

CALIFORNIA Real Estate

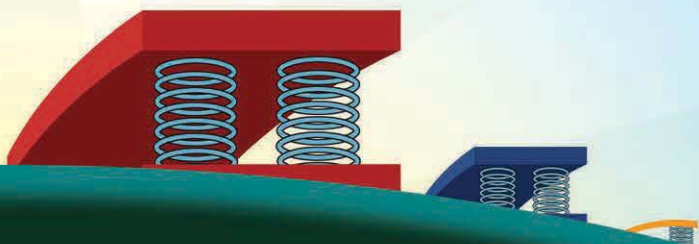
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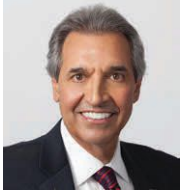
OFFICIAL MAGAZINE OF THE CALIFORNIA ASSOCIATION OF REALTORS®



Got What It Takes?

TOP PRODUCERS TALK ABOUT WHAT WORKS





PRESIDENT'S FORUM

On Your Mark, Set, Go!

Top producing REALTORS® are always competing—against themselves, so they can do even better. They demonstrate a tremendous work ethic, show a unique ability to adapt to new technologies, and they also maintain business practices that never go out of fashion—namely perseverance and personal touch.

In this issue of *California Real Estate*, we talk to top producers and find out how they have been successful. There is an important theme about interpersonal connections. Sure, the many modes of technology help promote sales. Where would top producers—or any agent—be without such contact management systems for staying in touch and social media to keep potential customers tuned in? But it takes more than these tools to experience success. It takes communication, strong work ethic, and compassion.

Take, for instance, the feature on four REALTORS®—all under the age of 40—who have taken the industry by storm. They're consistently proving to be innovative. They're thoughtful in the way they reach out to clients. And they care about the communities they impact around California. These REALTORS® discuss how they reach clients, and describe how they've adapted to be the best REALTORS® they possibly can be. Turn to page 16 to read about the tools and practices these individuals use.

While some work best alone, other top producers are all about teamwork. "Teamwork is the ability to work together toward a common vision," said Andrew Carnegie, American industrialist and philanthropist. "The ability to direct individual accomplishment toward organizational objectives. It is the fuel that allows common people to attain uncommon results." On page 20, you will meet two teams who work together by utilizing a different set of skills to achieve success. Rather than competing with each other, they work together to meet their objectives.

It should come as no surprise that success does have a pattern—whether it's in real estate or in another industry. Successful individuals are versatile, creative, focus on customer service to always offer the highest level of service, and are proud of what they do.

Speaking of successful individuals, this month's profile is with Los Angeles Metro CEO Phillip A. Washington. His focus is on urban planning, a theme that has followed from his military days to working in transportation industries. Washington oversees an annual operating budget of approximately \$5.5 billion and a capital budget of about \$10 billion. Indeed, he's in charge of one of the fastest-growing transportation systems in the United States. Like the top producing REALTORS® featured in this issue, Washington is both a big dreamer and a realist. He believes Los Angeles is an urban model for other cities. Turn to page 24 to read more.

Whatever you do, do it well. We hope this issue inspires you.

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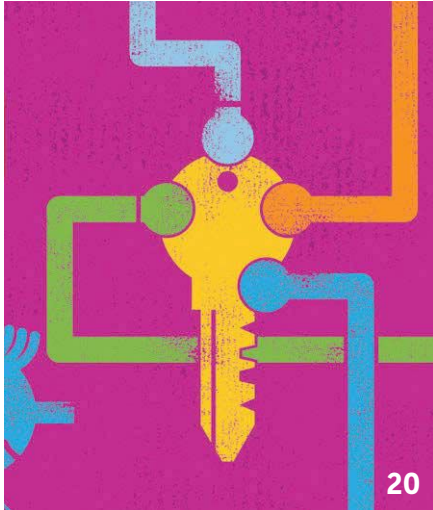
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The November/December issue will introduce incoming C.A.R. President Geoff McIntosh and look back at what C.A.R. accomplished in 2016. Also be on the lookout for a profile featuring housing activist Sonja Trauss, who has been calling for more inventory in stressed areas of Northern California.

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COVER: Illustrated by Charlie Hill/
Meiklejohn.co.uk

[LEGISLATIVE UPDATE]

Governor Signs C.A.R. Sponsored Bills

The 2015-2016 Legislative Session ended Aug. 31 and Gov. Brown signed several C.A.R.-sponsored bills, including:

» **AB 685:** Existing real estate law contains outdated terminology that does not reflect both genders. This bill makes technical but much needed corrections, including eliminating references to “salesman” and “salesmen” and instead replaces those with “salesperson” and “salespersons,” respectively. AB 685 is the first in a series of cleanup measures that C.A.R. will be pursuing to update the Real Estate Law.

» **AB 1650:** Existing law varies depending on advertisement type (i.e., “for sale” signs, print and electronic media, business cards, brochures, etc.) and the name being used by the licensee (i.e., given name, nickname, team name, etc.). This bill requires, beginning Jan. 1, 2018, a licensee advertising of *any* kind to also include his or her CalBRE license number and responsible broker’s identity. Company “for sale,” lease or rent signs are only required to contain the responsible broker’s identity. “Open house” and directional signs without a reference to agent name would be exempt. This bill also includes a one-year delayed effective date for implementation.

» **AB 1750:** This bill clarifies that environmental hazard booklet protections employed by a seller of real property apply equally to a lessor of that property. Use of the guide to common environmental hazards will remain voluntary.

» **SB 710:** Existing law establishes clear advertising standards for real estate licensees using “team names” and defines

“responsible broker’s identity” (i.e., company name) for advertising purposes. SB 710 will correct a drafting error that required the listing of a company name and a responsible broker’s license number on all “team” advertising. SB 710 requires the company name, or both the company name and number, to be listed.

Several more C.A.R.-sponsored bills are pending on the governor’s desk:

» **AB 2476:** Under current law, resident property owners receive notice of proposed parcel taxes with receipt of their ballot pamphlet while non-resident property owners do not receive any notice whatsoever. This bill would have required a city, county or special district to provide notice to non-resident property owners within 30 days after a vote by the district’s governing board to place a proposed parcel tax on the ballot. The bill as amended provides notice of a parcel tax to non-resident property owners after a parcel tax has been approved.

» **AB 1807:** Current law requires that a disciplinary action against a licensee be reported indefinitely on the California Bureau of Real Estate online database, even if the licensee has been rehabilitated and the license penalty (i.e., suspension or restriction) has been removed. This bill allows a licensee, upon written request accompanied by a specified fee, to request removal of a disciplinary action from their online profile. Ten years after the posting of the violation, and upon the demonstration of rehabilitation, CalBRE can remove the violation from their online database. All violations



would continue to be maintained offline on the licensee’s permanent record.

» **AB 2330:** While the terms “Broker” and “Real Estate Salesperson” have been defined in statute, “Broker Associate” is a term of art used in practice but not currently defined in law. This bill, among other things, would statutorily define “Broker Associates,” and require “Broker Associates” to be searchable in the California Bureau of Real Estate’s database.

» **AB 2693:** Existing law requires home loans to be accompanied by the Truth in lending RESPA Integrated Disclosure (TRID), which is intended to allow an “apples to apples” comparison shopping of various loan products. However, PACE transactions are technically not loans and are not required to be accompanied by a TRID disclosure. Current law gives delinquent PACE assessments “super-priority” status, as part of the tax bill, over other recorded obligations; lenders require these “super liens” to be paid off before any new financing can be obtained. This measure will require a TRID-like disclosure be provided to a property owner participating in a PACE program, a three day right of rescission, and a notice that the property owner may not be able to refinance or sell without paying off the PACE “loan.”

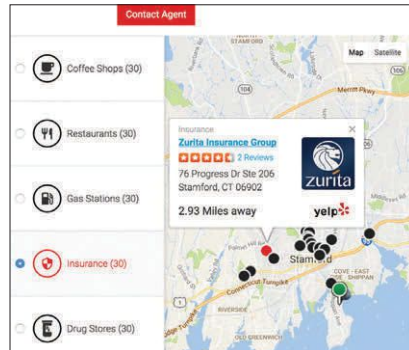
For the latest news and information about C.A.R.’s Legislative efforts, visit www.car.org/governmentaffairs/.

Adding Yelp to the Mix

A new partnership between realtor.com® and Yelp seeks to boost the home buyer's experience by allowing them to see amenities near homes they're looking at.

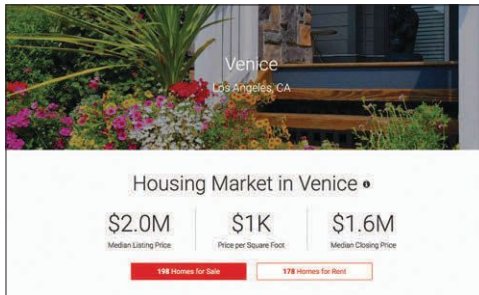
"Deciding on a potential neighborhood is often the first step in the home buying process," said realtor.com® CEO Ryan O'Hara in a statement. "With the help of Yelp, we've enhanced our local data to take the anxiety out of living in a new area. Buyers now know exactly how close the nearest grocery store or coffee shop is to a potential new home before they even attend a showing."

Users will be able to view nearby restaurants, drug stores, gas stations,



and insurance companies on a map that includes Yelp star ratings.

realtor.com® also announced a new tool aimed at helping online shoppers find more trend data to help become more familiar with a given neighborhood. The tool, realtor.com® Local, allows home shoppers to view the latest community statistics. It also features information on median list prices, how long a home has been on the market, and price per square foot. "Adding an easy way for users to learn more about a specific community's housing market helps us empower buyers on their journey to homeownership," O'Hara said.



Multi-Family Construction



>> Multi-family developer optimism has been strong and consistent over the past four years, a recent survey from the Allen Matkins/UCLA Anderson Forecast California Commercial Real Estate showed. Demand for multi-family housing tends to follow job growth in the more densely populated regions of California, the study noted, pointing to tightening markets in the Silicon Valley, San Diego and San Francisco. The current shift shows more balance between single-family and multi-family housing. Though overall residential construction has remained at depressed levels in the state, multi-family construction has rebounded sharply.

