

# SANFORD

SYSTEMS & STRATEGIES

## Newsletter

Industry News for the High Achieving Real Estate Professional

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### SURVIVING THE REAL ESTATE MARKET

Well, the bad news about the market keeps rolling out, but I don't listen to national press or even local press. Both are months behind the power curve, and they are never accurate in comparison to the "on the street" professional's opinion.

Every market is different, and relevance to your market is not my goal. Some markets are in an absolute blood bath with prices dropping every day and newly re-indexed payments causing pain for clients. Whatever the market in your area, it is simple to overcome adversity. I know because I did it THREE times during my career!

Right now, my coaching clients are increasing their listings; in fact, they are doubling the average board increase over the last year. This means that if your MLS doubled its inventory over the last year, I want your listings to be four times what they were last year. Implementing fun, inexpensive and unique programs to attract FSBOs, expirers, out-of-state investors, mature people in large homes, and other hot demographics are being used in conjunction with phone calls, direct mail, and a helpful web destination. Even newer agents who are being coached by me are finding themselves going on a listing presentation almost every day! These are the type of results that you need to produce in order to survive in this market. Listings get buyers, and a good buyers program gets sellers. It is that easy. I did it for 31 years!

By utilizing the products that you already own from Sanford Systems, you, too, can capture a major market share of listed property today! If you don't own our easy-to-use manuals, get them today by calling our office manager, Cyndi, at 800.792.5837 to get seminar pricing!

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### Tips on Using Walter's Systems

A Sanford Systems tough market strategy seminar is what agents across the nation are craving! Be the hero of your office, board, or lending institution by scheduling your own seminar!

Call our event coordinators today at 800.792.5837. You can even call us with the correct person in charge of hiring speakers in your area and we'll do the follow up! We'll do what we can to bring positive change to your market.

### Our Coaching Program

Our coaching program is nearing capacity. We keep our coaching program to a limited number of clients to ensure each client's one-on-one time with Walter. Walter will be the only person teaching and guiding you. If you're interested in learning more about our top agent coaching program, please call Cyndi at 1.800.792.5837 or visit our website for more information.

### THE BEST OF "ASK WALLY"



**Q.** Hi, Walter. I have all your training manuals. With short sales coming back in California, lenders are paying 3-4% real estate commission total -- that's it! I've tried raising the price to cover the 6% so the lenders would still net the same on an amount they have already approved, but the lenders still refuse to pay 6%. They just increase what they want! Do you have any ideas for me? Help!

**A.** Hello, Darren. You asked a question that so many misunderstand. The lenders are doing this, because they can. The lack of misunderstanding in short sales has the lenders who can, taking advantage of the agents who will not call them on their violation of civil law. You see, the contract that calls for commission is between you and the seller. The lender has nothing to do with it. The next time a lender dictates your commission (that I believe should be 8%), simply mention that their interference is a tort. "I don't want to sound like an attorney, but please do not mention my commission again. That is an agreement between the seller and me. In fact, your tortious interference of the contract would not be tolerated by your legal department. Why don't you get their opinion and come back with a counteroffer that increased your net by the amount of the commission that you believe is overstated?"

*Want to read more of Walter's "Ask Wally" column?*

Click [here](#) for endless questions and answers that Walter posts to his website monthly.

## FEATURED ARTICLE OF THE MONTH Twelve Positive Real Estate Trends for 2008

Great agents are already thinking about business planning for 2008. They are developing their strategies for lead generation, marketing, human resources, and investing. I am involved in many of these strategy meetings from some of the nation's top agents. I have found that many exciting and wonderful trends are emerging to make the top people in real estate even better in 2008.

