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REMOTE WORK IS CHANGING HOMES  
AND WHERE WE LIVE



**Plus** BROKERS AND TEAM LEADERS: A FINANCIAL PRIMER

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**Candace Cooke**

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**Time for Some R&R**

Ask most REALTORS® to describe the current reality in which they are operating, and you'll hear the following:

- Pressure to produce results and to do so increasingly quickly.
- Continually rethink efforts and develop contingency.
- Difficulty in keeping up with and making sense of the massive amount of data and information available.
- Struggling to maintain focus when being bombarded by constant interaction and communication.

Sound familiar? If so, it's time to revisit the fundamentals of R&R. No, not readin' and 'ritin' ... or rest and relaxation. We're talking about relationships and relevancy.

**Relationships**

In challenging times, we must expand our commitment to the power of relationships. Spend more time connecting with individuals and creating opportunities for individuals to connect with others.

Send fewer IMs and e-mails. Stop typing and get talking — to agents, to customers and to other stakeholders. Individuals who make time for others pay attention to their needs and potential contributions, and their interactions are far more than a mere means to an end.

**Relevancy**

When the landscape is constantly changing, efforts need to be refocused and often reframed. Start by exploring two simple questions. What matters more now? What matters less? Explore how you can recalibrate every aspect of your business to deliver greater value and relevancy.

Avoid withdrawing too much into your own challenges.

**Reflection. One More 'R' Worth Adding**

Why is reflection so important? Fundamentally, it is one of the key components of our ability to learn. Educational theorist David Kolb taught that one must complete a four-part cycle in order for learning to occur:

- 1.) Have an experience;
- 2.) Reflect on that experience;
- 3.) Form assumptions and generalizations based on that experience;
- and 4.) Test the generalizations in a new experience.

The cycle then begins again.

What are you doing as a leader to model and champion the value of inflection into your business?

*Candace Cooke*



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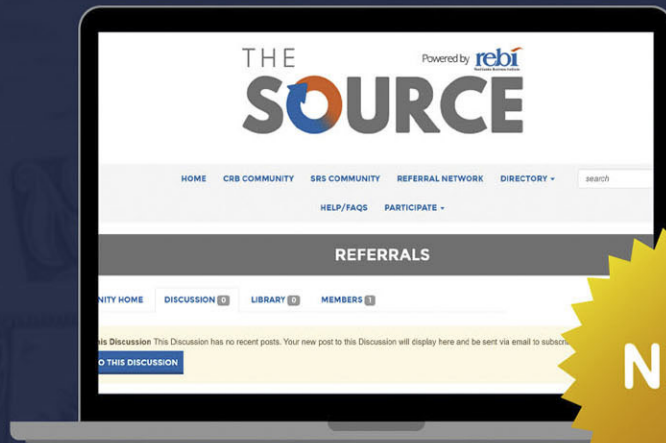
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REMOTE WORK IS CHANGING HOMES

AND WHERE WE LIVE





**Americans adapted to staying home more often with new wish lists for their house and their neighborhood.**

**Will the changes stick?**

**By G. M. Filisko**



Remember when McMansions were a thing, and then Americans decided they weren't a thing anymore? They're a thing again.

“The McMansion is back,” reports Jessica Lautz, NAR’s Washington, D.C.-based vice president of demographics and behavioral insights. “I think it isn’t just to add a home office or space for the home-schooling of kids. It’s also for the home gym, the yoga studio, the painting room, the study—anything you use to be happy within your home.



“And I don’t know if people are going to quickly go back to the gym or studio when experts say it’s safer to do that,” she says. “They may enjoy their space in their home more now, especially if they’ve made it their own.”

With Americans’ needs and wants shifting, it’s critical that you understand what they’re looking for as they shop for their perfect space. Some are looking for more home amenities that maximize their current space, while other buyers are migrating to entirely new areas altogether.

## Home design gets creative

Janice Costa is the Beth Page, N.Y.-based president and founder of an online community for home designers called KB Designers Network and the former editor of *Kitchen and Bath Design News*. She recently attended—remotely—an annual industry trade show and found these home-design ideas intriguing:



**JANICE COSTA**  
PRESIDENT AND FOUNDER  
KB Designers Network  
FORMER EDITOR  
*Kitchen and Bath News*  
Beth Page, N.Y.

### ● Home-office add-ons are hot.

“Obviously home offices have been trending,” says Costa. “In cases where space is at a premium, we’re seeing more interest in all-in-one units that incorporate a desk and storage, perhaps with a slide-away panel to put work away and out of sight at the end of the day.

“Wellborn had a five-foot-long unit that could fit in a wall nook, large closet, or even the wall of a living room that was very well received,” she adds. “It had plenty of specialized storage to make it resemble a mini home office without taking up a whole room.”

- **New ideas make rooms multi-purpose.**

“There were hybrid rooms on display with interesting applications, such as a pull-down wall bed that could easily convert a home office into a spare guest bedroom,” Costa recalls. “Some included pull-out table space that could be tucked into a drawer when not needed to add everything from temporary office space to extra cooking prep space.

“I’ve seen a lot of people take a guest bedroom or other small space and turn it into an office area,” she explains. “Maybe they buy a desk setup with the pull-down bed so you still have that space as a guest bedroom, which you use maybe a couple of times of year. I used to think Murphy beds were something in the 1960s. But Hafele makes a gorgeous bookshelf that you’d never guess pulled out into a bed.”



- **Pocket doors help provide privacy.**

“There are some interesting new design ideas showcasing pocket doors that tuck out of sight when not in use,” she says. “They allow for more individual spaces that can still be opened up for entertaining or family time.”

- **Minor upgrades get love, too.**

“For existing homes, I’ve seen things like retrofitted faucets to go touch-free for a few hundred dollars,” notes Costa. “Also, one of the easiest and cheapest things I found is that owners have options to change or add lighting that adjusts during the course of the day to help you keep on a schedule. That can help you adjust your biorhythms to working in your home space.”





## Where to have these cool amenities?

When you hear about homeowners considering new neighborhoods, that certainly includes local moves. But it also means transformative moves to an entirely new lifestyle.