NewsScan

Business Briefs & Bottom-line Boosters

Fair Housing Issues

>> Fair housing advocates recently filed a discrimination complaint with the Department of Housing and Urban Development against Bank of America. The complaint alleges that Bank of America neglected foreclosed homes

that it owns in black and Latino neighborhoods, while doing more to maintain those located in white communities.

The complaint was filed by the National Fair Housing Alliance, which said it looked at neighborhoods in 30 metropolitan areas across the country.

Boost in Building

>> The number of privately

owned housing constructions completed in the summer rose 18.7 percent from a year ago, according to recent data from the U.S. Census Bureau and the Department of Housing and Urban Development.

Renting Pitfalls

>> A new report by Apartment List offers a look at how renting in many urban areas has created

inequality. Costs associated with renting have risen, according to the report. The analysis, based on Census data, shows that those living in Sunbelt Cities (which include Las Vegas, Orlando, Los Angeles, and San Diego), Americans under 45 years of age, and Hispanic and African American consumers have been hit the hardest by the high costs of renting.

[GIVING BACK]

C.A.R.'s Back to School Initiative

>> The NATIONAL ASSOCIATION OF REALTORS® recently joined forces with Boys & Girls Clubs of America (BGCA) in an effort to strengthen communities and support the country's youth.

The CALIFORNIA ASSOCIATION OF REALTORS® was inspired by national and state organizations under the REALTORS® umbrella. At C.A.R.'s headquarters this August, staff filled 200 JanSport backpacks with supplies, including pens, pencils, paper, glue sticks, notebooks, pencil pouches, crayons, scissors and \$15 gift cards for Payless ShoeSource.

C.A.R. encourages local associations of REALTORS® and their members to work with their local Boys & Girls Club to determine the best way to volunteer.

Associations that participate in the BGCA partnership may be able to meet either their "Community Involvement" or "Community Investment" requirements under NAR's Organizational Alignment/Core Standards policy. You can learn more at <http://on.car.org/2bMOtQF>.



C.A.R. staff and officers filled 200 backpacks to help students in need start off the year the right way.



[NUMBERS]

A Lopsided Rebound?

The housing market started to feel the recovery in 2012. A new *Wall Street Journal* report suggests that a broad swath of the middle class has been "left behind," which is "threatening to create a generation of permanent renters."

Home prices saw a boost in the second quarter—rising in 83 percent of the United States' major markets, according to data from the NATIONAL ASSOCIATION OF REALTORS®. Home prices are just 2 percent below the peak reached in July 2006, according to S&P CoreLogic Case-Shiller Indices.

The *Journal's* report cites economists who said the rebound is stemming from a "lack of fresh supply rather than a surge of buyers." The report also noted that construction remains at levels that are usually associated with recessions and that the homeownership rate in the second quarter was at its lowest point since the Census Bureau began tracking quarterly data in 1965.

Economists in the report cited a shortage of affordable homes, damaged credit, swelling student loans, and tough credit standards as reasons for why many middle class Americans are renting rather than buying.

California's Home Affordability

Home buyers needed to earn a minimum annual income of \$101,217 to qualify for the purchase of a \$516,220 state-wide median-priced, existing single-family home in the second quarter of 2016, according to C.A.R.'s Q2 Housing Affordability Index. The monthly payment, including taxes and insurance on a 30-year, fixed-rate loan, would be \$2,530. That figure assumes a 20 percent down payment and an effective composite interest rate of 3.85 percent.

Homes were slightly less affordable in second-quarter 2016 compared to a year ago, when the affordability index stood at 30 and the median home price was \$488,500. An annual income of \$96,650 was needed to make monthly payments of \$2,420.

Condominiums and townhomes also were slightly less affordable than in the previous quarter. Forty percent of California households earned the minimum income to qualify for the purchase of a condominium or townhome in the second quarter of 2016, down from 41 percent in the first quarter of 2016. An annual income of \$80,663 was required to make monthly payments of \$2,017.

ELEVATE YOUR MARKETING



CENTER FOR
CALIFORNIA
REAL ESTATE

The Center for California Real Estate is dedicated to promoting dialogue, action, and advancement for the housing industry.

HERE'S HOW:

[learn

Find content-rich webinars, reports, infographics, and more - all on the CCRE website



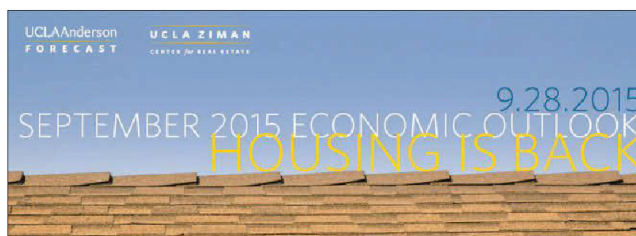
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An interactive suite of graphics that can be easily inserted into your marketing materials



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Visit the **CCRE website** for valuable analyses of specific consumer trends and information that you can use daily



www.centerforcaliforniarealestate.org

Source: The Futures Company

MEMBER BENEFITS

Content That's Just a Click Away

The CALIFORNIA ASSOCIATION OF REALTORS® is committed to personal growth, knowledge and professionalism within the real estate industry. That's why C.A.R. brings you the very finest tools to help you succeed in your business. For example, did you know that C.A.R. provides you with a free newsletter that you can send to your clients? Or that our magazine is also available online, providing you with shareable information that you can use with clients? C.A.R. provides a lot of information—from market content that educates to slideshows to make your website shine.



Staying 'In the Know' With C.A.R.'s Magazine

» California Real Estate magazine is one of C.A.R.'s most popular free member benefits. It brings you the most important industry news, legal information, and feature articles to help you stay on top of housing trends. Look for it on your doorstep, or share a link to an entire issue on social media by visiting <http://bit.ly/calrealestate>

CALIFORNIA ASSOCIATION OF REALTORS®
Market Snapshot

Interest Rate — A Solution and a Problem for Housing Affordability

Housing affordability remains a challenge for many potential homebuyers in 2016, despite favorable lending environment in recent years. According to the latest housing affordability index (HAI) reported by the California Association of REALTORS® (C.A.R.), the percentage of homebuyers who could afford to purchase a median-priced home in California in the second quarter of 2016 fell to 31 percent from the 34 percent recorded in the first quarter of 2016, and was up from 30 percent in second quarter of 2015. This was the 13th consecutive quarter that the index has been below 40 percent and was near the mid-2008 low level of 29 percent.

At the state level, the recent quarterly HAI is only slightly below the long-run average of 32 percent, and is nowhere near the historic low of 11 percent recorded in the second and third quarters of 2007. Keep in mind, however, that interest rates differ considerably between 2007 and 2016.

The monthly average commitment rate for 30-year fixed rate mortgages reported by Freddie Mac, for example, was at 6.70 percent in July 2007, as compared to 3.44 percent in July 2016. The difference in monthly mortgage payment between those rates at the statewide median price is \$824, which is substantial for most Californian households.

Higher home prices across the state and regions account for most of the decline in affordability, as the minimum annual income required to buy a median-priced home in California grew to \$101,220 in the second quarter. That's an increase of \$8,000 from the first quarter of 2016 and was \$4,500 from the same quarter last year.

The California median price continued to increase at a steady but moderate pace since the mid of 2014, averaging a 5.9 percent annual growth rate in the last 25 months. With mortgage rates dropping back to record low levels at the end of June, housing affordability was being kept from declining further in the first half of the year. But when interest rates start moving higher in the upcoming year, housing affordability will become more and more of an issue until we figure out how to resolve the housing supply problem.

HOUSING AFFORDABILITY BY COUNTY

2016-Q2: % able to purchase median-priced home

Brought to you by:

Your Name

Company Name

Address Line 1

Address Line 2

Office:

Cellular:

Email:


Market Snapshot

» C.A.R. offers a downloadable market analysis, Market Snapshot, which is automatically customized with your contact information. Produced by C.A.R.'s Research and Economics Department, you can share this valuable information with your clients, and show them up-to-date statistics on the latest real estate market conditions.

Visit <http://on.car.org/CARMarketSnapshot>

Warm Summer Greetings


FROM AGENT JULIE SMITH




Julie Smith / DRE #: 0011155
1000 Main Street, Apartment # Orange, CA 00000
(w) 92567 213.739.8200 (c) 213.555.1212

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features




Architectural Gem
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articles + advice

WIN THE WAITING GAME ON SHORT-SALE INSPECTION
Q: My daughter made an offer on a house, which the seller accepted, but it is a short sale, and now we are waiting for the bank to accept the offer. [CHECK OUT MORE](#)

REFINANCE OR MODIFY WHILE IT'S STILL POSSIBLE
Interest rates have been very low for several years, and right now they are lower than ever, yet millions of mortgage borrowers who could profit from a refinance haven't. [CHECK OUT MORE](#)


THREE TIPS FOR STAGING YOUR HOME TO SELL
Today's buyers are looking for turnkey homes. Staging can make the difference between a listing selling or not, the time it takes to sell, and the ultimate sale price. [CHECK OUT MORE](#)

SOME REAL ESTATE PROS TAKE AIM AT ANTI-PIRACY LEGISLATION
Some real estate practitioners and technologists have taken a stance against federal anti-piracy legislation in the U.S. House of Representatives (SOPA) and the Senate (PIPA). [CHECK OUT MORE](#)

MORTGAGE CALCULATORS

- Will I Qualify?
- How Much Can I Afford?
- Should I Refinance?
- Estimate Payments
- Should I Make Extra Payments?
- Fixed or Adjustable?

videos



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- > Real Estate Glossary
- > Real Estate Q&A

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CENTER FOR CALIFORNIA REAL ESTATE



WONDER WOMEN

Women are making remarkable strides in everything from the Olympics to the race for the White House, but despite their growing economic power, they still face various hurdles.

