Guide
How to dominate in a changing real estate market
Shift your survival strategy and start thriving
Survive to thrive

Four steps to thriving

Step 1: Develop your listing strategy

Step 2: Prepare buyers

Step 3: Be in the loop

Step 4: Prepare for competition

Summary
Survive

v. - to remain alive or in existence

The Great Recession. Even the mention of the phrase is enough to strike fear in the hearts of even the most resilient real estate professionals. And it’s no wonder. Real estate has been a tough place to be the last few years, especially when compared to the early- to mid-2000s, when business was booming and closings came easy. But after the market crashed, agents had to redesign their business strategies to reflect a new reality: extremely tight lending standards, a serious decrease in consumer confidence, a flood of distressed properties coming into the marketplace, and plummeting home prices.

The recession forced many real estate professionals to leave the business entirely. And those who were brave enough to stay the course went in to survival mode, doing whatever it took to keep business moving until the market improved. While the average agent suffered, a few agents prospered as they shifted their focus to REOs, short sales, and cash investors.

Until 2012, survival was the name of the game. But now, agents who hung in there are finding that the marketplace is shifting again, and it’s now time to create new strategies that meet the demands of today’s reality.

Thrive

v. - to gain in wealth or possessions; to prosper

It’s time to evolve from a mindset of surviving to one of thriving. And the best way to do that is to acknowledge the realities of the new real estate landscape and develop skills and strategies for success. So what’s changed in the real estate market? Here’s a quick look at what’s happening now:

- **Fewer listings.** Limited inventory in most cities means that listing agents are closing sales more quickly, and buyers’ agents are working overtime to find great homes for their clients.
- **Escalating prices.** Because of the competitive nature of the market, home prices are on the rise, and many homes are selling for over their appraised value.
- **Multiple offers.** There are plenty of buyers looking to purchase homes before the market recovers completely. Sellers often have their pick from multiple offers.
- **Homes selling within days of being listed.** Homes are selling quickly, and some are even selling before they are listed.
- **Limited financing options.** Credit is still tight, especially for first-time buyers. Buyers with more cash are benefiting.
- **Low interest rates.** Rates are still at historic lows, for now.
Four steps to thriving

Do you have what it takes to make the most of the real estate market revival? More than 2,400 real estate agents from around the country took ActiveRain’s recent Real Estate is Back survey and let us know what’s happening in their local markets and how they plan on making the most of the upswing.
STEP 1: Develop your listing strategy

**WHY?** Thanks to an influx of buyers in most major markets and relatively limited inventory, listing agents are now in the driver’s seat. Agents who focus on listings will enjoy a faster return on their efforts and, consequently, be able to close more deals per month. In fact, most agents should focus a certain percentage of their business on listings.

**How to do it:**

**Create awareness.** After experiencing consistently declining home values over the last few years, many homeowners are unaware that their property may have started regaining value. And, not only are many homeowners now able to sell their homes for a profit, but many homes are attracting multiple offers and selling above their appraised value.

Start a marketing campaign in your local area to let homeowners know that now is the time to consider selling and that you are the expert for the job. When you land a listing or sell a home, make sure you get a sign in the yard that displays your face and a link to your website. Send out market reports and newsletters using mailers and door hangers. Start online advertising targeted specifically to your zip code. The goal is to get home owners in your area excited about real estate again.

“I’m keeping my market reports coming hot and heavy and having statistics documented in my quarterly reports personally delivered directly to residents’ doorstep.”

**Dorie Dillard**
Coldwell Banker United Realtors, Austin, Texas

**Get back to basics.** Think back to the classic real estate strategies you used when you were just starting in the business. Get active in your local community. Attend networking events. Make conversation about the market rebound whenever possible. And, don’t be afraid to pick up the phone and call your sphere to ask if they know anyone wanting to sell their home. You’ll never know if you don’t ask! Finally, target owners of expired listings from the past few years, as well as people who have been in their current home for at least four years. And, consider going door-to-door and talking with homeowners who tried unsuccessfully to sell their house on their own in the past few years.

“I am in the middle of doing a major effort to establish a listing farm in my neighborhood. This has meant becoming more active in my neighborhood association and also sending out a monthly newsletter focused on the neighborhood. The first newsletter was delivered yesterday, and the reviews are great!”

**Patricia Kennedy**
Agent and author of The Irreverent Guide to Real Estate

“I’ve started wearing my name badge, which is a conversation starter! Everyone wants to know how the real estate market is doing; what’s selling, what’s not. It’s a great way to find buyers and sellers.”

**Beth Atalay**
Cam Realty and Property Management Orlando, Florida

**Increase your print marketing.** Where is the one place consumers go on an almost daily basis that isn’t connected to the internet? Their mailbox. Many agents forget to combine online marketing with print marketing. They shy away from print because of the costs relative to online marketing. However, you can really stand out from the competition with well-timed, informative print pieces. Just be sure to provide a link back to your website so you can capture the lead and continue the conversation.
**STEP 2: Prepare buyers**

**Why?**

We’ve talked about the importance of working with listings, but most agents still rely heavily on buyer clients. If you work as a buyers’ agent, it’s important to educate your clients on the realities of the current market: inventory is limited and moving quickly, many homes are receiving multiple offers, and financing for first-time buyers can be difficult to obtain.

