home upgrades I’ve seen was the voice-activated home automation system that integrated everything from the lights and home entertainment system to security, heating, and cooling. It even included a robotic lawn mower and a digital art display that transformed the living room’s atmosphere at the voice command. I believe it cost about \$15,000 to source and install and added at least \$50,000 to the home’s value.

However, the coolest, by far, was the solar glass roof tiles that were both aesthetically pleasing and highly functional. These high-tech tiles were designed to blend with the house’s architecture while generating solar power for the home.

The oddest technology I encountered was a house fitted with electromagnetic field shielding. The owner was particularly sensitive to electromagnetic waves and had taken extraordinary steps to shield the home. It included conductive paint, a special mesh underneath the wallpaper, and an EMF



shielding canopy over the bed. It was definitely an eye-opener for me. I don't believe that harmed the value of the home, but it certainly didn't add to its value.

I also remember a home where the owner had installed a home cinema system that was highly sophisticated, and they believed it to be a key selling point. It included everything from soundproofing to a popcorn machine. However, it didn't resonate with the buyers because it took up an entire room that could have been used for something else.

I've also seen many DIY projects. One seller installed a smart-home system on their own. It involved drilling holes for wiring, setting up sensors, and integrating various appliances and systems. Though the homeowner had some technical skills, there were issues with the setup that didn't meet code requirements, and the buyer ended up having to hire a professional to correct the DIY job.—*Humberto Marquez, broker, Awning.com, Houston*

Not just a bidet, but a high-tech bidet!

One home had a toilet equipped with an automated bidet system that included various settings for water pressure and temperature. Some buyers appreciated the luxury and hygiene aspect, but others found it unnecessary or even intimidating.

And in a particularly unique case, a seller had converted a room into a dedicated virtual reality gaming space. The room was equipped with VR headsets, motion sensors, and gaming consoles. It appealed to tech-savvy buyers, but many others couldn't envision themselves using the room frequently, resulting in a limited target audience.

Another installation the seller believed would be a huge selling point but failed to impress buyers was a built-in voice-controlled assistant integrated throughout the house. The idea was to have voice commands control the lights, thermostat, music, and more. However, some buyers found it intrusive, some preferred

Technology

traditional switches and controls, and some had concerns about privacy.

And then there was the DIY electrical wiring setup for outdoor lighting. The wiring wasn't done to professional standards, which raised concerns about potential hazards and safety risks. That had to be addressed before the property could be sold.—*Dustin Singer, real estate agent/owner, Dustin Buys Houses, Bethel Park, Pa.*

Is pet feeding that much of a burden?

The coolest tech was a comprehensive smart home automation system. The oddest was an infrared sauna in the master bedroom. Buyers found it odd to have a sauna in such an intimate space. It ended up being more of a personal preference for the seller rather than a selling point for potential buyers.

Another seller had installed an automated pet feeding system with programmable timers, portion control, and even a built-in camera to monitor pets' meals remotely. Some buyers were concerned about potential malfunctions or power outages that could disrupt their pets' feeding routine.

Also, in an attempt to create a home theater, a seller installed their own audio and video wiring throughout the house. However, the installation wasn't done professionally or up to code. Buyers were hesitant about the safety and reliability of the wiring that might lead to electrical issues or compatibility problems with their own equipment.

—*Boyd Rudy, team leader/associate broker, MiReloTeam Keller Williams Realty Living, Brighton, Mich.*

The tech has to actually work

The very first unique tech upgrade I ever encountered was a seller who'd installed a home security system that included automated lighting. It was supposed to turn the lights on and off automatically to make it seem like someone was home. But the system was terribly unreliable, and buyers weren't impressed.

The coolest tech I ever encountered was a seller who'd installed an automated garden irrigation system. It was a combination of sensors, sprinklers, and soil-moisture meters that allowed the seller to control the watering from their smartphone. Buyers loved it.

—*Carmelo Carrasco, ARM, CPM, interior designer/agent/co-founder, Axel Property Management, Allentown, Pa.*

No-fuss pool cleaning is a wash

I've seen sellers spend a great deal of money to install a home theater system that was too complex for the buyers and a seller attempting to DIY install an automated thermostat that wasn't up to code. In one particularly memorable instance, the seller of a home I was listing was very proud of their installation a self-cleaning pool system with a timer and a self-chlorinating mechanism. Unfortunately, the buyers weren't particularly tech-savvy and found the system too complex and intimidating.

—*Eric Bramlett, CEO/broker, Bramlett Residential, Austin, Texas*



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Your Days on Market Tells You Something: But What?

This metric can reveal market shifts, pricing problems, possible investment opportunities, and much more.

Just about every agent and broker know their market's days on market. But do you know that same data for your own listings? If you do, what exactly do you do with that information? Read on for insights from your peers.