★★★ WHAT'S CAUSING STRESS IN WOMEN'S LIVES? ★★★


Finances 44%	Relationships 27%
Work 26%	Health 25%
Time Pressures 21%	

67% agree they cannot possibly save as much money annually as retirement planning tools say they will need to invest in order to have a comfortable retirement

★★★ DO YOU FEEL FINANCIALLY SECURE? ★★★

25% of women agree	36% of men agree
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Source: The Futures Company



A 'Cool' Graphic For Your Audience

» Earlier this year, C.A.R., in partnership with the Center for California Real Estate (CCRE), started offering its popular One Cool Thing infographics using data and information from the Futures Company. The CCRE-specific infographics are emailed to California REALTORS® twice a month and can be shared with your network with the click of a button. These infographics, along with the non-CCRE One Cool Thing infographics, can be found at OneCoolThing.com.

Visit onecoolthing.com for more information.

Check out these free member benefits and other tools C.A.R. offers at <http://car.org> and <http://carmembertools.com>.

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Countdown to Closing

Understanding time frames in the RPA-CA

The RPA-CA is chock-full of deadlines: three days to place the deposit into escrow; seven days to deliver disclosures; 17 days to perform investigations; and, of course, the day of closing. Issues involving time frames will often arise and, indeed, constitute the most frequently asked questions posted to the CALIFORNIA ASSOCIATION OF REALTORS®

Legal Hotline team. This article will explain how to correctly count these time frames by highlighting just a few simple rules.

Three Rules to Time Frames

>> RULE NO. 1: “Acceptance” requires the return and personal receipt of the signed offer back to the offeror. The day of acceptance is perhaps the most important calculation, since all other time periods depend on it. “Acceptance” has a very particular meaning in the RPA-CA. It is the day when the offer (or counter offer) is accepted in writing and then delivered back and “personally received” by the other party. Only when this occurs is there a binding contract.

For example, imagine the buyer makes an offer on Monday, and the seller signs an acceptance of that offer on Tuesday. The accepted offer, however, is only delivered back and personally received by the buyer on Wednesday. In this case, Wednesday is the day of acceptance and the day when a binding contract is created. For purposes of counting the contract, that day, Wednesday, is day zero. The next day after acceptance, Thursday, is day one.

What about the “Confirmation of Acceptance”? Must it be initialed to create a binding contract? No, the “Confirmation of Acceptance” is not required to create a binding contract. Only personal receipt of the accepted offer is required. Once that happens, there is an acceptance even if the confirmation is never signed. Nonetheless,

the confirmation serves two purposes: it is proof positive that the offer has been personally received and it helps the escrow to determine the exact day of acceptance.

Notice, as well, that in the above example, it is the buyer—not the buyer’s agent—who must personally receive back the accepted offer. What happens if the buyer’s agent receives back the accepted offer? Well, in most cases, nothing. However, the answer is different if the name of the buyer’s agent was written into the blank space just above the buyer’s signature (in paragraph 31 of the RPA-CA). Writing in the name of the agent here will allow the agent’s receipt of the offer to create an acceptance. Otherwise, only the buyer’s receipt of the accepted offer can create a binding contract.

All of the counter offer forms work in essentially the same way. When any counter offer is written, whether made by the buyer or the seller, the name of their agent may be stated in paragraph two of the counter form. This will allow the agent’s receipt of the accepted offer to create an acceptance. (The multiple counter offer form is slightly different. It reserves the right of the seller to have final say as to whether a binding agreement is created.)

>> RULE NO. 2: Count every day. In all of the C.A.R. purchase agreements, “days” mean calendar days. You count every day

whether it’s a Saturday, Sunday, or holiday. For example, a common time frame in the RPA-CA is the delivery of disclosures which by default must be done within seven days after acceptance. Assuming acceptance is on a Wednesday, then seven days after acceptance will be the next Wednesday. You count the Saturday, Sunday, and any holidays that fall in between.

There are two exceptions here. The first is the time frames for placing the deposit into escrow. For that, the contract explicitly allows for three business days. The second exception is when the last day falls on a Saturday, Sunday or holiday as discussed in Rule No. 3 (in the next section below).

>> RULE NO. 3: If the last day falls on a Saturday, Sunday or holiday, skip to the next business day. Under the C.A.R. contracts, you skip to the next business day when the last day “for the performance of any act required by this Agreement” falls on a Saturday, Sunday or holiday. For example, the RPA-CA requires the buyer to remove contingencies within 17 days. Supposing acceptance is on Oct. 6. That’s a Thursday. Seventeen days from Oct. 6 takes you to Oct. 23—that’s a Sunday (remember—you don’t count the day of acceptance). However, removing contingencies is “an act required by the Agreement” so Sunday cannot be the last day. Instead, it skips to the next business day which is Monday, Oct. 24. The deadline for the buyer to remove contingencies is Oct. 24.

This same rule applies to delivery of disclosures, delivery of verification of down payment, the buyer’s return of statutory and lead disclosures, and the day of closing.

Are there any exceptions to this rule? Yes. In the offer and counter offer stages, there is no extra time given should the ex-

piration of the offer or counter offer occur on a Saturday, Sunday or holiday.

Also, if the seller has promised to deliver possession after close and the day falls on the weekend, the seller does not get to stay in the property until Monday. The seller must deliver possession on the day as promised.

Notice to Buyer to Perform

➤➤ In counting the Notice to Buyer to Perform (NBP), the day it is personally received is counted as day zero. The very next day is day one. It does not matter what time during the day that the NBP is received. Whether it is received early in the morning or late in the evening, the day it is received is day zero, and the next day (starting at midnight) is day one.

One of the differences in counting the NBP, as opposed to the contract acceptance day, involves who may receive the notice. Of course, a buyer may receive the notice directly. But personal receipt of the NBP by the buyer's agent may also count

as receipt as long as that agent is named in the Real Estate Broker box on the last page of the contract. When delivering a NBP, a listing agent should always check there to make sure that the buyer's agent is specifically named.

Sometimes listing agents complain that the buyer's agent is attempting to dodge receipt of the NBP. A new C.A.R. form, the "Delivery of Notices Addendum" (Form DNA), can help curtail the gamesmanship. This form allows receipt of a NBP to be effective upon delivery by either mail or email depending on how it's filled out. There is a backup delivery requirement to ensure that the buyer's agent is truly aware that the NBP has been delivered.

All of the above rules regarding the NBP apply equally to the Demand to Close Escrow (C.A.R. form DCE), as does the Delivery of Notices Addendum. Keep in mind that the DCE is by default a three day notice as opposed to the NBP which is by default two days.

If you want to find the source of these

rules, turn to page nine of the RPA-CA, and under "Definitions," you will see the rules laid out in black and white. Or, you can put in a call to the Legal Hotline at (213) 739-8282, and a C.A.R. attorney can assist you.

When the NBP Needs to Be Delivered

➤➤ Per the terms of the RPA, the NBP cannot be delivered any earlier than two days prior to the "expiration of the applicable time." Arguably, this wording permits delivery of the NBP two days in advance of the formal expiration date even where the time for performance was extended because of a Saturday, Sunday, or holiday. However, it is predictable and inevitable that delivering the NBP "early" in this way will lead to endless disputes with the other agent. So the prudent broker or agent will simply wait until two days prior to the performance deadline to deliver a NBP. ♦

Robert Bloom, Esq., is Counsel with C.A.R.'s Member Legal Services.



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Virtual Coaching:

The Next Generation

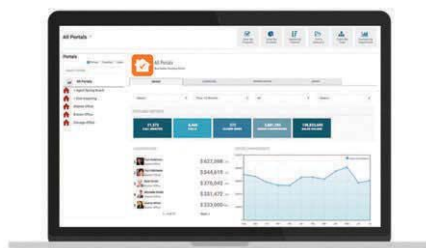
Coaching has been a valuable addition to many businesses, with big names thrown around in the real estate industry and brokers paying top dollar to do coaching right. Yet, the old way of paying thousands of dollars for the physical presence of a coach is quickly becoming replaced with the new, modern way of doing things. With the proliferation of a vast array of tech-based solutions, coaching does not require the physical presence of a coach; it can be done with a mobile device and a downloadable app.

With these apps, REALTORS® are offered the ability to better track their sales, assist with future sales, network with fellow REALTORS®, and crunch the numbers using a variety of metrics. Many of these apps also have the ability to create far more cohesive networks which can allow for mutual assistance between real estate professionals while also being supplied with personalized interactions with coaches. Assessing some of these applications delivers a better view of what they can bring to the table to assist REALTORS® in sales.

Understanding the Market

» Marshall Goldsmith, a luminary in the business coaching field, noted that “one-on-one conversations with each of ... [their] key stakeholders” are crucial for the development of new business leaders. The same rule applies to REALTORS®. Some of these apps include capabilities which go beyond mere coaching, such as through fostering communications and networking capabilities between users. CoachSimple is an app using this sort of ideology melded with programs specifically dedicated to those in real estate.

The app is based on a broader concept promoting a “coaching culture.” However, it does not stop with vague marketable notions surrounding this “culture,” and instead attempts to foster the achievement of sales goals, networking, and dedicated coaching.



CoachSimple's app (coachsimple.net) is a download that starts at \$49 a month or an optional \$499 a year package. The package includes a dedicated coach and space for 25 clients. Where CoachSimple shines is its inclusion of interpersonal coaching. It also provides a distinctive platform to track business goals and sales (including metrics). These functions are wrapped into a platform that then combines those facets with one-on-one coaching.

According to CoachSimple, the app's developers have also included a special addition called the “Onboarding Module,” which allows companies to automate “emails, welcome videos, checklists, worksheets, resource links and learning materials,” essentially crafting a more cohesive and mutually supportive network.

Available via Apple's iTunes App Store and Google Android Play Store, CoachSimple is an app that can be used on mobile phones, on tablets, or through an internet browser.

Estate Agent Pro (www.estateagentpro.com), an app developed by real estate

trainer Paul Vincenti, provides another unique platform. It's available on Google Play for a one-time fee of \$3.67 or on Apples iTunes App store for \$2.99. The app's primary claim to fame is that it is “the world's first professional real estate agent assistant and organizer.”

“Poorly designed training is worse than no training at all,” said Vincenti, who explained he has attempted to incorporate this model into an app with a simple-to-use and clean interface. Adding to the app's more interesting features is that it is available in English, German, Italian, Spanish, and Turkish.

