

We've Hit Bottom ... Hooray

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Your Opportunity to Lead

The following is based on my recent interaction with Agents across the country in a wide variety of markets. I realize that it contradicts the doom and gloom news that you will continue to read and hear in many places. Where media is concerned good news does not travel fast. The information and recommendations below provide you with the opportunity to lead and take advantage of the very positive signs that are likely to be more and more apparent to you in your market.

Your positive attitude, your confidence and your enthusiasm based on the truth attracts business. Your choice to lead instead of follow can bring you tremendous success.

We've finally hit bottom.

"Hooray, we've hit bottom."
Perhaps a more appropriate response is, *"Phew, we've finally hit bottom."*

The first weeks in January have seen unusually warm temperatures in parts of the Northeast. In addition to record temperatures for January in the Northeast, in many markets across the country Real Estate Agents are seeing record numbers of buyers responding to marketing, showing up at opens and making offers.

As predicted (by me in my article [Sensationalism and the Housing Bubble](#) last year and by smart economists) prices in a growing number of markets are bottoming out.

Some markets have experienced little or no drop in prices over the past two years. They are the first to experience renewed activity and value appreciation.

Many, perhaps most markets across the country experienced a mild decline in prices. These markets have some exciting activity as buyers who were waiting for prices to hit bottom are realizing that they now have that price advantage they were waiting for.

In the hardest hit markets that experienced the greatest price declines there is mixed news. On one hand it may take another twelve months for enough of the excess inventory to be absorbed for those markets to experience growing appreciation. On the other hand a rapidly growing

number of buyers are coming back into the market anticipating that the bottom may have arrived. These buyers are getting great values while they are absorbing the inventory. These buyers are actually creating the future value increases that they perceive.

Let's be realistic.

Let's be realistic. Things don't turn completely around in one year. We are not going to immediately see the kind of demand and seller's market that create double-digit appreciation this year. We will see the end of price depreciation and mild growing appreciation in market after market.

Hmmm... what will the media have to talk about? Oh, they still have the banking industries woes recovering from the subprime crises and of course there is an election. Hey, if one of the presidential candidates is really smart they'll talk about how they will solve the problems of the housing industry so that they can take credit for the inevitable turnaround that is already occurring.

As one market after another recovers there will be increasing appreciation. In your market some time between 2009 and 2011 you will see another seller's market. In the hotter markets you will again see double-digit appreciation.

That REALTOR® friendly seller's market will last seven to ten years followed by another correction. The cycle continues; seven to ten years or more years of a healthy seller's market followed by one to three years of a softer buyer's market.

A little perspective

A little perspective is in order here. Real Estate values, particularly single family housing in the USA has increased in value consistently for over a century ever since it has been measured and recorded.

The only factor that interrupts this positive momentum is when major employers abruptly leave a particular area creating a rapid increase in inventory and a long-term decrease in demand. Unfortunately, this happens in some markets.

Notice that I said abruptly leave an area. Many cities have suffered from a slow decline in employment and

population. These slower shifting markets are often able to maintain a level of economic health as spin off businesses and new employers have time to replace the departing ones.

What does this mean to you?

What does this mean to you as a Real Estate professional? It means that good times are here again. It means that for most of you in most markets, you can honestly tell buyers that they should be getting back into the market to take advantage of the lowest prices that they may ever see.

You can sincerely explain that these cycles of softer markets normally last two or three years. As the cycle ends a pent up demand emerges of sellers who were waiting to sell; and buyers waiting to buy. This gives a jump-start that shifts the price decline to increase in sales activity and therefore increase in prices.

In most markets you are seeing or going to see this as the spring of 2008 approaches. It will become apparent to the buying and selling public.

How can you take advantage?

You have the opportunity to begin to take advantage of it now.

How? Call the buyers and sellers who have told you they were waiting and suggest that there are signs of a healthier market arising this spring.

Call your past clients and the people in your Spheres of Influence. Check in on their lives and as they ask you about Real Estate and the market both share your insight into the likelihood of a healthier market and suggest that if they know of anyone who is buying or selling that they should encourage it. Or at least suggest that they watch for the signs of emerging health in their Real Estate market.

Of course, offer to have them refer you so you can explain what you are watching, what you are seeing, and you can keep your eyes open for the right time for them to make their move.

Send an update of the Real Estate activity along with your insights to your Spheres of Influence.

Send an update of the Real Estate activity in your neighborhood or farm areas along with your insights.

Set up a mini website with a compilation of the local sales data or use

one of the services available from your MLS or other vendors that compile this information. Put the site link on your mailings. Be sure to direct people to the data that corroborates your insights.

Send an e-mail to your e-mail list with the same insights and link.

Talk to everyone about what you are seeing and how it indicates that it has all the signs of being a great time to be buying or selling.

If people ask whether they should wait to sell because prices will increase, you answer that it is finally time when you have that kind of positive choice. Then ask why they may be thinking of selling and make an appointment to see their house and discuss it further.

Confidence and Enthusiasm

Knowledge leads to confidence. You having this market knowledge; leads to your confidence. People perceiving that you have this market knowledge; leads to their confidence in you.

Confidence leads to enthusiasm. Your confidence in the market makes you more enthusiastic. People's confidence in you because you have this knowledge leads to them being enthusiastic about doing business with you and referring you.

Enthusiasm leads to action. You will be more active listing and selling. People will be motivated to list and sell with you.

Lead the conversation.

Watch the sales activity in your market. Look for the positive signs I discussed here, more sales activity, more buyers responding to advertising, more web hits, more open house visitors, etc.

Talk about this positive activity and how it benefits buyers and sellers. Talk about this with everyone you encounter who is not an Agent. (Many Agents will be wallowing in negativity or they will dampen your enthusiasm. That is poison to your efforts. Avoid it.)

Keep refining the way you talk about the market; so that you build more confidence in the way you discuss it and you awaken more enthusiasm in the people with whom you discuss it.

Watch the other person's reaction to your conversation about the market. When you see them take an interest, when they question you; when you see that they shift from their everyday demeanor to one of more excitement

and enthusiasm then you have refined your conversation to one that is going to serve you and your business very well.

Be honest, I am not suggesting puffing up the truth.

There is no need to exaggerate. The truth is that in most markets the bottom has arrived. Take advantage. Hooray.

Rich Levin speaks to Real Estate audiences coast to coast on raising Agent production. His insights are cutting edge and forward thinking. Rich coaches individuals and develops customized, highly effective training programs for Real Estate Companies. To book Rich, please call 1-877-211-6472 or visit www.BrokerAgentSpeakers.com.

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