“The biggest increase we’re seeing is that buyers are making trades within suburban areas and at a higher share than in the past,” reports Lautz. “Many are selling in the suburbs and buying in the suburbs.”

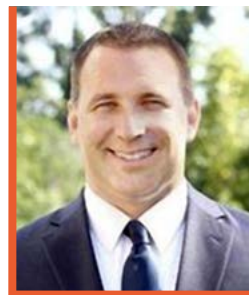
But Americans are also migrating further from city centers. “We’re seeing a huge increase in home buyers flocking to rural areas,” explains Jason Gelios, an agent at Community Choice Realty in Shelby Township, Mich., about 45 minutes north of Detroit. “North of the city, it gets more and more rural, and we’re seeing homes in the country get 12-14 offers. Some buyers want acreage, while others want a small lot with a full barn. Why? Because of the pandemic and remote working conditions.

“It used to be that a home on the market in a rural area would sit for at least 30-45 days, even if it was immaculate,” he states. “Today, they’re flying off the market.”

This trend may include first-timers stepping onto the housing ladder. “I do think the preference toward the suburbs and a less-dense area has been

an opportunity for first-time buyers who may have been priced out of urban centers,” says Lautz.

But it’s not just first-time buyers. Holly Mabery, ABR®, CRB, GRI, SRS, RSPS, rCRMS, associate broker at eXp Realty in Sedona, Ariz., has seen her vacation-home market boom. “People are really looking to vacation and have a home where they like to spend time because they’re able to work remotely now,” she says. “For the most part, they’re purchasing a second home, but we’re seeing more and more people take advantage of being able to work remotely completely.”

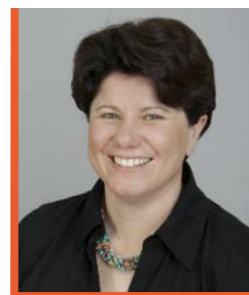


**JASON GELIOS**

AGENT

Community Choice Realty

Shelby Township, Mich.



**HOLLY MABERY, CRB, GRI,  
SRS, RSPS, rCRMS**

ASSOCIATE BROKER

eXp Realty

Sedona, Ariz.



## A move that requires education

The catch: Buyers looking for a change of pace may not always understand what they're getting into.

"Any time I meet with a client, there are three questions I ask," explains Mabery. "How are you going to use this home, how often, and what are your expectations while you use it? That's really important because if they're looking to do school, work, or write the great American novel from there, internet service becomes critical. Working off a satellite connection isn't going to get it done.

"The right infrastructure has to be there or the family members can't be doing a video call and streaming a movie at the same time," she states. "In the past year, the infrastructure became so taxed in rural areas. It wasn't one or two computers using it at time. It was every device in the house.

"It's also about water, sewer, electric, roads, and so on," says Mabery. "Some areas may not have year-round access. So what road or availability do you have to access the property in the off season?"

Gelios has a similar discussion. "People have to be a little more open to what they're going to be dealing with in the country," he states. "Many buyers see it as being glamorous, working from home, having a beautiful view, and having nice land. But it's a lot of work.

"The well and septic are the biggest things they have to pay attention to," he says. "In some counties, you have to have the well and septic inspection, and others don't require it. I always push it with the regular inspection. Also, many rural homes have boilers. Water softeners help with the well water coming to the house, but there's additional maintenance for those. Some owners rent the water softener, while others purchase it outright. It's essentially another appliance, but you really need it because it prolongs the life of the plumbing."

Buyers often think anything goes with property in rural areas, but that's not true in Gelios' neck of the woods. Some counties allow only a certain number of structures on the land, so buyers' hope for a home, a barn, and other buildings might not fly. "One of my clients has two horses, and some counties don't allow horses at all," he explains. "Even then, there are additional restrictions. Many people want to have horses and chickens, and you have to check whether the land is appropriate for those."

The biggest challenge is that some rural homes need work to meet the expectations of urban dwellers leaving newer homes. "What I see the most is that ceilings aren't up to date," says Gelios. "Often homes have popcorn-tile ceilings or drop ceilings like you'd put in a basement, but they're in the living room or bedrooms. In our area, unless you pay above \$300,000-\$350,000, most homes need major updates—new flooring, exterior, and so on."

And good luck getting more than a bid or two on that major renovation work. "Even with the boom,

there aren't a lot of resources for quality work," says Gelios. "I personally know buyers who've had to hire people who've driven further to do the work, which means they charge more. In suburbia, you have 10 plumbers to choose from; here you have 1. And buyers in rural areas should be aware that life tends to move a little slower. Maybe one person knows the zoning rules, and they're in the office Monday through Thursday. That's the reality."

With all these factors, buyers sometimes realize their expectations are unrealistic. "Some of my favorites folks from the city say, 'I want to have acreage, be walking distance to restaurants and shops, and have access to city utilities,'" says Mabery. "Me too! So we have to talk about what's most important to them."

If your buyers want a rural home, be honest about whether you're qualified to help them on that purchase. "Working in more rural areas is a unique specialty," states Mabery. "If I were to try to work in a more populated area, I wouldn't know the nuances of traffic flow, urban taxes, homeowners associations—all those things. The same is true for agents who get into rural areas. Everything will be nuanced, with utilities, seasonality, wells, septic—even fire protection may be on a subscription basis."



**MICHELLE GOETZINGER**

AGENT

Realty One Group  
Gold Standard

Pittsburg, Penn.

How can you tell when you're edging beyond your skill set? "For me, putting my risk-management hat on, I think a referral gets you more money than a lawsuit," says Mabery. "And if I'm going to give white-glove service to a client, why wouldn't I match them with the best possible person for their needs? Sometimes, that's not me, and I'm OK with that. I'm happy to take the referral fee instead of harming that relationship or losing my license."

Another option is to build a team with members who have expertise beyond your geographic area. "This year, we started a team, with more people under me, which helps me go further outside Pittsburgh," reports Michelle Goetzinger, an agent with Realty One Group Gold Standard. "We'd been thinking about launching a team for about a year, and that was a factor in me doing it—so that I could broaden my geographic scope."







## Buyers think shorter term

For those longing for a simpler life, the reality can be eye opening. “The majority of people I work with know that’s what they want,” notes Gelios. “But one buyer last year realized the upkeep wasn’t for them. I do think people have a pie in the sky image of rural life.”