Do an apples-to-apples analysis

Average days on market is a critical measure of the market's health. The shorter the days on market, the stronger the market is for sellers. As average days on market increase, the better the market is for buyers.

How an individual property's days on market compare to the average is a measure of the value proposition of price, location, and condition to buyers. If a seller's property isn't selling close to the average DOM, an adjustment is necessary, either reducing the price or improving the property's condition.

It's crucial to consider the days on market to the correct, relevant market. For example, you might use a geographic area, radius, zip code, or school district and compare homes of similar age and price range. Homes in the bottom price quartile might have one DOM measure and homes in the top quartile a completely different one.

When discussing price and market time expectations, it's important to understand and present information regarding days on market

and its relationship to the inventory absorption rate.—*Bruce Ailion, REALTOR® Emeritus, ABR®, AHWD, CRB, CRS, e-PRO®, associate broker/attorney, RE/MAX Town & Country, Atlanta, Ga.*

It's helpful and possibly deceptive

I absolutely track days on market. Currently in Orange County, there are multiple strategies for selling properties. There are auctions, pricing low to get a bidding war, pricing at a fair market value, pricing above the market, and so on. And the average days on market depends heavily on the strategy the seller and I decide to go with, as well as the current market conditions.

So far in 2023, my average days on market has been 47, which is in line with the average for our county. Average days on market is deceiving though because I've had listings that were on the market for only five days. All it takes is one listing that sat for too long (sometimes for reasons beyond anyone's control) to drag that average up.

If a listing has been on the market for close to 30 days, that's usually my trigger to change up the marketing.

Changes in days on market also tells me how popular an area or price point is at the moment. It can also tell me what perception my sellers have of the market. For example, in 2022



DOM

when interest rates started to go up and buyers started to back out of the market, it took time for some sellers to understand the tide was working against them.—*Holly McDonald, agent, Compass, Newport Beach, Calif.*

A measure of micro and macro trends

We've enforced a robust system for tracking DOM. By closely scrutinizing the average DOM, we've been able to get a thorough familiarity with the rate at which properties are being sold, and this has allowed us to adapt our marketing efforts accordingly.

Whenever we see an increase in DOM, it signifies mostly that the property isn't drawing adequate interest or that market conditions have shifted. This nudges us to reassess our marketing and make crucial

conversions to increase exposure and grab potential buyers' attention.

In addition, changes in DOM may reveal more comprehensive movements in the local market. If we notice a constant decrease in DOM across a particular area or property type, it may indicate a swell in demand and the potential for sellers to maximize their returns. On the other hand, a protracted increase in DOM may signify an oversaturated market or pricing concerns, cueing us to advise our clients appropriately.—*Jonathan Ayala, founder, Hudson Condos, Hoboken, N.J.*

A DOM double-take

I keep a close eye on the average days on the market for my listings. When I observe a substantial increase in DOM, it's time to reevaluate my marketing strategies.

I assess the effectiveness of my online and offline advertising, including property descriptions, high-quality photos, and virtual tours. It also includes social media campaigns and targeted advertising channels. If any aspect is failing to generate sufficient interest, I make necessary adjustments.

A prolonged increase in DOM may indicate that I'm not effectively reaching my target audience. In those cases, I explore new avenues to broaden my marketing reach. That could involve partnering with local influencers and reaching out to a wider network of agents.

Tracking DOM also allows me to communicate with clients and manage their expectations. By keeping them informed about market trends and the potential implications for their property's DOM, I can maintain transparency and provide guidance on adjusting the marketing plan or pricing strategy.

Changes in DOM also serve as valuable feedback for my professional growth. By analyzing the reasons behind DOM fluctuations, I can adapt my marketing techniques, enhancing my skills and helping me stay ahead of the ever-evolving real estate landscape.

Recently, I noticed a property that had been on the market for 80 days. This triggered my attention since it significantly exceeded both the average DOM in my market and my usual listing performance. After careful analysis, I realized the listing photos weren't showcasing the property's full potential. They didn't effectively capture its unique features and beauty. I reached out to a professional real estate photographer who specializes in captivating images that truly represented a property's essence.

Together with the photographer, we did a new photoshoot, carefully selecting angles and lighting to highlight the property's best features, and I updated the listing. Within two weeks, the property received multiple offers, resulting in a successful sale.—*Neha Gharpande, agent, Elite Properties, Brooklyn, New York, N.Y.*

How property features shape DOM

I've seen variations in DOM based on various factors beyond price alone. For example, in the Palm Springs area, DOM can be influenced by the property's upgrades, orientation, and desirable features, such as golf, lake, or mountain views. Corner lots also tend to attract more attention. Understanding these factors helps in setting appropriate pricing and devising effective marketing strategies.

Last year, my average DOM was 16. This year, it has increased to 27. I attribute this change to multiple factors, including market fluctuations and property-specific characteristics.