Unlike CoachSimple, Estate Agent Pro does not operate on a concept based on



one-on-one coaching or inter-staff networking. Instead, the app is more focused on training provided by using the platform's organizational and target-based structure. The main focus of Estate Agent Pro is maintaining and building business leads. Buyers and sellers are given different grades, and the app can be programmed to remind users of their targeted goals on a weekly, monthly, or yearly basis.

Real Estate Simulator (www.realestatesimulator.com), another player, offers a completely different functionality. Stepping away from the realm of mobile apps that deal directly with an individual REALTOR® and their self-performance,



Real Estate Simulator “assesses agents’ knowledge, skills, and personality” allowing managing REALTORS® to hire the right staff and monitor those already under their management. This setup is markedly different than CoachSimple and Estate Agent Pro. Unlike those apps, this system is focused on hiring and training the right people for the job.

Training provided by the app allows for a simulator to monitor how a REALTOR® goes about making a sale, understanding details of the market, and even a personality test. The tests range from simple greetings to covering issues such as irrigation and painting. Incentives for those with successful test scores include badges which can be posted to social media accounts.

Unlike the dedicated mobile apps, Real Estate Simulator is downloaded onto a personal computer. When coaching is concerned, the assessments provide a guideline for managers to better assist their team of REALTORS® in making future sales.

One Real Estate Simulator package goes for \$69, with the capacity to provide 100 uses for \$2,995. For downloads, one does not log into their iTunes or Google Play accounts. The program is downloaded directly from the program’s developer, AlignMark’s website, and is then provided to the test taker via an email.

Making the Technology Work for You

» With the sale of existing homes in the Western region of the United States jumping by over 5 percent in 2016, the potential for more sales and stronger structures to support more successes is a

Continued on page 29

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Marketing Made Easy

Do you know how your previous clients found you? Chances are you had some prior connection to them. According to the 2015 Home Seller Survey by the CALIFORNIA ASSOCIATION OF REALTORS®, 71 percent of sellers found their agent through a referral or a personal tie, or they had worked with the agent before. This means staying in contact with past clients and networking with people that you already know can be lucrative. But it can also be time-consuming.

Automating some sphere-of-influence marketing can help you become more efficient. At Help-U-Sell Real Estate, we've developed our own system that is free for our brokers to use. It incorporates online and offline marketing in the forms of drip email campaigns and an automated postcard program.

Drip email campaigns, an automated process with careful timing in mind, should be targeted to specific categories, such as prospective buyers and past sellers. This way, the content is more likely to appeal to them, which will increase the open rate and your perceived expertise. For example, a past seller campaign might include an email about refinancing or remodeling projects with the highest resale return. A prospective buyer campaign should have messages about current interest rates and how the office works with buyers. The Help-U-Sell program features preformatted messages like these, but also allows brokers to create their own campaigns.

The Help-U-Sell automated postcard campaign targets past clients, vendors, acquaintances ... anyone who knows our brokers. When creating your own mailing, consider topics that will intrigue your contacts. Our year-long

campaign has 10 postcards that give tax tips, offer a free home valuation, and share lesser-known finance programs.

These are just a couple of the many marketing tools available to our brokers to help their offices achieve higher efficiency and profitability. Visit www.helpusellfranchise.com for more information.

“Drip email campaigns should be targeted to specific categories, such as prospective buyers and past sellers.”

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Crunching Numbers

Median rents across the state have increased 24 percent since 2000. At the same time, median renter household incomes have declined 7 percent. C.A.R.'s Center for California Real Estate (CCRE) has stressed the importance of housing affordability since the institute's inception in December 2014.

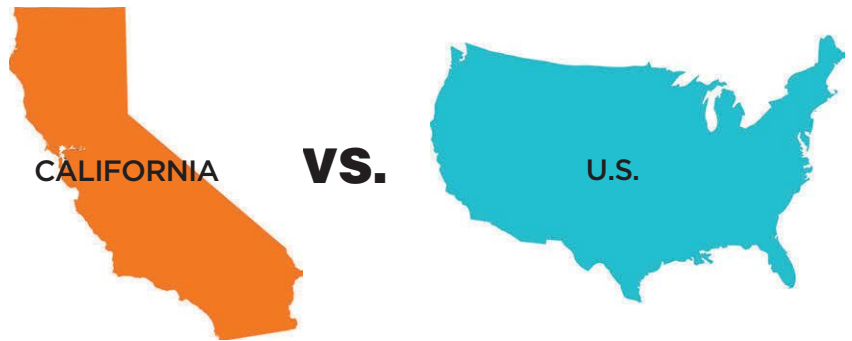
In its first "Journal of Case Study Research," CCRE highlights areas of policy, general analysis, and various tools that might advance improvements in housing affordability. The solutions-based articles address affordability from a variety of perspectives, and contain relevant research and data that can empower REALTORS® to better understand why this issue affects all of California. Here is some of the data presented in the Journal that stresses the importance of the housing crunch and how to resolve it.

California's housing issue is exacerbated by the high-cost factor that hits all residents in the state—not just for low-income families.

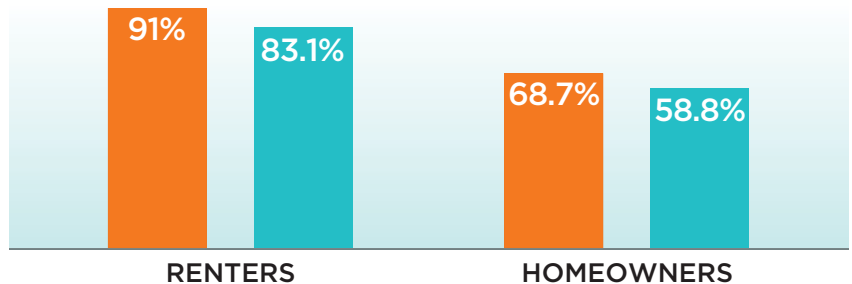
In fact, the portion of Californians spending more than 30 percent of their income on housing, whether they rent or buy, is high for the middle-class and even richer Californians.

In the CCRE Journal, Beacon Economics' founding partner suggests that California leaders address zoning rules to build more housing, amend Proposition 13, and enact major California Environmental Quality Act (CEQA) reform. Read his analysis and more at <http://on.car.org/2c7Hz91>. ♦

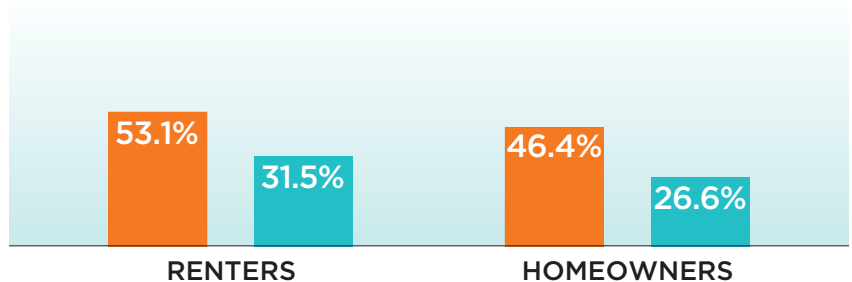
PORTION OF RENTERS AND HOMEOWNERS SPENDING MORE THAN 30% OF THEIR INCOME ON HOUSING



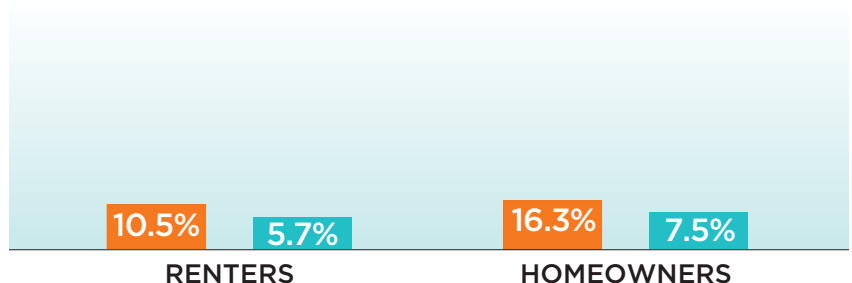
INCOME LEVEL UP TO \$34,999



INCOME LEVEL OF \$35,000 TO \$74,999



INCOME LEVEL OVER \$74,999

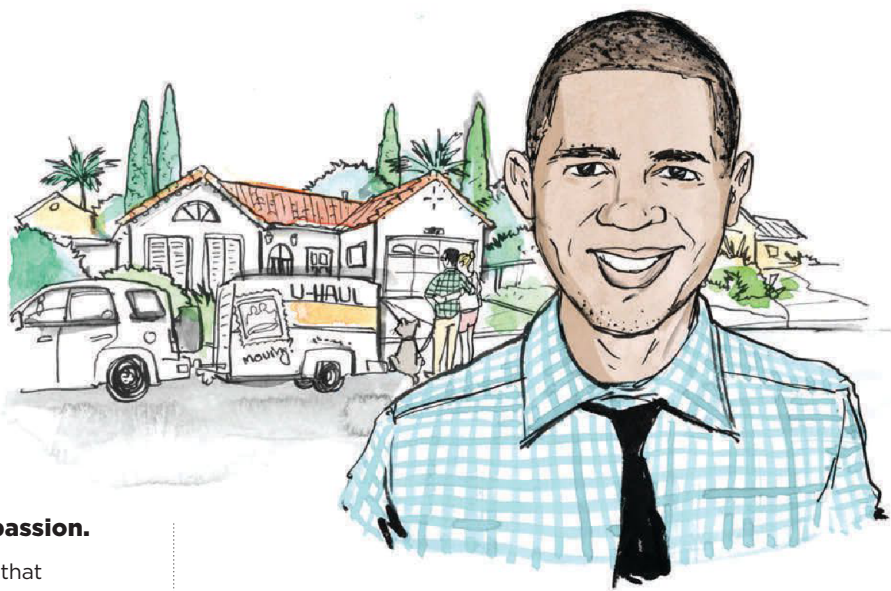


TAKING CARE of BUSINESS

FOUR TOP YOUNG REAL ESTATE PROFESSIONALS SHARE THEIR SECRETS TO SUCCESS

By Melissa Dittmann Tracey

Illustrated by Brett Affrunti



Resilience. Tenacity. Dedication. Compassion.