“Buyers’ agents are challenged with finding the right home for their clients, due to the lack of options available on the market. When buyers and their agents do find the right home, they are once again challenged with bidding wars.”

Kathleen Daniels
KD Realty
San Jose, California

**How to do it:**

**Ensure financing is in place.** Encourage buyers to get pre-approved for financing before beginning their home search. This is especially important for first-time buyers. Additionally, suggest that buyers make their earnest money readily available, in case they need to move quickly.

**Prepare buyers to take quick, decisive action.** With limited inventory and frequent multiple offer situations, it’s important that buyers have the mindset that they should be prepared to put their best offer forward as soon as they find a property they love.

**Work to remove contingencies.** This can be difficult, but whenever possible, help your clients remove contingencies to make their offers more appealing to sellers. For example, could your client sell their home and move in with relatives temporarily instead of writing a contingency for selling their old home into an offer?

**Discuss the realities of bidding wars.** In today’s market, offers frequently exceed appraised value and buyers with only 5 to 10% down may not be able to compete. Let your buyers know that the more cash they have to offer, the more likely they’ll be able to win a bidding war.

“This is a very tough market for first-time home buyers. Even strong offers can be cast aside for all-cash offers. Sellers and their agents are sometimes afraid properties won’t appraise and would rather take an all-cash offer or require serious offers to be without contingency periods.”

Anja Kerstens
Summit Realty Group
South Bay, California
**Step 3: Be in the loop**

**WHY?**

In today’s fast-paced market, homes are selling within days of being listed, and many are receiving offers before they even hit the market. If you have active buyers just waiting for that perfect home, being in the loop about up-and-coming listings is crucial to your success. And, if you’re working as a listing agent, it’s important to keep tabs on prices in your area and best practices.

**How to do it:**

**Build relationships with other local agents.** Having great working relationships with local agents when you’re working with buyers is a great way to ensure that you’ll find out about listings as soon as (or before) they come on the market.

**Communicate early and often with listing agents.** When working as a buyers’ agent, always contact the listing agent before seeing a home. Make sure the home is still available and ask if there are any other offers yet. Position your buyer from the get-go and have your Ready for Offer plan prepared.

**Don’t price yourself out of the game.** As a listing agent in a hot market, it’s tempting to inflate asking prices and skimp on staging and preparation. This is a dangerous strategy, as you can easily price your listing too high and alienate buyers. Be fair, levelheaded, and let the bidding begin!

**Consider showing pending homes.** In this new reality, offers fall through all the time. When you’re representing a seller, you might want to continue showing the home to potential buyers, even if an offer is pending. Just make sure to communicate its status to the buyer’s agent.

“Often, buyers experience buyer’s remorse and question their own judgment because there was no time to think [before making an offer]. This is a market that requires buyers to jump first and think later. Most homes with an offer accepted are being shown on backup. The listing is flagged in the MLS and showings continue. Previously, when we were in a buyers’ market, very few agents would show homes on backup.”

**Barbara Todaro**
New Franklin MA Homes
Franklin, Massachusetts

**Focus on offers most likely to close.** Encourage sellers to go with the offer that is most likely to close, which may not necessarily be the highest dollar offer. Ask the buyer’s agent if the buyer has financing in place, how much cash they are putting down, and about any contingencies.
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**How to do it:**

**Be found.** Increase your online presence so buyers and sellers can find you. This means improving your website, increasing your social media presence, and even writing some blog posts or posting a few videos to YouTube. A good test is to ask your family and friends to do a search for homes in your area without using your name. Ask them to write down all the agents they came across during their search. If they didn’t find you, then you’ve got some work to do.

"Over 90% of buyers begin their home search on the Internet. Sellers are also searching listings because they are looking for agents who know how to showcase properties and are dominant in the marketplace."

Dorie Dillard
Coldwell Banker United Realtors
Austin, Texas

**Learn best practices for engaging leads.** It’s important to make yourself available to leads without coming on too strong and scaring them away. Think of it like buying a car. You’re likely to go online and research different models and reviews first, but at that point, you probably aren’t ready for your local dealer to start calling you and making a hard sell. But, you might enjoy receiving an email whenever a new car comes in that matches your criteria, or when the dealer has relevant information about financing rates or new models. Use this same strategy when pursuing new clients: make yourself available and always offer valuable information, but take cues from the client about when they’re ready to move forward.
Today's the day to begin the next phase of your real estate career in this new and exciting economy. With a critical eye on the intricacies of your local area and a dedication to utilizing innovative best practices, you'll discover that now that you've survived the Great Recession and come out the other side, you’ll be thriving in no time.

About us

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