—*Joseph Melara, managing broker, Residential Brokers, Palm Desert, Calif.*

Watch for investment opportunities

I keep track of days on market closely. Average days on market right now in Kansas City is five or less. I start looking for investments when properties have 12 or greater. These properties are usually the inventory my clients are looking for. When average days on market are 7-10 and the properties I'm seeking for my clients are closer to 20-30, this is usually more available inventory with less of a budget for rehabbing and greater opportunities for negotiations.

—*Serena Bales, agent, Keller Williams Key Partners, Prairie Village, Kan.*



DOM goal: One week

Days on market are essential to our marketing strategy. Typically we shoot for seven or less. We generally advise clients that in the first seven days, we list the property below market value and hold back offers until the following week. This will bring the most activity and press the price to the current market value. We'll refresh the listing photos and make any changes to the descriptions based on feedback received. If this strategy fails, we'll relist for the expected price. If we don't have an offer after 10 days or 10 showings, we'll discuss a price reduction.

—Chris Cook, agent/team lead, RE/MAX Hallmark The Halyard Group, Toronto, Canada

Sort by DOM and then analyze

I absolutely track my days on market. My MLS allows us to sort listings by DOM, so I can easily identify properties that have been too long on

the market. If I notice my listing isn't getting enough activity, I'll consider changing the pricing and marketing and offering incentives to help move the property. Rental listings that have a DOM of more than two weeks in our market are considered stale, and 30 or higher for single-family homes spells danger.

My DOM ranges from 9-15 for single-family homes. For my rental listings, DOM is 17-49. Recently, I listed a property that wasn't getting much action at all. I knew after a few days the listing was in trouble when there were only a few inquiries and no offers.

I waited seven days to have a firm conversation with the owner. I told her the market sometimes changes suddenly and suggested that we needed to reconsider the price. We lowered the price and soon had three great offers.

—Natiesha Wray Henry, agent, Century 21 Edge, Pembroke Pines, Fla.



John D. Mayfield
ABR®, CIPS, CRBsm, C-RETS,
e-Pro, GRIsm, RENE, SRS

Mastering the Art of Working with Buyers: Strategies for Success

Category: Professional development

Materials needed: Handouts included with meeting materials

Estimated time: 20-40 minutes

PowerPoint available: No

Meeting objective: To help your team members identify and emphasize the importance of understanding buyers' needs and providing exceptional service.

INTRODUCTION:

Start with the following icebreaker:

Share your best buyer success story

- Encourage a few team members to share a memorable experience of working with a buyer.
- Discuss key factors that contributed to the success of those transactions.
- Facilitate a brief discussion on the importance of building rapport and trust with buyers.

Allow 5-7 minutes for this exercise.

STEP 1

Understanding buyer personas (20 minutes)

Explain to the group that in this section of the meeting, you want to focus on discussing the concept of buyer personas and why they're important in real estate.

Have the group provide a list of four to five (depending on your office size and participation) of the different buyer personas, such as first-time homebuyers, downsizers, and investors.

Next break the team into small groups and assign each group a buyer persona to discuss. Instruct each group to brainstorm key characteristics, motivations, and challenges of their assigned buyer persona. (Use the handout for teams to list their key characteristics.)

STEP 2

Debrief with the group spokesperson on what they came up with for the buyer personas they were assigned. If you did this as one team, debrief each persona with the group.



STEP 3

Have the groups get back together, and this time, they should come up with strategies, tips, and best practices for handling their assigned scenario effectively.

Invite each group to share their ideas with the larger team, and facilitate a discussion to exchange insights among the entire office.

CLOSING

Open the floor for questions, allowing team members to seek clarification or share additional insights.

- Summarize the key takeaways from the meeting.
- Thank everyone for their participation and engagement.

“ Success in real estate comes down to your ability to truly understand and serve your buyers. Building trust and delivering exceptional experiences are the keys to long-term success in this industry. ”

— Barbara Corcoran, founder,
The Corcoran Group, a New York City
brokerage she sold in 2001

John Mayfield, ABR®, CIPS, CRBsm, C-RETS, e-Pro, GRISM, RENE, SRS, received his real estate license in 1978 and has been a practicing broker since 1981. He earned his Master's degree from REALTOR® University in 2015, has been recognized as REALTOR® of the Year from his local board, and received the 2014 Richard A. Mendenhall Leadership award from Missouri REALTORS®. John has spoken to thousands of real estate professionals in over 22 countries and served as the 2010 President of the CRB Council. He also owns and operates the Global Real Estate School. For more information, visit www.easysalesmeetings.com.

Handout 1-A

**Mastering the Art of Working with Buyers:
Strategies for Success**

Your buyer persona is _____

What are the key characteristics, motivations, and challenges of this buyer persona?

Strategies and tips for working with this type of buyer:

Additional notes:

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