These are just a few of the many crucial traits that make these four REALTORS® profiled stand out. Not only are they top producers in terms of sales—but they're consistently proving to be innovative and thoughtful in the way they reach out to clients and impact communities around California. • Indeed, these four REALTORS® are rising stars that are sure to provide readers with inspiration. They get the job done—and they make it look easy. Collectively, they made about \$80 million in real estate sales last year. They've been recognized at national levels by their franchises and industry associations as real estate pros to watch. Oh, and did we mention they're all under 40? Here, we catch up with these all-stars to find out how they've achieved so much success in their markets at such a young age.

BE READY TO ADAPT

Name: BJ Ward

Age: 34

Company: Comfort Real Estate Services, Ventura, Calif.

Role: Broker-owner

Year started: 2005

2015 sales: \$17 million in 34 sides

→ WHEN BJ WARD opened his brokerage, Comfort Real Estate Services, in 2005, the market was booming. He was just 23 years old and his first experience in real estate was the frantic pace of a hot market. "Offers were being written on the hoods of

cars and being presented within hours of a home hitting the market," he recalled. Then, the downturn struck. In 2007, he watched the market completely flip, and his brokerage began specializing in foreclosures and short sales in response. Now, the market has changed yet again. He's learned that as the market changes, you must learn, grow, and press on too.

Respond to Change

"In 2007, we had to educate ourselves on short sales and bank-owned homes and the nuances that came along with those types of transactions," Ward said. "We also had to understand the emotional difference between clients selling in a downturn versus clients transacting in a more traditional market." Now post-recession, his brokerage is focusing on move-up buyers who are gaining equity and those who want to upgrade. "Clients have been surprised with how quickly they've gained equity, and equally surprised that interest rates have remained so low for so long," Ward described. His brokerage is also closely watching the millennials, who have been slow to enter the housing market but are expected to have a big, lasting impact in the coming years. His brokerage's outreach on social media (e.g., with quick Facebook games like "guess the list price of this home") is catering to this audience so they'll be ready when they're ready.

Get Others Talking About You

Each client can help you build your business more, Ward realizes. "My business thrives on my past clients sharing my name and sharing their experience with their friends and family," Ward explained. "My clients are truly advocates for me." As such, he considers referrals his market niche, not one certain demographic, age bracket, economic class, or neighborhood. "I've always felt that if I do not generate a referral from a client within four months of that client buying or selling a home, then I have failed with that particular client," he explained. "In order to get referrals, I have to always aim to provide exceptional service."

Know Your Limits

"My goal every year is to close 40 transactions," Ward said. He's learned that is the perfect number for him as an individual REALTOR®. "I am able to give my clients and their home buying/home selling experience the proper attention it deserves," he said. "It allows me to live a sane, balanced life. It allows me to volunteer for our REALTOR® association and to make a solid income. Lastly, it allows me to focus on the growth of my office and being available and supportive to the agents that make up our team."



MAKE IT FACE-TO-FACE

Name: Rachel Adams

Age: 31

Company: Keller Williams Realty, Roseville, Calif.

Role: Head of sales division and lead listing agent for the Aitchison & Adams Real Estate Team

Year started: 2012

2015 sales: \$35 million in 119 sides (team)

→ RACHEL ADAMS is known as "The Listing Queen," and she isn't shy about knocking on 200 doors a week to meet with home owners in her area. It's paid off, too. In her first year in the business—at just 26-years-old—she closed 39 transactions. By her second year, she nearly

tripled that to 100. By her third year, she was at 123, which earned her a place on the list of the top 1,000 performing sales agents in the country, as ranked by the *Wall Street Journal*. This year, she and her team are on track to break \$50 million in sales volume. Adams credits commitment, consistency, and relationship building to taking her database from zero to more than 4,500 in just four years.

Build Your Skillset

Instead of seeing her database as empty when she started, she focused on what it would look like full. "I realized that if I wanted to be a top producer, I needed to act like one," she said, seeking out top producers to mentor her. "If you build your skillset, you build credibility," she added. "I became very focused on education. My goal: Once a week to further my education in some way, whether that's listening to a podcast or webinar or in a classroom setting." She also said it's important to not just take but also to give back in the industry, too. So now, as a top producer herself, she offers presentations across the country to brokerages on everything from

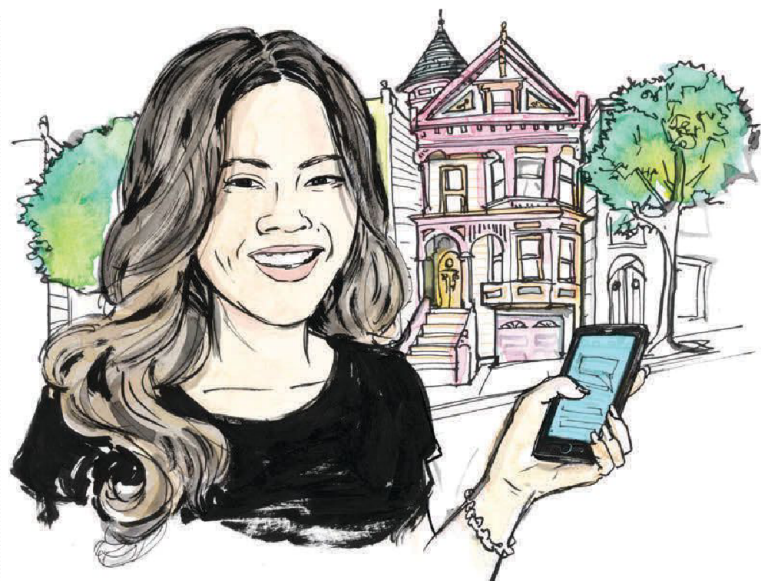
door-knocking scripts to the 3Ls (lead, listening, and leverage). “I wouldn’t be at this point today if others hadn’t been there for me. I feel it’s important to do the same,” she explained.

Watch for Burnout

Adams admits becoming engulfed in real estate her first three years on the job, and said it took a toll on her personal life and health. She chronicled her own journey in finding balance in real estate with a book she co-wrote called “Lost to Found in 90 Days.” In the book, she talked about finding the power within to transform her life, and better manage her work and personal life. Since the book’s release, she has shared her story with REALTORS® and others across the country. Adams created a program about how to take charge of your life in 90 days that now encompasses a global network. “So many REALTORS® don’t put themselves first,” she suggested. “You can’t achieve unless you’re taking care of yourself too.”

Get in Touch by Giving Back

Adams first built her business by door knocking on 200 houses a week. She also focuses on building her database by getting in front of key business owners and social groups, like those for mothers. She hosts a “Moms & Mimosas” event each quarter, in which she hires a babysitter to watch the kids as the moms get pampered with manicures and mimosas. She’ll introduce herself as a local real estate expert, but she keeps the focus on the moms. Her first event drew four referrals. Her team also sponsors a canned food drive during the holidays, another excuse to door knock. They introduce themselves as local real estate experts who are doing a Thanksgiving food drive, and then leave behind a brown bag to fill (with a flier attached stating their REALTOR® brokerage and the slogan: “We live here. We work here. And we’re here for you.”). “People want to know their local REALTOR® cares about the community,” she contended, adding her team also hosts children’s coat collections and a pancake breakfast with Santa. “We always try to think of different things we can do to contribute to our community.”



meeting one of her biggest personal goals—purchasing her own home, a Victorian duplex a few blocks from the Painted Ladies. In her spare time, she works tirelessly to restore the historic home. “I have a passion and love of real estate, architecture, and design,” said Chung, who likes to share that passion with her clients.

Empower Your Clients

Chung mostly works with first-time home buyers, and she wants to make sure they have a lot of information in their home search or sale. She likes to arm her clients with plenty of data about the market so they can make smart, confident decisions. “I value every home as an investment and help to guide my clients by making the most of their resources,” Chung explained. “I take the initiative to provide my buyer clients with market comparables as one of the many data points to putting together a successful offer package.” She also likes to ask her clients a lot of questions, like about their goals, needs, and lifestyle. She then weaves in that knowledge when guiding their home search or sale. “There is a ton of information readily available on the Internet,” she acknowledged. “My biggest challenge is making sure I communicate that information to my clients in an informative and accessible way that pertains to their particular interests and needs.”

Have Good Mentors

Starting out, she’d call senior agents in her office to assist with their open houses. She made herself available and proved to be a hard worker. Those ethics made others want to show her the insides to the business. “One of my mentors taught me the building blocks to a successful career and shared something that I think about quite often—that there are countless ways to run a successful real estate business,” she said. “With that understanding, I built confidence on what I felt I brought to the table: my unwavering client services and deep understanding and care to help my clients reach and exceed their expectations on real estate matters.”

EMPOWER THROUGH COMMUNICATION

Name: Connie Chung
Age: 29
Company: Vanguard Properties, San Francisco
Role: Sales associate
Year started: 2013
2015 sales: \$16.6 million in 16 sides

➔PRIOR TO REAL estate, Connie Chung worked for non-profits at a domestic violence shelter, where the topic of home had special significance. “I was reminded of the importance of having a safe place to call home,” she said about her work at the shelter. That experience ignited in her

a desire to work in real estate and help others find “home.” And that’s what all of her hard work in real estate did for her, too, in

Get Feedback to Gain Confidence

Chung is active on social media, Instagram (@seeconrun), Facebook, Snapchat, and, most recently, YouTube. She uses them to keep in touch with her clients, and also uses Yelp and Zillow to gather reviews from past clients about her performance. She explained that she will often return to what one of her past clients wrote about her as staying motivated: “Connie is super smart, analytical, super high energy, and super confident in her abilities to price appropriately and sell. She told us she would get us the highest price for our property, and she would not stop until she did it.”