Mabery has had clients rethink the move, too. “I’ve had that happen, where we’ve had that conversation about their usage and what they expect,” she says. “I’ve connected those buyers with agents in less-rural areas. Those were clients who wanted things like being connected to city services like water.”

The biggest unanswered question is whether today’s buyers seeking a change of pace will regret their decision? In other words, is this a cyclical change, or is today’s migration pattern permanent? “I think the difference between past cycles and now is that workplaces will have to adapt,” says Lautz. “A lot of buyers may have already had the conversation that they’re not going back to the office five days a week.

“But I also think we’re on the cusp of CEOs making decisions on whether workers need to come back and when, and that could affect a change,” she notes. “People may have enjoyed a rural retreat in the past year, and if they’ve kept their urban or suburban place, that may be the place they go back to when CEOs state their preferences.”

In other words, buyers may not be looking for their *right* home but for their *right now* home. “Buying a home isn’t a permanent decision,” states Lautz. “The desire for staying in a home is shorter today than prepandemic. Then it was 15 years. Today, it’s 10 years. There are a lot of people saying, ‘I’m going to buy a house for right now, but it might not be my forever home.’” 🍊

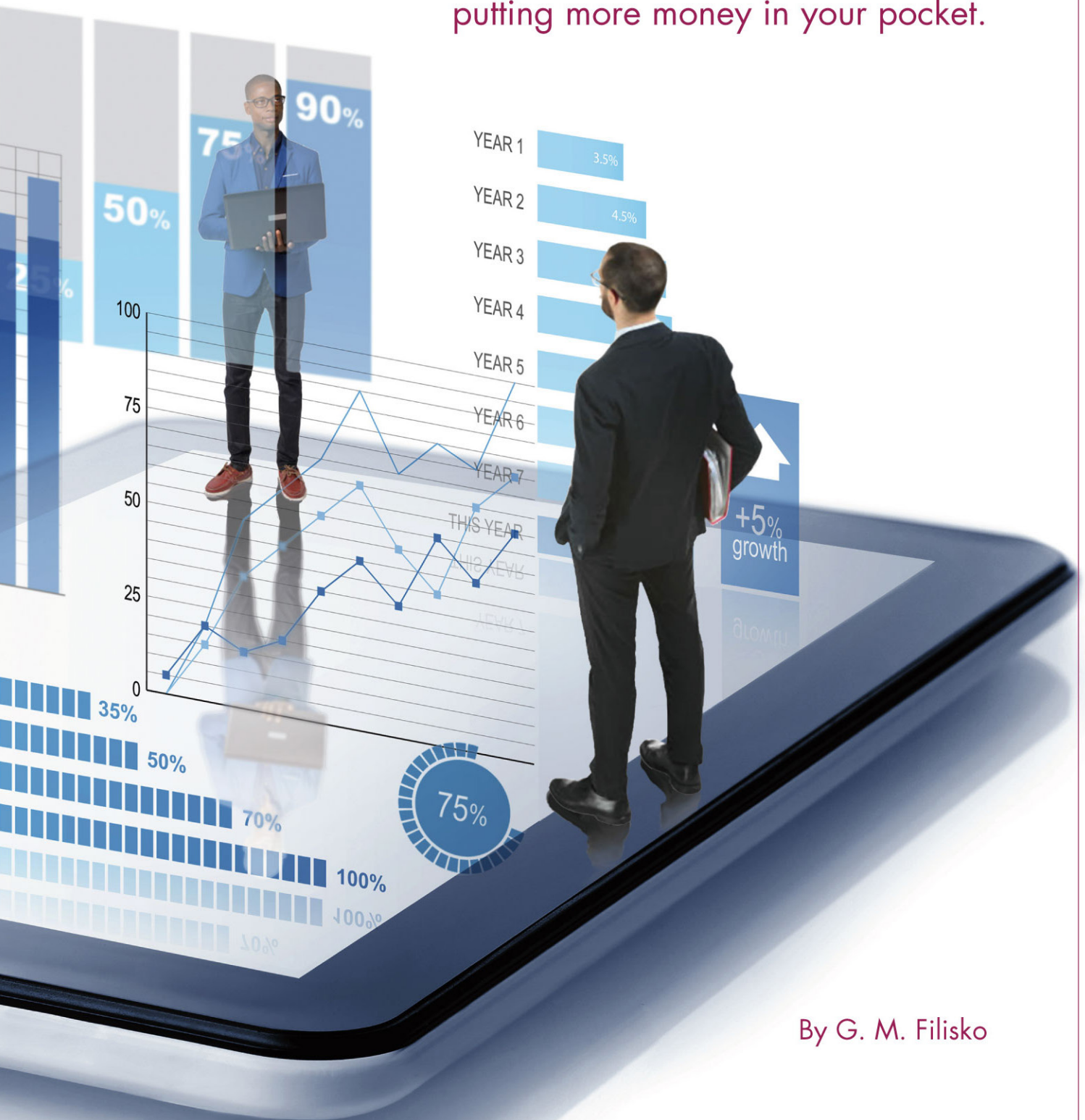
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*G.M. Filisko is a lawyer and freelance writer who specializes in real estate, legal, business, and personal finance topics.*

# BROKERS and TEAM LEADERS: a Financial Primer



Profit not what you've hoped for? Here are the basics of operating a business that can help you begin putting more money in your pocket.



By G. M. Filisko



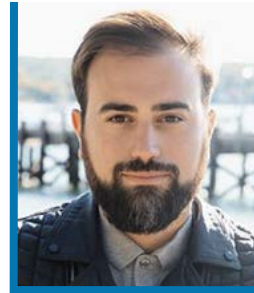
# BROKERS and TEAM LEADERS: a Financial Primer

“If you don’t have systems in place to manage your company or team’s financials, it’s a nightmare,” contends Michael Sadis, who plans and checks his financials regularly as he leads the eight-person In-House Real Estate Group at Signature Premier Properties in Huntington, N.Y.

“I know how much is going to be spent on my team,” he adds, “and I check to be sure we’re hitting our goals and that our budgets are being spent properly.”

