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## The real estate market for residential Realtors: The new reality in realty



Nancy Butler, Above All Else, Success in Life and Business

The U.S. residential real estate market had a surge in home values in most cities in 2013, with Connecticut seeing a more modest increase. With mortgage and other loan interest rates remaining low, it further helped to increase affordable financing for home buyers. Although the outlook for 2014 is good, you will more likely see more moderate returns than were prevalent in 2013.

There are a variety of issues that have been affecting sales and profits for residential Realtors.

Fear of the economy. Due to the recent volatile economic climate, there is an overall concern that job insecurity is causing potential clients to remain in their current residence at least until they feel more secure with their future employment and therefore where they will need to be located.

An increase in bank requirements for loan qualifications. Not many years ago, it was fairly easy to qualify for a mortgage. Recently, financial institutions have implemented more stringent requirements for individuals and families to qualify for financing. Although this appears to be a more financially sound way to manage debt it can make it more difficult and in some cases impossible for some clients to purchase real estate.

Lower appraisal of properties. Residential Realtors are finding the appraisal process previously accepted by financial institutions may not be accepted today. Sometimes when the buyer and seller agree on a price, the

financial institution places a lower value on the property. Then either additional negotiation begins or this may cause the seller or buyer to back out of the sale. Once that happens, the buyer and-or the seller can be hesitant to try again and opt to stay in their current home.

Slower processing of real estate transactions by financial institutions and appraisers. Slower processing of transactions can cause several problems. It can not only cause realtors to wait a long time before they are compensated for their work but can also give buyers or sellers a chance to change their minds and back out of the sale.

"A New Reality in Realty" means real estate professionals need to think outside the box about things they can control and maximize their Stand-Out Value.

What Is Stand-Out Value? The unique services and expertise a professional provides causing him or her to stand out among peers as the provider of choice. Stand-Out Value provides mutually profitable client experiences.

If you and your competition offer the same product and have the same knowledge, at the same price, why should the client work with you?

Realtors who can answer this question thrive regardless of the market. Managing "The New Reality in Realty" means finding ways to work with this new reality while doing a great job for your clients and your business. You need to become great at managing the success of your clients and your business, regardless of these factors.

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If you and your competition provide the same product, the same service and the same knowledge, at the same price, why should the client work with you?

1. How are you advertising and presenting yourself and your company?

Compare what you are doing to what other realtors are doing, not to copy them but instead to stand out differently.

2. Does the public know everything you can do for them?

For example, do they think you only buy and sell homes? Or do potential clients know that you and your firm also handle the sale and purchase of land and commercial property?

There are many things a Realtor can do to have "stand-out value." Make 2014 your best year ever.

Nancy Butler, CFP, CDFA, CLTC is founder of Above All Else, Success in Life and Business, Waterford, Conn.