KEEP IN TOUCH

Name: Tyler Rogina
Age: 28
Company: Coldwell Banker Coastal Alliance, Long Beach, Calif.
Role: Sales associate
Year started: 2013
2015 sales: \$11 million in 20 sides

➔ TYLER ROGINA was hooked on real estate after buying his first condo shortly after he graduated from college. Since starting in the real estate business in 2013, Rogina has been growing his database by focusing on coastal properties in Long Beach. He plans to double his commission from his sales in 2016 alone. For the

past two years, Coldwell Banker has recognized him on their “30 Under 30” list, as a standout in sales.

Marketing Strategy Matters

Rogina’s approach to marketing is straightforward: Gather the right media and content, and then follow that by mass exposure and engagement. Rogina devotes a lot of attention to the marketing of homes he sells. “I focus on creating the most relevant and engaging content that appeals to the ideal buyer for the particular property,” Rogina explained. He values stellar photography of listings from professionals, which includes some drone photography to capture aerial views of the listings. After all, his area’s location along the coast is a big selling point to the proper-



ties he puts on the market. He also strives to sell the lifestyle of the community with video by showing the perks of living along the coast. “I am a big fan of social media and how you can be very strategic and targeted on whom you are placing your ads in front of,” he said about using Facebook ads for listings exposure. “It’s the next generation of marketing and makes your efforts as a marketer much more effective and efficient.”

Ease the Transaction

He strives to make the transaction as easy on his clients as possible. First step, he’ll offer an action plan, conceptualizing and consulting on what needs to be done to get the home sold. Here, Rogina is able to pull from his college degree in industrial design, helping to offer his clients tips on design, a vision in home flips, simple remodels, and staging in order to help draw buyers in. He also works with a team that includes an in-house direct lender, a marketing department, and a full-time transaction coordinator to keep transactions moving. Rogina uses e-signatures for paperless transactions (learn more at car.org/tools). This allows clients to sign important documents from anywhere. “It makes everything so much easier for the client when they can sign from any device at their convenience,” Rogina said.

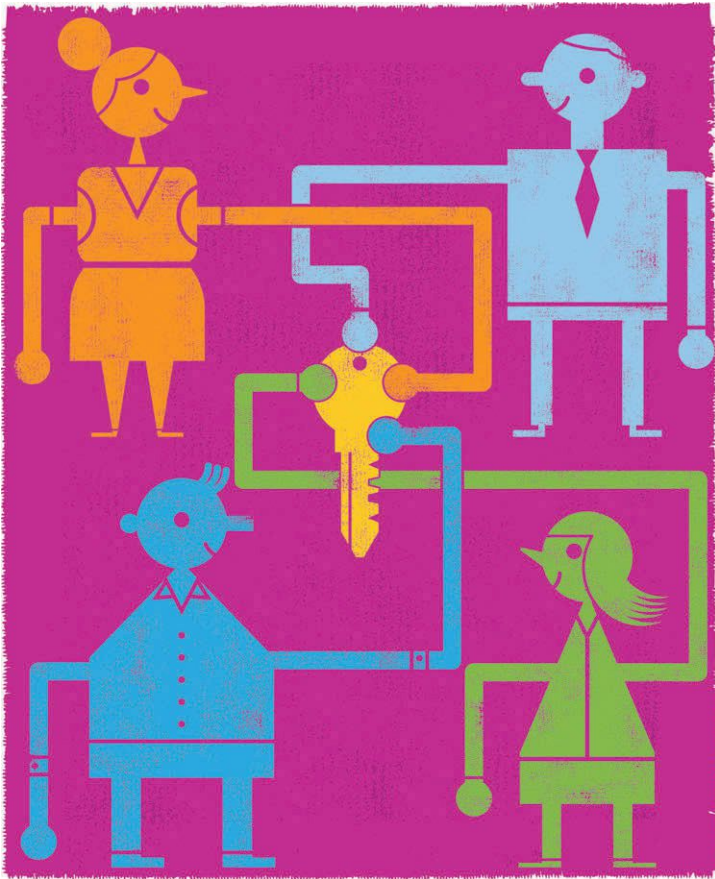
Stay in Contact

“Follow-up is one of the most important aspects of this business, and I try to reach out to my past clients at least once a month to check in and see if they need anything from me,” Rogina said. He uses Top Producer for his contact relationship management system as well as its Market Snapshot to keep his clients up-to-date with customized, real-time MLS data. He also keeps in touch by sending out monthly newsletters, and direct mailers, and maintains constant contact on social media. Rogina also explained that he hosts a Facebook business page, Southern California Real Estate, which he uses to spotlight housing in the area along with market information, like by ZIP code the number of new listings, closed sales, average sales price, and inventory.

Old school is “in” with young professionals in real estate today. They’re gazing above their smartphones and tablets and realizing the way to break ahead in the business is relationship building. Sure, you can find plenty of technology today to help cushion some of those bonds, such as with contact management systems for staying in touch and social media to keep your sphere engaged. But in the end, it will be face-to-face relationships under the umbrella of these often high-stress transactions that they credit for helping turn them into major forces in their market. And, indeed, that is exactly what they are. ♦

Melissa Dittmann Tracey writes about real estate, business and technology. She is a contributing editor to REALTOR® Magazine.

DOUBLE UP, POWER DOWN



Top producing teams talk about the secrets to success

By Edward Segal

Illustrated by Matthew Daley

While most REALTORS® strive to be top producers by themselves, some prefer to team up with family members or colleagues.

Take, for example, Terry Wunderlich and her son, Chris. They make up a top producing team that specializes in wine country properties at Terra Firma Global Partners in Napa. Terry Wunderlich became a REALTOR® in 1977. Although born into the real estate world, Chris pursued a career in the hospitality industry where he served in various positions at luxury resorts before teaming up with his mother. While he credits his experience in the hospitality industry with introducing him to a higher level of service needed to succeed in real estate, he said that his knowledge of the industry stems from his mother. “I have learned a lot in the last nine years, but getting to work side by side with a 35-year veteran is priceless,” he said.

Their agreement in 2007 to work together reflected operational and long-term considerations. The team approach, Terry noted, enables them to respond to the needs of clients when one of them is with another buyer or seller or taking time off. She said their decision to join forces will help ensure the family’s legacy in real estate and enable her to move into more of a consulting role at some point.

TEAMS ON THE RISE

There are as many as 50,000 real estate teams nationwide, about 63 percent of which were started within the last three years, according to a 2016 study conducted by REALTrends. Most partnerships are not large enterprises—about 80 percent of them have nine or fewer members. Smaller teams of two to three people, such as the Wunderlichs, account for 39 percent of the total.

REALTORS® form or join teams for different reasons. Some are attracted by the potential to generate more leads and revenue. Others find appeal in the administrative, marketing support and other resources that the groups can provide, or the culture and personalities of their colleagues. Other agents appreciate the steady income that may be generated which can range between \$2,000 and \$12,700 a month, depending on the role they play on the team.

But success takes time. The REALTrends study noted that of the teams surveyed, those with eight years of experience closed an average of 158 transactions in 2015. Those with three years of experience or less closed an average of 60 transactions that year. But the best days of the team approach may lie ahead. “As successful teams continue to develop, it is likely that their market share will increase exponentially over time,” according to the REALTrends report.

MAKING FAMILY TEAMS WORK

The secret of the Wunderlich partnership is a combination of hard work, understanding their respective strengths and communicating, negotiating and interacting with clients, Terry said. “Each of us brings a different spin and outlook to the table that help us see all angles when dealing with clients or negotiations,” she explained. “Chris understands the importance of the different generations and respects how they would like to interact with us as a team.”

It’s a sentiment her son agrees with. “Communication is key,” suggested Chris. “Most times, younger buyers want to send an email and expect everything to start happening.” In their initial meetings with them, “we gain useful information not only about what kind of home they are looking for,” he said. “But how often and in what form they want to communicate. Texting and emailing are great,

but never forget the power of an in-person meeting or a phone call.”

For REALTORS® who are considering teaming up with family members, Terry recommended that they first have heart-to-heart conversations between themselves and with other members of the family. Then prepare written outlines of their respective expectations, how the partnership will work, and a detailed business plan. After the partnership is launched, teams should meet on a regular basis to ensure that everyone is on track.

Terry cautioned that “patience is very important to keep in mind when working as a family team.” She and her son always consult each other and discuss together their ideas for projects, “marketing ideas and solutions to the many hurdles we face with each situation,” she explained.


A DIFFERENT TEAM APPROACH

After spending several years on their own, Elisa Ritt, Anthony Stellini and Sherri Rogers decided to team up in order to take their business to the next level. In 2010, they formed RSR Real Estate, which is now a top-producing team at Nourmand & Associates in Beverly Hills. The three REALTORS® deal with upper bracket properties and wealthy or celebrity clients, most of whom are in the entertainment industry.


Rogers came from the interior design and music industries, Stellini from real estate, and Ritt from the entertainment world. Ritt attributed the team’s success to their diverse backgrounds, the level of comfort and trust they have with each other and their ability to work interchangeably with clients.

Stellini said they depend on each other to be discreet and supportive. “We have a real understanding of the need for discretion in our celebrity clients’ personal lives when we’re working with them. Internally, we rely on each other’s contacts, connections and strengths,” he said.

Each team member, Rogers said, serves as the eyes and ears of their clients, and makes it a priority to see every property on the market. “Knowing the inventory is the most important thing any real estate agent could do and it’s important for us to relate to our clients. We have three people with discerning eyes and years of experience so I can say with conviction to a client, ‘You may have only
Continued on page 27



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ON JUICE

Hello Jetsons!

SMART TECHNOLOGY CATCHES UP TO A POP CULTURE FAVORITE

By Cathie Ericson

Illustrated by Rich Wake


Some smart home technology is so ingenious and perfect for our on-the-go lifestyles that even George Jetson couldn't have conceived of it. However, the term is often thrown around in a way that, well, isn't always smart. So, what exactly is a smart home and how will this trend affect REALTORS®?

VARYING DEGREES OF SMART

It's tempting to add a device or two and call it a "smart" home, but that would be misleading, said Tom Flanagan, vice president of technology at Alain Pinel Realtors in San Francisco. That's because a connected home device, such as the Nest thermostat, is not necessarily synonymous with home automation.

"Traditionally, a fully equipped 'smart home' includes a centralized hub that can control and automate many devices in the home, including lighting, HVAC, security systems, computers and more; both on-site or remotely," he explained.