Though he’s a new team leader, Sadis believes this attention to financial details will be critical to his team’s success. “Budgets and knowing your operating costs are very important parts of being a team leader,” he says. “You have to know where your money is being spent and what your return on investment is. It’s also important to track your team members’ business. It’s our job to make sure they’re hitting their goals and being profitable for our group. I look at their production every day.”

Of course, it’s the broker’s job to do that for an entire company, and Candace Cooke has seen brokers do impressive work on that front. “I know one broker who reviews her budget and



**MICHAEL SADIS**

**LEADER**  
In-House Real Estate Group

Signature Premier Properties  
Huntington, N.Y.

business plan every 45 days,” notes the owner/broker of Real Property Counselors in Round Rock, Texas, and the current REBI president.

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Round Rock, Tex..



## The Tools You'll Need

What are the basic financial documents and data you need to build, track, and understand?

“Your business plan and budget,” states Cooke. “Brokers and team leaders just aren’t creating these. I teach nearly full time now, and I often ask students: ‘How many of you have a budget?’ Maybe 5 percent raise their hands. I ask: ‘How many of you have a business plan?’ Maybe 10 percent do. They’re winging it, and they’re living paycheck to paycheck.”

“Your business plan comes first,” she explains. “We don’t even know what we need to spend if we don’t know what we’re doing. First plan out what you need to do—and you don’t do that in January and then not touch it again until the next January. Then build your budget from that plan. With the budget, that’s how you know how you’re going to spend your money.”

“Then you need your accounting reports, which are your income and expense statement, which some also call a profit and loss sheet, and your balance sheet,” notes Cooke.

Your P&L, as many people call it, is a snapshot of your revenue, costs, and expenses for the time period captured by the report. It could be monthly, quarterly, annual, or some other time period. A balance sheet details your assets and liabilities.

“You need to review your budget to see whether you’re staying on line,” says Cooke. “Then you review your accounting reports.”

Your P&L doesn’t show how much money you have in the bank but how much you have to have to keep your company running through the ups and downs. These are working documents, things you use every single day.”

What should you be focusing when you review these documents? “Look at what’s going in and what’s going out, and make sure those numbers balance out,” advises Cooke. “Also look for skewed line items. For example, I’ll look at advertising to see if I’m doing a ton of advertising but not having a ton of business coming in. I may look at supplies and ask: Am I getting a benefit from this expense?”

*Look at what’s going in and what’s going out, and make sure those numbers balance out.*

– Candace Cooke

ABR, BPOR, CIPS, CRB, C-RETS,  
e-PRO, GAA, GREEN, GRI, MRP,  
PSA, RENE, RSPS, SFR, SRES, SRS  
Round Rock, Tex.

“Are line items going up and down, and if so, why is that?” she adds. “I go line by line on the budget and look at the percentage of difference in the numbers month by month. Most accounting programs will show you the budgeted amount, the actual amount, and the percentage of difference. Question when that number changes.”



**GINNI FIELD, ABR®, CRB, GRI,  
SFR®, SRES®**

**NATIONAL COACH, CONSULTANT,  
TRAINER AND CRB INSTRUCTOR**

Signature Premier Properties  
San Diego, Calif.

Ginni Field, ABR®, CRB, GRI, SFR®, SRES®, a national coach, consultant, and trainer based in San Diego and a frequent CRB instructor, says you can really drill down and learn from a deep review of these financial tools. “I always looked at two things,” she says. “I looked at the first page, which told me how much money came in. Because I was watching it all the time, I’d always kind of know: Is it good or bad that this amount came in? Then I’d look at the bottom, the percent of money retained, which is the same as the company dollar. It’s what you get to keep at the very end after taxes. Did we make money or not, if not, why not?”

“When you’re looking at a P&L statement, you also want to look at the sources the money came from,” advises Field. “How much was from commissions? How much was from your property management division, if you have one? How much was from referrals? When I reviewed my numbers, I could see exactly how much came in, and I could also break that down further to which agents provided that income.”

You can then look at each category in more detail. Take that commissions portion of the income line on your P&L. “What part comes from listing sides and what comes from sides sold by another company?” asks Field. “You should have a chart that breaks down in-house listings sold by your company, those sold by another company, and other ways income is derived. If you have a commercial division, do the same.”

“When you look at your expenses, what are you spending money on?” asks Field. “Are you bleeding somewhere?”

Do you really need to be doing this yourself, or can you hire someone? Odds are, your time is better spent using your best skills. If you’re running a 50-person brokerage or more, hire someone to create these reports to you monthly, suggests Cooke. “Even if yours is a 10- or 20-person company or team, you shouldn’t be creating those documents.”

Field agrees. “It’s OK to hire someone to create these reports for you,” she says. “When I was managing offices, I got reports every month that told me who did what business, how much came in, and what my bottom number was. When you hire a good accountant, bookkeeper, or CFO, that person’s job is to do exactly that—create those reports.

“You have to hire that person, and you have to pay them,” adds Field. “But if they help you create more profit, they’re worth their money.”



When you’re on top of financials, you’re also identifying what you expect in terms of profitability; that’s a number that will differ among brokerages and teams.

“You have to ask yourself: What does profitability look like?” notes Field. “How many transactions do I need to close to have profit? Is that profitability before or after



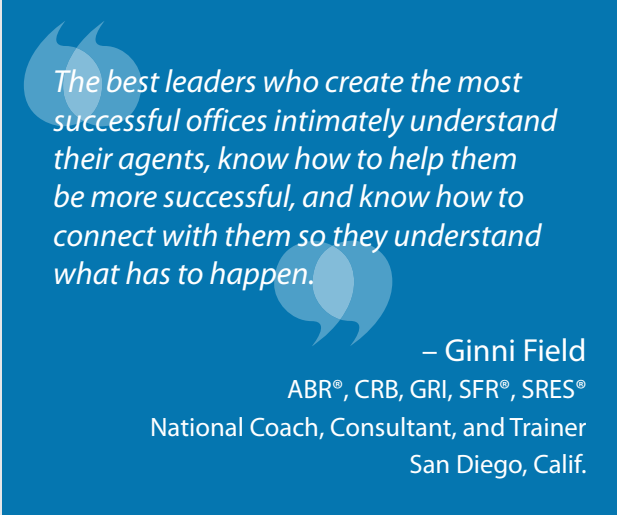
taxes? It's only profit when it's the last number on the line."