- 1. Down payments are back!** It is time that we get back to working with buyers who can qualify to get a Discover® card. The days of a real estate transaction depending upon the creativity of a loose lender are over. Fundamentals are back! The days of having a decent price with a qualified buyer who has money for a down payment are back again. Not only do buyers appreciate the opportunities that American real estate provides, but they also end up being better neighbors and citizens. Their longevity of ownership is not so dependent upon the cyclical rates of appreciation and the cost of money. They are more apt to improve their real estate and their neighborhood. So, qualify harder!
- 2. Top agents are finally getting away from concentrating on generating hundreds of leads and they are spending more time figuring out how to put those leads into play.** Interactive active voice recognition systems, third-party website referrals, and unqualified buyer website leads have gone without follow-up. The top agent is feeling guilty for spending money on poor quality leads, especially buyer leads. Traditional lead generation systems are back en vogue using technology to decrease their cost and increase their efficiency. Additional layers of follow up have been added, which include live staff follow up, the "rainmaker's" personal follow up, direct mail, and other forms of more personal closing sequences using the phone and personal visits for more expensive expireds.
- 3. The pros are back!** The top real estate agents are actually pricing their listings for their clients and not fudging by giving them a value range. They have run from the pricing models that turn real estate into commodities, and they have gone back to pricing based upon individual property characteristics, thus minimizing comparable sales and emphasizing being below competing listings. Real estate is being declassified as a commodity by determining the client's needs first then developing customized marketing plans to achieve those goals.
- 4. The top buyer-brokerage companies are actually starting to get paid by buyers.** It has always been befuddling to me how an agent represents a buyer yet is paid by the seller. Top agents are showing their buyers "for sale by owner" properties and other off-market properties. When these sales fail to compensate the agent by a seller, the agent is looking to the buyer for remuneration. The pros are handling wavering buyers by having them agree to representation contracts without exception.
- 5. Short sales are being utilized as a method to achieve a client's goals but only if it is profitable to the firm.** In many cases, a foreclosure is more expedient and profitable for a seller than a short sale. However, a short sale may mitigate the credit damage to that seller. A short sale can multiply the difficulty of a regular transaction so top agents are taking them with the following provisions:
  - A. If the bank is acceptable to short pays up front
  - B. If the seller cares about their credit -- because if they don't, why do a short sale?
  - C. If the client did not exaggerate on the loan application (bank fraud!)
  - D. If the agent is only dealing with short sale lender -- multiple lenders on a short sale make it nearly impossible
  - E. If you receive an over-retail amount of commission for their additional work
  - F. If the seller agrees to add funding of their own to help mitigate the damages to the bank
  - G. If there is no time or money spent by the agent until a preliminary title report is received
- 6. Fewer buyers are being accepted and more sellers are being obtained.** As markets become a little more challenging, the prevailing wisdom has been to increase buyer inventory when exactly the opposite is required. The business has always been about owning inventory. At a time when buyers become more anxious, they automatically require more time of the agent to make a decision. This is the time to increase your listing inventory by multiples of the increase in your MLS inventory.

Utilize the listing to attract more buyers. Buyers are then put through tighter pre-approval processes, requiring them to not only answer numerous counseling questions but also to indicate their financial qualifications and prove their sincerity by coming to a face-to-face meeting. At this meeting, all buyers sign an exclusive representation agreement.

**7. The race to see who has the lowest commission is over with.** Sellers who need to have a job done in a challenging market need a professional. Professionals charge full fees or more. My coaching clients are all “over-retail” in their commissions. My coaching clients determine a client’s goals, design a customized marketing plan then implement that plan with strategies to increase the client’s net. When a seller is properly counseled, they are more interested in what their eventual net is and less interested in the commission amount.

**8. Teams and staff are being cut to reduce overhead.** Managing a team and staff can be an extremely draining process. Not only is having a staff an expensive task but also the staff members grow into the jobs that are most pleasurable and not necessarily the most profitable. All assistants should be re-assigned jobs that have a lead generation emphasis rather than a maintenance emphasis. No longer can a top agent afford to be order takers. Top real estate agents are highly paid professional sales people who need fresh amounts of pre-approved, qualified, and motivated leads each day. A top agent’s staff helps in fulfilling those goals because the rainmaker finds that lead generation day after day can be energy-zapping. Assistants and team members now pay for themselves through lead generation assets that they help produce.

**9. Top agents, no matter their age, are starting to understand that real estate requires energy.** At some point, age is opposite of energy, and the manta becomes “I’d like my money to work for me instead of me working for my money.” Top agents all over the country are developing savings and investment plans, especially as real estate becomes more affordable. Agents are beginning to realize what a property looks like when it is at the bottom of the market and how long-term investment strategies can be implemented by being their own best client.

**10. The initial transition period of a fast market to a slower market is now over in most areas, and the top people have readjusted to add systems that were not necessary before.** These systems include seller maintenance allowing sellers to be versed on the competition so that price reductions or value enhancements can be made every ten days. In fast markets, seller maintenance was reactive because of the amount of activity on a property. Seller maintenance is now pro-active with the goal of obtaining a price reduction or value-enhancement to achieve the seller’s goals.

**11. The quality of the agent pool is improving.** In years past, a good living could be made by being an opportunity-time order taker. These people are finding that buyers and sellers are not excited about the real estate market, therefore they are not surviving. The top agents do not have to worry as much about the best of the best being taken away by the closest geographical agent to the transaction. The public is seeking experienced and successful real estate agents who know how to cope and be successful in a more normal market.

**12. Agents are going back to the “enhanced basics” that I have been training top agents on for years.** 30% of their day is being spent on advanced seller lead generation. Tighter contracts are being written. Fewer buyers make the cut. Real estate investing for agents has gone from speculation to cash flow investing. The agencies that are going out of business allow the top agents to add another phone number to their bank of office lines.

*Walter Sanford was one of the top real estate agents in North America for nearly thirty years, and now, he is one of the most requested speakers, trainers, and coaches. He has authored twelve systems and books on checklists, pro-active lead generation, affiliate lead generation, plus others mentioned in this article. You can hire Walter or buy his products by visiting his website for more details at [www.waltersanford.com](http://www.waltersanford.com), by calling 815-929-9258, or emailing Walter at [walter@waltersanford.com](mailto:walter@waltersanford.com).*