In May, Coldwell Banker teamed up with CNET to define the term "smart home," in an attempt to clear up confusion among real estate agents and home buyers and sellers. The official definition notes that the property must have either a smart



THERMOSTATS THAT
LEARN YOUR ROUTINE
AND REPROGRAM
ACCORDINGLY



WINDOW SHADES
THAT CLOSE
DURING MIDDAY
HEAT

security feature or a smart temperature control, and two additional elements from a long list.

WHAT BUYERS REALLY WANT

Most buyers would probably jump at the chance to have a "Rosie" robot-style maid à la the Jetsons. However, first on their list of bells and whistles is ease of use. "Our buyers want a convenient smart home that doesn't overwhelm them and can easily function without requiring the skillset of knowing how to build a computer," said Seth Ring, Toll Brothers Southern California division president. That means, for example, a single remote that operates entertainment, cooling and security systems.

Popular features requested in new Toll Brothers homes include a lighting package with the option to turn off all the lights in the house with one button as you leave, or "vacation" lighting that turns them on and off randomly to make the house look lived in, explained Bob Moore, Toll Brothers' Northern California division president. He also noted the garage door kit, which allows the homeowner to check to see if the garage door was left open and close it remotely.



On a smaller scale, people go nutty for Nest, said Mike D'Ambrosio, assistant manager for Intero Real Estate Services in Los Gatos. Recently, he had sellers who wanted to take their Nest with them, but the buyers had thought it was staying. "They were basically arguing over a \$250 thermostat," D'Ambrosio described, adding that he solved the problem by buying his clients a new one as a closing gift.

A survey from Coldwell Banker found that smart security is the feature Americans say would be most appealing, followed by temperature control. The least desirable features? Those smart appliances, such as fridges and washers and dryers.

BUT ARE THEY BUYING IT?

Demand for the technology itself is certainly growing: The Coldwell Banker survey found that almost half of Americans

either already own smart home technology or plan to invest in it in 2016. And once they get started, they're liable to keep going. A whopping 70 percent said they'd be more likely to buy another smart home product after buying their first.

But since the industry is still in its infancy, there is a lack of data correlating home sales and technology, said Flanagan.

D'Ambrosio said that his millennial buyers may remark enthusiastically about smart home features that are marketed on the listing, but that people are still interested in the basics. Those basics include how many bedrooms and bathrooms, the square footage, location and price.

The Coldwell Banker report, however, found that 54 percent of homeowners would purchase or install smart home products if they were selling their home because they

Continued on page 27

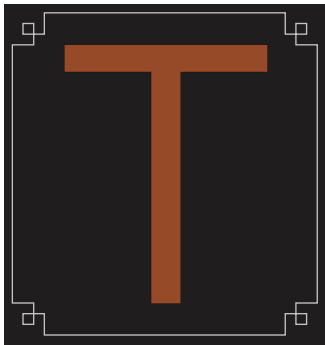
THE PROFILE

By Roger Cruzen

A DOWNTOWN RENAISSANCE

WALKABLE, MODERN CITIES EVOLVE WITH BETTER TRANSPORTATION

[PHOTOGRAPHED BY DUSTIN SNIPES]



he average metropolitan resident in Los Angeles, Long Beach, and Anaheim will waste approximately 80 hours a year sitting in traffic, according to a recent study from the Auto Insurance Center. That will cost the average commuter \$1,711 a year in wasted time and fuel. Phillip A. Washington is determined to help commuters reclaim some of that time—sooner, rather than later.

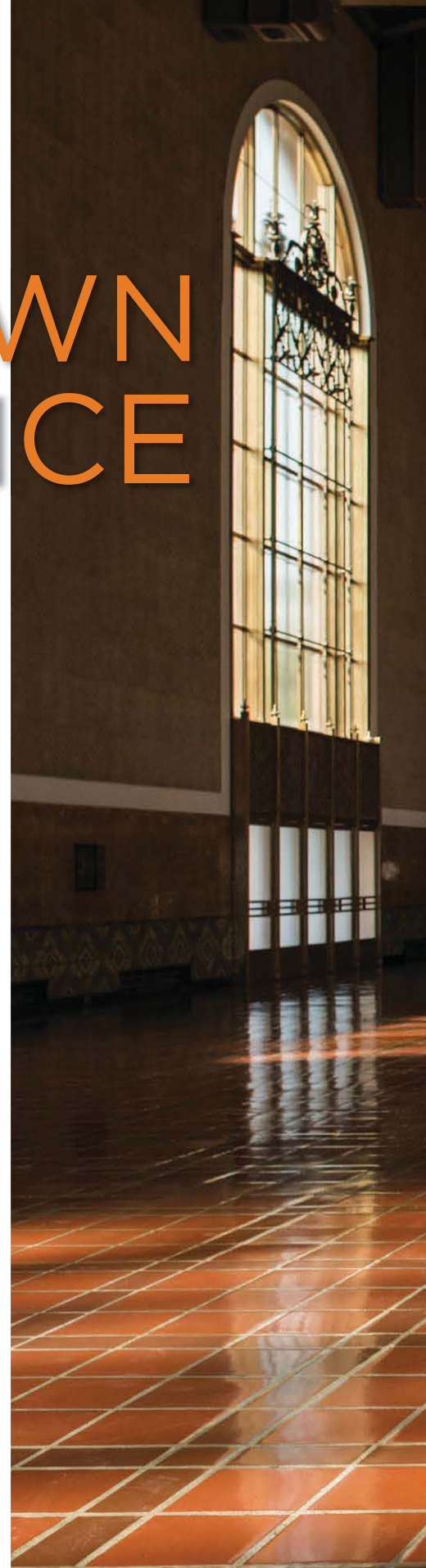
Washington is chief executive officer of the Los Angeles County Metropolitan Transportation Authority, better known as L.A. Metro. It's a huge job.

With 10,000 employees, an annual operating budget of approximately \$5.5 billion, and a capital budget of about \$10 billion, L.A. Metro is the fastest-growing transportation system in the United States.

It may have considerably more to spend on transportation come Election Day, Nov. 8—assuming two-thirds of Los Angeles County voters say “Yes” to Measure M, the Los Angeles County Traffic Improvement Plan. If approved, Measure M will increase the county’s retail sales tax by half a cent, from 9 percent to 9.5 percent and permanently extend a 2008 half-cent sales tax scheduled to expire in 2039.

Washington is optimistic that Measure M will pass despite a long list of local, county, and state proposals vying to capture the interest of voters this election season.

“We’ve had an extensive public outreach, and what we heard from the public was ‘accelerate projects,’ ‘give us more money,’ and ‘move projects up, we want it sooner rather than later,’” said Washington, who joined L.A. Metro in May 2015 from the Regional Transportation Authority of Denver. “The only way to do that from a financial perspective is to, at least in the beginning, have a tax that goes on in perpetuity. Your debt capacity is increased, you can deliver projects sooner. There are a lot of advantages to a no-sunset provision.”





Measure M will enable L.A. Metro to avoid going back to voters for more funds 15 or 20 years from now, explained Washington. “What we’re saying is that we can take care of all of our infrastructure needs once and for all,” he said.

Most important, however, is that Measure M will accelerate rail and other rapid transit construction projects and improve freeway traffic flow. It also will improve local streets, incorporate new transit technologies, retrofit potentially unsafe bridges, make freeways and transit stations safer, accommodate bicyclists and provide seniors, the disabled, and students with accessible, convenient and affordable transportation options, Washington described.

Assuming Measure M receives the required nod from voters, Washington said the county will be able to complete 18 “megaprojects” in the first 15 years and a total of 40 projects in 40 years. Those projects would include finishing the system’s connector to LAX and building a tunnel through the Sepulveda Pass to connect the San Fernando Valley with the Westside. Accelerating projects will save taxpayers \$9.4 billion in 2015 dollars, according to Metro Transit estimates.

Staying on Track

Phillip A. Washington was raised in Altgard Gardens, a housing project on Chicago’s south side. At 18, he joined the U.S. Army. Over the next 24 years, he worked his way up to Command Sergeant Major—the highest noncommissioned officer rank an enlisted person can achieve. One day in 1999, as he was contemplating what to do once he retired from the military, Washington noticed a newspaper ad for a job as assistant general manager with Denver Rapid Transit. Although he had no prior transportation management experience, he had a lot of leadership experience. “You can take that anywhere in any industry and be able to survive,” Washington told the *Denver Business Journal* in a 2014 interview.

Washington got the job. Ten years later, in 2009, he was promoted to CEO.

In 2001, the district purchased the his-

toric Denver Union Station and 19 adjacent acres for redevelopment as a transit hub. Three years later, voters approved a four-tenths of one cent sales tax increase to fund a program called “FasTrack,” which consisted of 122 miles of light and commuter rail, 57 new transit stations, and 18 miles of Bus Rapid Transit and was among the nation’s largest voter-approved transit expansion projects at the time. “There were many, many lessons learned from that ballot initiative that were applied here four years later, when L.A. went for their Measure R ballot measure,” Washington said.

Then the Great Recession happened. Construction costs skyrocketed and sales tax revenues needed to fund construction plummeted. “We had to think differently as we moved forward to build these projects,” Washington recalled. Rather than go back to voters, Denver RTD implemented a first-of-its-kind Public/Private Partnership that provided the private financing needed to build a transit line to the airport, a second line to the western suburbs, and part of a third line that just recently was completed. Under Washington’s leadership, the West Line Rail came in under budget and eight months ahead of schedule, while the historic Denver Union Station, which today accommodates 16 different modes of transit and includes a hotel, restaurants and other retail, was finished five months early.

Washington is anxious to show similar results in Los Angeles. His first priority was to review internal systems and controls and seek input from hundreds of stakeholders—public officials, community groups and individual citizens anxious to share their opinions on everything from the need for bike lanes and pothole repairs to issues with rail car maintenance and public safety across the system.

He also had to earn the mutual respect, trust and loyalty of L.A. Metro managers and employees, as well as organizations like the L.A. County Sheriff’s Department which is contracted to provide security throughout the system.