Field has been running real estate companies since 1989 and says she's always made them profitable. "When you do things the way you should, you make money, and it doesn't matter whether you have a per-transaction or per-month fee or a more traditional compensation model," she says. "The second office I ever managed, back in 1990, was a company that didn't tell their leadership what was coming in and what was being spent. I had enormous arguments with them: 'How can you expect me to create profitability when I don't know the numbers? You're asking me to run a business for you but not giving me the foundation I need.'"

Profitability ultimately involves setting your company dollar. "What does that mean?" asks Field. "It's how much money you get to keep to pay the bills with. If I have an agent

who's on an 80-20 split, 20 percent is my company dollar. That has to be big enough to pay the bills and have profit after that.

"If you asked me what my company dollar is when I was managing offices," she insists, "I'd know that amount all day long."



*The best leaders who create the most successful offices intimately understand their agents, know how to help them be more successful, and know how to connect with them so they understand what has to happen.*

– Ginni Field  
ABR®, CRB, GRI, SFR®, SRES®  
National Coach, Consultant, and Trainer  
San Diego, Calif.

Here are a few more tips to help you get your arms around your company money:

### 1. Track your team members' numbers as you track your own.

"Most team leaders are so focused on their own business that they often have a hard time keeping up with their agents' business," says Sadis. "I know a lot of team leaders who bring people on board for the sake of growing their team just hoping those team members sell."

### 2. Don't treat your bank account like an expense account.

"This is what I see," explains Cooke. "Brokers or team leaders say, 'I have \$10,000 in this bank account, so I can sign up for coaching and the newest and greatest app.' That money is supposed to go out over a period of time. Don't be thinking that's extra money. That's operating money."

### 3. Know the cost of acquiring leads and converting them.

Sadis says this is a number many team leaders misunderstand or don't track well. "If you're creating a campaign to farm an area, let's say your program costs \$1,000 per month," he explains. "You need to know how many leads you brought in from that neighborhood during that time period. Ask clients who contact you: 'How did you hear about us? Did you see us online? On a postcard?' You want to know if that campaign yielded X many calls and, among those, how many you converted to clients."

#### 4. Too much money on hand could be a bad thing.

“If you hold too much money, you may be sacrificing some of the quality of your brokerage,” asserts Cooke, who believes that might be a sign that you’re not investing in your business. “Leaving money in an account isn’t productive. You can have long and short-term investments, with some that are liquid in case of emergency.”

#### 5. Stop focusing primarily on volume.

Stop focusing primarily on volume. “It drives me crazy when I heard brokers or team leaders quote how much they’re selling, such as \$25 million of real estate,” says Cooke. “Yes, but how much of that did you have to pay to someone else and or use to pay expenses? That gross volume number can tell you something, but it’s the very start of your financial analysis.”



Field has one more point of information you have to know to understand your company’s profitability. “I’d say one of the single most important pieces to successful, profitable offices is the agent population and the leadership’s leading of those people,” she asserts. “The best leaders who create the most successful offices intimately understand their agents, know how to help them be more successful, and know how to connect with them so they understand what has to happen: “When I ran offices,

we needed to look at what production had been year to date and, based on our knowledge of our agents, predict what they were going to do the next year,” she adds. “That’s what leaders need to know.”

“I had this one agent who always made within \$3,000-\$5,000 of the same amount every year,” recalls Field. “I analyzed her numbers and told her, ‘Did you know you were 50 percent buyer and 50 percent seller side in sales? I also noticed that you’ve given away credits at closing that ultimately amounted to the commission from two transactions a year.’ The agent population doesn’t think that way, but you can really help them if you understand your company’s numbers.”

---

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



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## Digging Deep into Recruits' Backgrounds

Your colleagues explain the lengths they go to in checking that potential agents and staffers are fit to represent their company.

Just how well do you know the people you're adding to your team? Is it necessary to do a formal background check? Some brokers do, but others aren't so sure and instead take other routes when it comes to uncovering just whom they're bringing on board. Here, they explain their thinking.

### A thorough check is a must

Sure, he's got a dog in this hunt, but David Garcia, CEO of ScoutLogic, a pre-employment background check company in Lincolnshire, Ill., suggest you conduct background checks before bringing on new team members. "Especially given that agents are exposed to the general public, you should conduct such checks," he advises. "Your insurance policies may even mandate that you perform them."

Garcia says many brokers default to the lowest-cost check. That's fine if it includes what Garcia considers the minimums. "It should include a national criminal database search, reviewing sex offender registries, county court searches, and a federal check," he suggests. "The cost should be in the \$20 to \$40 range, excluding any court fees."

Those court fees can add up. Garcia says they're set by the county in which the agent resides and can range from nothing to \$3-\$7. "Some New York counties charge more than \$90!"

he states. "On average, you should plan for \$5-\$10 in court access fees, excluding New York candidates."

That's about what Theodore Theologis, who's a lawyer and principal broker at Slones Real Estate in McLean, Va., gets in the formal background checks he has conducted on potential hires. "We believe it's important that anyone who has access to client information or advises clients on a large financial decision such as buying or selling a home should have a personal history of good financial management and a clean criminal record," he says. "Therefore, we require a credit and background check."

The search his company runs includes a full credit report with credit score, in addition to a complete background check and identity verification. The process taps into the most-wanted databases, the National Sex Offender Public Website, the U.S. Treasury Office of Foreign Assets Control database, and criminal records by state.

For that, Theologis pays \$55. So far, he's come up with nothing but peace of mind. "We've not had anyone with an arrest or conviction or bad credit," he says. "As a policy, we wouldn't hire anyone who has anything more serious than a speeding ticket or something similar or who has a credit report that shows collections, multiple late payments, and other money issues."



Background checks are also part of the hiring process for Caleb Luketic, owner of Favor Home Solutions in Nashville. “But we never want to make that the sole reason we don’t hire someone,” he adds. “The past is the past. It’s wise to be fully educated on someone’s past, but if you can see they’ve changed, assuming something pops up on the background check, and they’re the best candidate, then we hire them—plain and simple. We always look for the best candidate we feel can perform the job and has the work ethic to make it happen.”

