

HOW TO INSULATE YOURSELF AGAINST NEGATIVE NEWS REPORTS

Here we go again. The news media is back and playing its old game of pummeling the airwaves with predictions of doom for the real estate industry. “The Big Crash Is Coming,” “Disaster Ahead,” “The Bubble Is About To Burst.” Blah, blah, blah.

And it’s working. People are scared. You can’t go to a supermarket or coffee shop without overhearing a conversation about how bad the market is. Whenever you hear a piece of information pounded at you from different sources, naturally it’s going to sink in.

But it’s up to you to think. Don’t just blindly believe a newsreader just because they are on television. True, numbers have been falling. Nobody can deny that. But, the “end of the world” hype is just not supported by any evidence. You must always remember that news media love predictions of disaster because it scares people into watching the news – even if it never happens.

This phenomenon of modern news is on display every time a storm brews in the ocean. Suddenly, the Final Days of Earth are upon us – then the storm turns to a little rain and it’s all over. News people love reporting about imminent air disasters, L.A. car chases, and Wall Street’s ups and downs.

The problem is that the facts don’t support the wild claims.

When a market crashes, there must be a catalyst for that crash. There isn’t one. There are only fluctuations. Today’s fluctuations may be swinging downward more than last year, but it’s by no means a crash. There has been no event – like the stock market crash of 1929 or other disaster – large enough to cause a crash.

Further, I’ll go on to say that we are in one of the best times in real estate history. No, I’m not kidding. I’m very serious here. While agents are panicking all across the country and thinking about getting back into the corporate world, I say this is the best time to be a real estate agent.

The news media would laugh at me, but they’re not in the trenches every day with me and they don’t see what I see. What do I see?

- **A strong economy.** This is a key factor in any analysis of the real estate market. The current economic viability of the United States ensures that no matter how wild the real estate market fluctuations may be, there are still people with money. And people with money will always want new property.
- **Job growth.** Similarly, so long as new jobs are being created, there will always be a demand for housing. Companies open up new facilities and their employees who move there need places to live.
- **A moving population.** Americans move more than ever before. The average time people spend in a home has dropped dramatically over the past 30 years. They buy, sell, move again, buy summer homes, buy winter homes, buy investment property, and buy homes for their parents.

So what’s all the hype about, right? How can I possibly make these apparently outlandish statements while the news media is saying the exact opposite?

Well, the market HAS cooled a little bit. No, I take back the word “cooled.” That just feeds the media’s “crash” frenzy. The numbers have slightly declined, but they’ve declined in a market that was in the midst of the biggest boom in history. That fact must be taken into consideration for any accurate analysis.

Remember, the past ten years have been spectacular – in fact, abnormally high. Numbers may be dropping a bit, but they're dropping to a level that is still above average.

Let's put things into a numbers' perspective. If our market in 2005 had increased by 25%, then "cooled" 4% in 2006, then *we're still 21% up!* This is not a "crash." This isn't even "cooling," but according to the news media the real estate market as we know it is about to explode. I don't think so.

Okay, let's play their game and we'll say the market crashes tomorrow. According to the media, this would mean that there is no more real estate activity or reason for anyone to buy. What they do not take into account is the fact that no matter what happens in the real estate market, the necessities of life guarantee real estate transactions. Even if interest rates went up to 18%, there would still be a lot of real estate activity.

A good agent survives and even thrives in a more difficult market. People need agents more in such a market. They need your help, advice, research, and skills. The agent who embraces a downturn in the market is the one who will take advantage of such a market and make it work in their favor.

Remember 20 years ago when interest rates went into double digits? Were real estate agents not working? No. Were people not selling? No. Things may have worked a bit differently, but good agents were making money.

The market also takes care of itself in up- and down-turns because when interest rates rise, prices drop. There is always a balance effect. Not to mention there are scores of people who come out of the woodwork to take advantage of a "down" market by buying at lower prices – people who would not buy in an "up" market because prices were too high. Different market, different clients.

So, stop fearing the crash! First of all, there isn't one. And even if there were, your best antidote is the knowledge that no matter what kind of market we're in, you can survive. Your attitude is your greatest ally. As long as you understand how it all balances out and you know how to adapt to market fluctuations, you'll thrive by providing the same informed service to your clients.

Denise Lones is the President of the Lones Group Inc, in Bellingham, Washington. The Lones Group is dedicated to helping people find innovative ways to increase their business and still have "a Life". She draws from her professional and personal experiences and believes that the key to business success is all about people, systems, and follow-through

To book Denise, please call 1-877-211-6472 or visit www.BrokerAgentSpeakers.com.