“Phil Washington has the respect of our sworn personnel because he has the

skills and experience to do an exceptionally difficult job with the kind of ease that inspires confidence,” Ronene Thomas, chief of the Los Angeles Sheriff’s Department Transit Policing Division, told *California Real Estate*. “Securing the safety of our rail and bus riders doesn’t happen by accident; it happens because talented people are engaged in that effort. The same goes for our overall Metro transportation systems, and Phillip Washington has the skills to make sure our trains and bus lines are operated efficiently each and every day.”

Reviving Neighborhoods

Washington and L.A. Metro also are active in reshaping communities affected by transit construction. In response to concerns that gentrifying neighborhoods near new stations are driving existing lower-income residents away, L.A. Metro is working alongside developers to ensure that transit station neighborhoods include affordable rental and ownership housing.

Recently, the L.A. Metro Board of Directors, chaired by City of Duarte Mayor John Fasana, agreed to require developers who seek to build on Metro Transit-owned land to set aside 35 percent of units for affordable housing. The agency has created a number of “demonstration projects” that are exploring ways to make transit station neighborhoods more “vibrant.” Metro also has set aside \$10 million to assist local businesses disrupted by construction.

Washington’s dream is to increase the percentage of resident transit riders from the current 7 to 10 percent to 25 percent. “Our vision is to become the best transportation agency in the world, and in order to do that, we must develop a balanced transportation system where even the automobile is not the enemy,” Washington said. “I think there is tremendous excitement that we have put forth a plan to take care of our transportation and infrastructure needs once and for all.” ♦

Roger Cruzen (rogercruzen@yahoo.com) is a freelance writer who specializes in real estate.

Double Up, Power Down

Continued from page 21

seen three houses. That's because I'm showing you the cream of the crop. I've seen a hundred houses and not one of them has what you want. These three do, so make a choice.' It's easier to do that with a team of professionals," Rogers explained.

Ritt's advice to REALTORS® who are thinking about starting or joining a team is to "work with people you love to be around because it will be like a marriage and you have to enjoy what you do. All paperwork should be handled by an assistant while you interface with clients and work on getting new business. Not all team structures are the same, but our team shares all business equally and it creates a beautiful balance since all of us work hard to do our part. Unequal shares often create animosity."

SUPPORT IS KEY

The Wunderlich and RSR Real Estate teams are different in terms of their relationship to one another, individual background, and market focus. But they have some key traits in common that can be important to the success of any team: chemistry, trust, support, synergy, and shared goals and values. In a word, culture.

The importance of people and culture to the lure and success of real estate teams across the country was underscored by the REALTrends study. "Ultimately, the culture of a team still comes back to people on the team. What draws one person into joining a team may deter someone else from joining that same team. For anyone considering becoming a part of a team, look at the support systems in place as well as the shared values of the team members before making a decision." ♦

Edward Segal is a Washington D.C.-based freelance writer. He is the former CEO, communications director and government affairs director of the Marin Association of REALTORS® and former CEO of the Beverly Hills/Greater Los Angeles Association of REALTORS®.

Hello Jetsons!

Continued from page 23

thought it would help their home sell faster. And a study by *Consumer Reports* says smart home technology could bump a home's sale price 3 to 5 percent.

"Buyers perceive that these features add value to their home, but it's not seen frequently enough to experience technology upgrades warranting a large appraisal consideration," said Scott Vinson, II, REALTOR® Associate with Coldwell Banker Royal Realty in Chula Vista.

WHERE THE SMART HOMES ARE

In general, the "smartest" homes will be found in new construction, although some builders are using rehab projects as an opportunity to add smart systems from the inside out. San Francisco's Citadel Real Estate and Investments, for example, remodels homes to include smart features, from the ubiquitous thermostats to sound, lighting and security systems and much more.

If you guessed that Silicon Valley would win the day for most smart homes, you'd be wrong. In fact, it's not even in the Top 10 for markets nationwide, according to a survey by Realtor.com. Two California markets that did make the list were Los Angeles at No. 5 and Riverside at No. 8.

"It is ironic that given the close proximity to Silicon Valley, homebuyers are not demanding these features," said REALTOR® Frances Boscacci, with 8z Burlingame Realtors. In her market of San Mateo, which has had a chronic shortage of inventory, she explained buyers simply want to find a home in a good neighborhood rather than be too picky about features. In addition, the indifference toward smart features could be driven by the fact that the San Francisco Bay Area is not a new construction market.

SMART TIPS FOR SMART REALTORS®

Despite the fact that smart homes aren't yet having an outsize impact, Flanagan stressed that these devices are

the next wave of real estate technology. "There is a tremendous opportunity for real estate professionals to educate their clients and become an authority in this space," he said, noting that almost two billion connected home devices will be shipped by 2019.

Here are three tips that can help REALTORS® with smart listings.

♦**Market it as a differentiator.** There's an opportunity to seize the moment and really talk up the smart home benefits in your marketing, said Intero Real Estate's Monica Covington. But don't oversell, cautioned D'Ambrosio. Rather than calling it a "smart home," unless it truly has multiple smart features, he recommended describing it as a "home with smart technology" in marketing materials. Since most MLS systems don't yet have a field for smart home features, they should be included in the "other" area.

♦**Explain benefits, not features.** Take the energy monitoring system that Citadel offers as one of its upgrades. That sounds worthy enough at first glance, but it sounds downright necessary when homeowners realize it can let them know if they accidentally left that curling iron plugged in when they rushed out. The app will see if a particular outlet is draining energy, suggesting that, indeed, the appliance is still turned on, and allow you to turn it off. Don't sell the energy savings, sell the cost benefits. Don't sell the cool lighting features, sell the safety aspect.

♦**Keep it simple.** "We've all known someone who had a \$10,000 sound system they didn't know how to work," said Covington. So if you're adding smart technology before selling a home, make sure that it's user friendly. That's why Citadel uses devices that people are already familiar with, such as iPads, so the technology is easy to integrate into their daily lives. They also offer concierge tech support for new home owners, as does Toll Brothers. ♦

Cathie Ericson is a freelance writer. Read more of her work at CathieEricsonWriter.com.

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NEWSLETTERS

Technology

Continued from page 13

reality. These apps could all be secrets to future success.

Between providing a level of order and structure in what could be a chaotic working environment, apps appear to be a more cost effective solution for some operations. Training offered by these apps can also help build a more cohesive team aimed at boosting performance and sales. Yet, main considerations for those who wish to use these types of applications must be focused on what sort of return do they want for their investment. As the market for downloadable apps fills with new additions, apps like CoachSimple, Estate Agent Pro, and Real Estate Simulator all supply their own unique functions and possibilities. ♦

Paul Smith is a New York-based freelance writer and tech expert.

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Streamlined Refinance Offering for High LTV Borrowers

→ The Federal Housing Finance Agency (FHFA) announced that Fannie Mae and Freddie Mac, at FHFA's direction, will implement a new refinance offering aimed at borrowers with high loan-to-value (LTV) ratios. The new refinance offering will provide much-needed liquidity for borrowers who are current on their mortgage but are unable to refinance through traditional programs because their LTV ratio exceeds the Enterprises' maximum limits.

To qualify for the new offering, borrowers: (1) must not have missed any mortgage payments in the previous six months; (2) must not have missed more than one payment in the previous 12 months; (3) must have a source of income; and (4) must receive a benefit from the refinance such as a reduction in their monthly mortgage payment. Full details will be available in the coming months through the Enterprises, but the offering will make use of the lessons learned from the Home Affordable Refinance Program (HARP) and its streamlined approach to refinancing.



USE THIS!

→ Keeping up-to-date with market analysis, real estate research, economic trends, and housing news is hard to do. C.A.R.'s Center for California Real Estate recently launched a Housing Matters Podcast—your housing hub that keeps you in the know. Be sure to subscribe on iTunes to hear the latest episode every Friday to learn what you need to know about the market from C.A.R. experts who will provide their take on the week's top real estate stories.

The goal of the Housing Matters Podcast, and by extension CCRE, is to provide C.A.R.'s members with ideas that help you become more knowledgeable, professional, and insightful in your work as practitioners and stakeholders in the future of real estate. Join the conversation and tune into the Housing Matters Podcast. <http://on.car.org/CCREpodcast>

JUST THE FACTS

→ SO. CAL NUMBERS:

Los Angeles and Orange counties have the lowest homeownership rate in the nation, new census stats show.

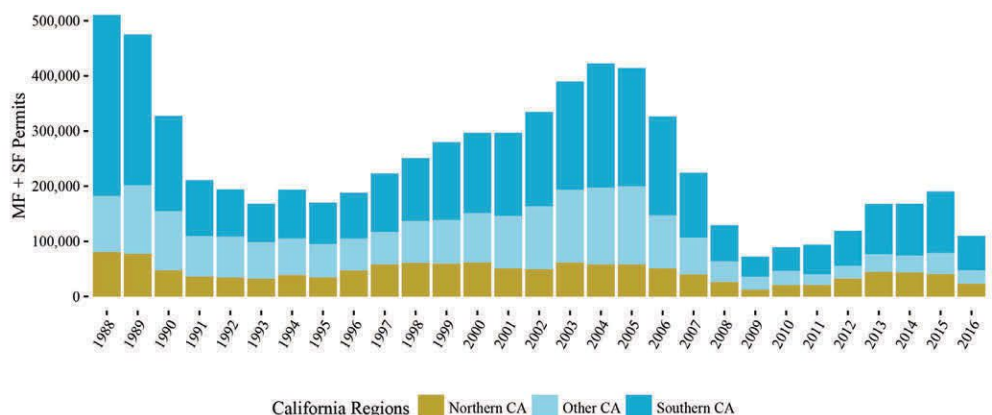
In the second quarter, only 46.5 percent of local residents lived in a home they owned. That number is down from 49 percent in the first quarter and 48.5 percent a year ago. The Los Angeles and Orange County region had the lowest homeownership rate in four out of the last five quarters among the 85 metropolitan areas tracked by the U.S. Census Bureau.

OVERHEARD

"We've been on an infrastructure vacation for three decades."

— PHILLIP A. WASHINGTON
CEO of Los Angeles Metro

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