Garcia thinks that’s a wise approach. “When it comes to hiring, you need to look at the background check as part of a total candidate job history and provide individual consideration when you make the decision,” he advises. “Just because someone has a record doesn’t mean they’ll be a bad employee.”

If you’re unsure about a candidate with a blemished record, Garcia suggests consulting a lawyer experienced in hiring and employment matters before moving forward.

Luckily, Luketic hasn’t been in that position. His checks cover major concerns, such as felonies and sex crimes. “We’ve had a couple arrests pop up, and you certainly pause to read what it says and think, ‘Would this impact our business?’” he explains.

“But it has never given us a reason to not hire someone,” says Luketic. “We haven’t moved forward on hiring those people for two other reasons: They didn’t perform well on interviews, or we felt their skills needed to be developed more before we hired them.”

# Recruiting Strategies

## A different type of check

Trey Langford, founder of Build Idaho Keller Williams Realty in Boise, says he looks at prospective agents from “top to bottom.” But he’s never done background checks.

“I believe in my interview process I’m able to get a really good feel about someone whom I’m going to move forward with,” he says. “We also check references. I’ve found that people who make bad decisions don’t just limit those to one part of their life, so things normally pop up in many places during an interview. For example, if they’ve had a lot of jobs and something went wrong, and it’s always someone else’s fault. There’s probably an underlying issue with the candidate.

“I like to listen to prospects because they sometimes say something that makes me question them,” adds Langford. “For example, one time I had a candidate tell me he managed 2,000 people. I can barely manage 10.

“We’ve also found that when there are inconsistencies in the interview, it shows up in other places as well; for example, when sales numbers based on our research don’t match what the agent claims during the interview,” he explains. “We can also check how often they’re changing brokerages. Both can be warning signals.

“Then we look at social media to see how active the agent is and how they market themselves online,” states Langford. “We’re looking for agents who are not only active but pro-active, along with how large their network is.”

J. Daniel Duval also doesn’t see the need for background checks. “The best background check you can do on someone is through

people you know in common,” says the principal broker and partner at Elevated Companies in Boston. “We hire only based on a personal referral. While we do check social media and what comes up when you put the recruit’s name in a search engine, we rely heavily on the recommendations of our personal networks.”

## DIY checks do the trick

“Although background checks are more associated with tenant move-in requests and financial jobs, I’ve found them quite useful in my business,” says Eric Nerhood, owner/president of Premier Property Buyers in Seal Beach, Calif. “All you have to do is ask on an employment application what states the candidate has lived in. From there, you can go to the judicial department of any state, enter the last name, and see if the person’s name shows up. Luckily, I’ve never had a potential candidate with an arrest or conviction record.

“But really, the internet is the best tool any employer can use in the job market,” he adds. “I check people’s Facebook account, looking for something out of the ordinary. Does the candidate have any hate speech or belong to any groups that could cause a problem in my business? I run their Twitter and Instagram accounts, not to see them on their last vacation but to see if there’s a pattern that could cause a problem, such as too much alcohol consumption.

“Little things like these will either make or break a candidate,” he says. “Do I care about their religion, politics, sexual orientation, or much else about them? No. I care if they’ll be honest and trustworthy employees. I don’t want to be afraid to leave my office not knowing what might happen.”



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## How Determined Are You to Save on Tech?

Some pros shrink their tech budget by buying used or refurbished, but others think that's too risky.

There's a growing trend of people avoiding buying new stuff. Its origins are in an anti-materialism mindset, but it also reflects an environmental mindset—the idea that the world doesn't need to keep producing more things that end up in landfills.

A cool side benefit is that you can often save money when you buy used or repurposed products. But is this something you can adopt with technology for your business?

Some of your colleagues say they've done it, while others say business tools are too important to take chances on. Here, your peers explain what they buy used or refurbished and what they'd never purchase other than new.

### Yes for this, no for that

Refurbed and used tech are fantastic ways to control your tech costs. You can rather easily save 30-50 percent on tech hardware if you source smartly. You can do that by sticking with well-known brands and reputable refurbished vendors. Dell, Lenovo, and Apple all sell refurbished PC hardware, tablets, and two-in-ones direct with warranties, and on some, you can purchase an extended warranty. Insight and Tiger Direct are also reputable vendors.

Monitors, laptops, desktops, and mobile and VoIP phones typically provide a great savings value, and

because there are very few “wear” items, failures are very rare. However, avoid items that have “wear” parts, such as printers and copiers. With those, I believe the risk outweighs the savings, and repair costs usually outpace the replacement value of the device. I also recommend you buy new consumables like mice and keyboards and that you take advantage of the manufacturer's warranty.

eBay sellers are fine—to a point. If a piece of hardware is brand new, it's important to make sure the manufacturer will honor its warranty and any additional warranties, such as those covering accidental damage. On warranty claims, some manufacturers ask for proof of purchase to make sure you bought from one of their partners or authorized resellers. Reputable eBay sellers will usually mention this up front since it's a selling point. I've bought several mobile phones on sites like eBay with nary a problem—*Margaret Seays, agent, Seavest Property Solutions, Atlanta*

### Not worth it; seems “sketchy”

I work with real estate agents. In my experience, very few try to save money on tech by buying second-hand. The risk is high.

I've had several conversations with agents about it, and they're typically annoyed at having to pay to get a new phone. They also know resale phones are an option. However, they don't think the

savings is worth the potential cost. Resale phones are viewed as cheaper, but not much. And, for an iPhone, Apple's new plan where you pay about \$80 a month is pretty doable for agents.

So trying to save on the \$80-per-month bill isn't that big of a savings, and the downside of having a phone that dies on them is significant if they miss a lead or potential deal as a result. In short, I hear that typically the savings isn't worth the risk. The most common phrase I've heard agents use to describe resale phones is "sketchy."

—Sean O'Dowd, CEO, Close Concierge, Chicago

## Started with a refurbished phone

I'm an agent in my first year, and the cell phone I had before this one (the phone I actually started my real estate business with) was a refurb. I upgraded due to a cracked screen after a drop, but the device lasted about two years. It was a Samsung Galaxy 8 purchased directly from my phone carrier. It came pre-wiped and ready for use as if it were brand new. I saved roughly \$300 when I bought my refurb.

When I purchased the phone, it was an unexpected purchase, and I didn't want to finance it. So by buying the refurb, I was able to stick to my budget and still get a newer phone capable of running the apps and having the storage space I needed. Because my refurb ran perfectly until the drop, I'd likely buy another in the future if the device met my specs and the retailer was reputable.—Tara Bosier, agent, Bold City Real Estate, Jacksonville, Fla.

## Photography upgrades for less

I've been a real estate photographer for 12 years, and I've found photography is cost



prohibitive for new agents. They make up the majority of my clients.

I believe agents can save a lot of money by going with used photography gear over the latest photography tech. Cameras and lenses are



# Technology

very expensive if you buy new. If you buy used, you can save more than 50 percent and still get high-quality equipment that produces professional results.

You'll generally find the best deals locally. But what you're looking for isn't always available when you need it. The best online seller of used photography equipment I've used is [bhphotovideo.com](http://bhphotovideo.com). They offer quality used gear and buyer protection. It's the safest and most cost-effective place to get quality used photography equipment.—*Josephine Ortega, photographer/content editor, The Main Museum*

## Used lockboxes rock if you involve your board

Like it or not, real estate is a constantly changing business and one that many people leave. This can provide opportunities for others to get great deals.

Electronic lockboxes typically cost \$100 each. But once agents leave the industry, they typically have no use for these bulky boxes. I believe this is a great device to purchase used. Just be sure to make the exchange through your board of REALTORS®. Otherwise, they may not register the transfer of ownership of the box, and this can cause you problems later if you need to trade in or recharge your electronic lockbox.—*Marcia Socas, Castro Realty Group, Orlando, Fla.*

## For business, but not listings

The only refurbished tech I'd use would be for business purposes. I'd never invest in refurbished tech meant to remain on any properties I'm trying to sell.

Refurbished tech is a great solution to find quality equipment to transition your business to a much

more virtual existence. For example, a 360-degree camera or, for bigger properties, a drone with recording ability will be much more affordable if you purchase it from a quality used or refurbished dealer.

Refurbished phones are also very reliable. If you're not keen on the price tag of the newest tech, upgrading to a refurb phone can at the very least offer you an updated camera lens. This is crucial for taking photos and conducting video calls. Look for a wide-angle option for the best photo and video results.—*Tony Mariotti, CEO, RubyHome, Beverly Hills, Calif.*

## Only for a laser printer

I'd never purchase refurbished tech for something like your phone or things that lead directly to communication with potential clients. Managing your tech spend is critical to running a sound business, but not in areas of client communication, which can lead directly to sales opportunities.

I've purchased refurbished tech only in the form of a printer. With a laser printer, you can get away with this because the new "parts" they're replacing the old ones with are the same as in a new printer. I've done this twice. In both instances, the laser printer brand new was around \$600. The same refurbished model was about \$200. I also purchased the refurbished, off-market toner cartridges at about a 40 percent discount.—*Jeff House, director of coaching, Next Move/strategic real estate advisor, Real Estate Bees, Dayton, Ohio*

## Head to a university town

I bought a used laptop several years ago, and it's still going strong. I live in a university town, and we have an awesome university surplus store that has all kinds of items, from bikes to furniture and

appliances. The computer deals are phenomenal. I think I paid \$40 for my laptop. I used it exclusively for about four years before getting a Chromebook and splitting my time between the two, and I recorded and produced a podcast on it.

—*Deb Tomaro, broker/owner,*

*Deb Tomaro Real Estate, Clear Creek, Ind*

## Only if you can purchase safely

I purchased a 3-axis Gimbal phone video stabilizer used from someone on Facebook. I purchased my 360-degree camera used from someone on Facebook as well. I'd consider both used.

The stabilizer was going for about \$120 at the time, and I got it for \$40. The 360-degree camera is around \$400 brand spanking, and I got it for \$150.

My best tips are to buy local if you can. I buy on Facebook Marketplace. Be sure you know a little something about the tech before you buy it so you can understand what you're purchasing. I always ask the seller to demonstrate the features so I can make sure they aren't trying to pull a fast one on me. Also, make sure to meet the seller at a safe, secure location, such as a police station or store that's busy, well lighted, and covered by video cameras.—*Sean Cochran, broker,*  
*The Cochran Team, eXp Realty, Chicago*

## Darn near destroyed my drone!

Buying used or refurbished tech is useful for a start-up real estate company on a budget. When I began my real estate career, I did all my own listing photos and videos. I'd buy used camera lenses on eBay for half the price of the new lens. This allowed me to upgrade my quality much faster, which increased my business.

Used or refurbished equipment does have its risks, though. I once bought a refurbished

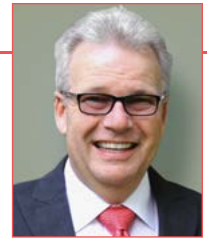
battery for one of my drones. It was almost half the price of a new battery, so I decided to try it out. It lasted about two weeks and then nearly exploded while inside the drone 100 feet in the air. I was able to land the drone just in time and power down the unit. The battery was hot and swollen. I could barely get it out of my drone.

Certain refurbished tech items are wonderful. There are also tech items that aren't worth buying used or refurbished. Items with batteries or mechanical parts may not be worth it, but items that don't wear down over time and hold their resale value may be excellent choices. Research the items you're considering buying used or refurbish to determine their longevity and resale value.—*Andrew Fortune, owner,*  
*Great Colorado Homes, Colorado Springs, Colo.*

## If defects are cosmetic, might be worth it

Refurbished tech like computers, tablets, and mobile devices are great options if you're looking to cut costs and willing to take a bit of quality risk to do that. Usually manufacturer-refurbished products have very limited risk because they have passed certain testing and are covered by a warranty. For example, refurbished Apple products are Apple-certified with a one-year warranty.

In my experience, the issues you'll find with these products will be cosmetic, such as a very small ding on the bezel of the device; there's no impact to the functionality of the product. We created the Block Party app, and we highly recommend that agents who use our open house app on a tablet buy the tablet refurbished because most of the time they're putting their device on a stand or in a sturdy cover. So the appearance of any visual defect is usually masked.—*Julie Aragon, CEO/founder,*  
*Julie Aragon Lending, Los Angeles*



**John D. Mayfield**  
ABR®, CIPS, CRB<sup>sm</sup>, C-RETS,  
e-Pro, GRI<sup>sm</sup>, RENE, SRS

## Social Capital: How to Make the Right Deposits for Future Dividends

**Category:** Professional development

**Materials Needed:** Flip chart, blank index cards; handout included with meeting; if possible, bring a 1-, 5-, 10-, 20-, and 100-dollar bill

**Estimated Time:** 20 minutes

**PowerPoint Available:** No

**Meeting Objective:** To help your team members understand that everything we do attributes a “value” to our actions and activities.

### INTRODUCTION TO TODAY'S MEETING

Hold up each of the following slowly, one after another, asking your group to write down on their index cards what comes to mind as they view each: a \$1 bill, a \$5 bill, a \$10 bill, a \$2 bill, and a \$100 bill.

**Ask:** What do each of the forms of money have in common? (Answer: They're all just pieces of paper. Yet we view each one as *more* than the previous one based on their value). Explain that today's meeting will help them understand that everything we do, in some form or another, attributes a “value” to our actions and activities.

### STEP 1

Have your team members write down a dollar value based on the money denominations you shared previously on their handouts for the following items. For example, a social media post might have a value of \$1 or, maybe for some, \$5. Remind the group that there are no right or wrong answers. Allow the team a few minutes to complete..

- A social media post \_\_\_\_\_
- A comment on a social media post \_\_\_\_\_
- A like on a friend's social media post \_\_\_\_\_
- A handwritten note to a friend \_\_\_\_\_
- A phone call to a customer or client \_\_\_\_\_
- A blog post \_\_\_\_\_
- A video posted \_\_\_\_\_
- A follow up to a past client \_\_\_\_\_
- A referral to another business owner \_\_\_\_\_
- A small gift to a friend or client \_\_\_\_\_





Ask for volunteers to share their results. As you debrief, encourage your team members to share why they listed the values for each item.

## STEP 2

Ask the group if there are other types of social deposits we can make on a daily basis to help us grow our business. Emphasis for you in is highlighted in green

## STEP 3

Share the following article: [How to Make a Social Capital Deposit](#). From this article, encourage your team members to consider three key points (elaborating on each as you share them):

- Provide something of value
- Give prospects your valuable time
- Provide a referral

You can encourage your team to provide more examples and ways to accomplish this idea.

## CLOSING

Explain to your team that every day, we're making deposits of social capital into various bank accounts. As they plan their day, they should be thinking about how they can make bigger social deposits. They should also spend their social capital correctly.

**Remind** your team that there's nothing wrong with making smaller deposits but that all of us must be conscious of strategically making social capital deposits correctly to ensure future dividends.

*I don't own a single security anywhere that doesn't pay a dividend, and I formed a mutual fund company with that very simple philosophy.*

— Kevin O'Leary

*John Mayfield, ABR®, CIPS, CRB<sup>sm</sup>, C-RETS, e-Pro, GRI<sup>sm</sup>, 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.globalrealestateschool.com](http://www.globalrealestateschool.com).*

*Special sales meeting provided for REBI Real Estate Brokers and Managers by Easy Sales Meetings and John Mayfield, The Business Tech Guy - Copyright 2021*

## Handout 1-A

Provide this list to each team member, asking them to assess a dollar value—\$1, \$5, \$10, \$20, or \$100—for each activity

A social media post \_\_\_\_\_

A comment on a social media post \_\_\_\_\_

A like on a friend's social media post \_\_\_\_\_

A handwritten note to a friend \_\_\_\_\_

A phone call to a customer or client \_\_\_\_\_

A blog post \_\_\_\_\_

A video posted \_\_\_\_\_

A follow up to a past client \_\_\_\_\_

A referral to another business owner \_\_\_\_\_

A small gift to a friend or client \_\_\_\_\_

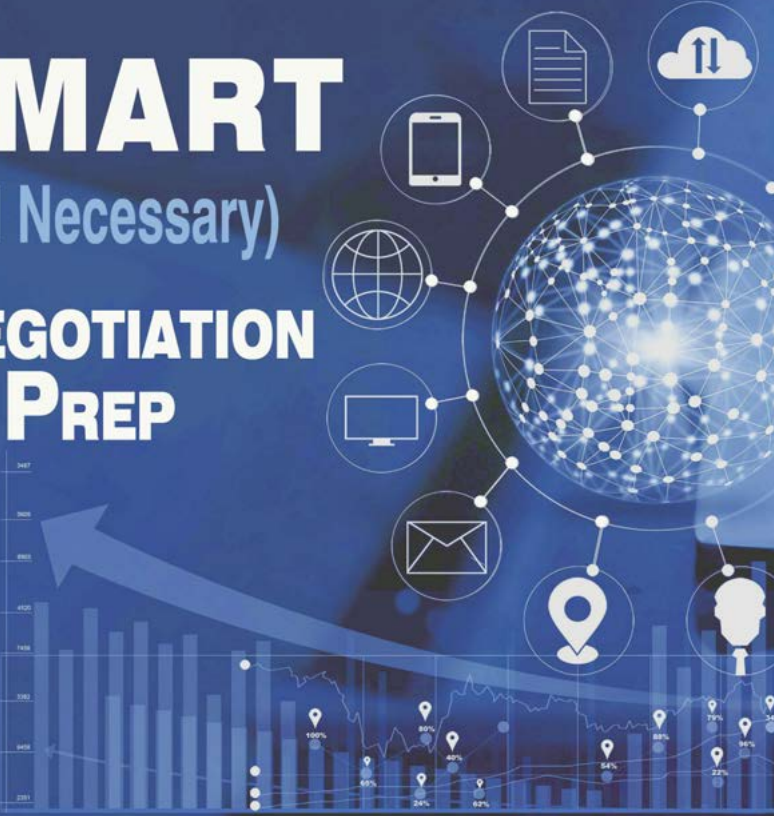
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