



Left: University of Florida campus; inset: housing in downtown Gainesville. Gainesville offers strong gross annual rental yields for investors. According to Trulia, the median rent increased 11 percent from August 2015 to July 2016.

Photo: McCary James



Photo: Douglas Green

↘ The largest employer in Gainesville is the University of Florida (UF). So it's not surprising that Betsy Pepine, CRS, broker-owner of Pepine Realty, estimates that 75 percent of her clients are affiliated with the university.

But unlike handling the real estate needs for new employees of a large corporation, where one HR department handles all recruiting and hiring, UF is decentralized.

"Every department has its own process for recruiting, hiring, onboarding and relocating," Pepine says. "So once you've made inroads into one department, it doesn't help you get into another department. That's unlike a large company, such as Nationwide Insurance, which is also located here. Once you are in Nationwide, you are in every department."

UF's decentralized nature isn't unusual for an institution of higher learning. And that can make being a REALTOR® in a college town a bit of a challenge.

But college towns also offer an upside: a more stable market; the additional client base

College towns generally offer stable real estate markets, but with some quirks.

earning CURVE

By Gayle
Bennett



of parents and investors; and often inflated rents, which makes homeownership an even better proposition than it already was.

How to Get in with the College

UF doesn't allow departments to endorse any one REALTOR®, Pepine explains. But departments assemble lists of REALTORS® who give community tours to faculty candidates, and

she wants to be on as many of those lists as possible. Therefore, she works to get to know the administrative staff person responsible for putting together the agenda when job candidates come to town.

"If you can establish a great relationship with him or her, then when candidates come in, you get on the recruiting schedule and you market yourself as part of the recruiting team," Pepine says.

After the community tour, Pepine and her team write a thorough report for the hiring manager on how the tour went, offering added value to the department. "Often the candidates will reveal to us obstacles that might be in the way of them relocating that they don't feel comfortable sharing with the hiring manager, but it's something the hiring manager could address."

Sean Moore, CRS, with RE/MAX Boone Realty, works in Columbia, Missouri, home to

the University of Missouri's flagship campus and the smaller Stevens College and Columbia College. He's on the referral list for surgical residents who are matched to the University of Missouri's medical center.

"It started with a resident who was referred to me from an out-of-area REALTOR®, who then got hired after completing the residency in the ER department," Moore says. "It just spreads." This year, he estimates that he and his team handled a dozen transactions from residents.

Word of mouth has also helped Claire Black Slotton, CRS, with First Street Real Estate in Davis, California, become the go-to REALTOR® for multiple departments at the University of California, Davis. "I get people who come to me and say, 'I asked three different people, and every single one of them gave me your name.' I have several departments where that happens on a regular basis."

Working with Parents

College and university faculty and staff might be the greatest proportion of college town buyers, but depending on the market, parents and investors can be large client sources as well.

In Columbia, rental rates are inflated by 25 to 50 percent because landlords are renting by the bedroom instead of by the building or unit, Moore explains. "That's why up to \$250,000, it is cheaper to purchase in Columbia, Missouri, than it is to rent," he says. "I tell the parents, 'Let me put your kids in a house for four years and you will make money. Not only will your kid live for free, and you'll make money off their two or three roommates, you'll make a little bit of money in four years when you sell it.'"

BY THE NUMBERS

According to *Realtor.com*, these are the five most expensive college towns in the United States:

1. Berkeley, Calif. **above** (University of California, Berkeley)
2. Santa Cruz, Calif. (University of California, Santa Cruz)
3. Boulder, Colo. (University of Colorado, Boulder)
4. San Luis Obispo, Calif. (California Polytechnic State University)
5. Cambridge, Mass. (Harvard University and the Massachusetts Institute of Technology)

KNOW YOUR CLIENT BASE

College towns often have robust arts and cultural offerings that draw faculty, staff and other community members. In Davis, California, CRS Claire Black Slotton and her partners are adding to the local arts scene—and gaining clients in the process.

When Slotton and her partners opened up shop three years ago, they remodeled an office bungalow in the heart of Davis. They decided to make the conference room and reception area an exhibit space for artists.

"We have rotating art exhibits by local artists," Slotton says, "and the Davis Downtown Association sponsors 2nd Friday ArtAbout," a monthly self-guided art walk through galleries and businesses. Slotton cooks for the 50 to 70 people who come to

an exhibit in her office, and she books local musicians to play.

While Slotton loves to cook and hang out with large groups of people, the art exhibits have helped her build her client base of University of California, Davis, faculty and staff.

"Over the years I've become friendly with the head of a particular department [at UC Davis], which is hiring extensively now, and all the new hires have been using me," Slotton says.



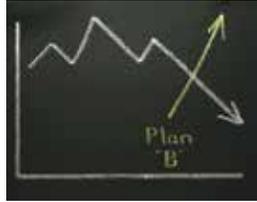
A typical house within the East Acres neighborhood in East Davis, California. UC Davis ranked No. 8 on a list of the top 10 most expensive college towns in the country, according to *Realtor.com*.

beginning coursework



Marketing 101

Don't neglect internet marketing. That's how parents, investors and new hires who go it alone will find you.



Microeconomics

College towns aren't generally boom towns, but that means they don't tend to experience busts, either.



Intro to Relativity

Beyond semester start times, rental market practices can dictate purchasing times. For example, in Davis, California, September leases must be signed in March.



Political Science

Get involved with college- or university-related planning and community groups to stay on top of zoning changes and college construction plans.



Social Studies

Attend college or university events to network on the department level.

However, that math doesn't work out in Davis, which a 2015 Realtor.com article ranked No. 8 on the top 10 list of most expensive college towns. Therefore, Slotton doesn't see many parent or investor clients.

As clients, parents tend to be in a hurry, because many are driving in from hours away to see properties. "They are almost like a relocation buyer," Moore says. "They are in, they buy, they are out. They trust my expertise."

Pepine says her parent clients don't always visit the property, relying on their child to select it. "You are doing Facetime or Skyping with the parents, showing them what they are purchasing," she says.

Joe Jackson, CRS, with The Jackson Team, works in Clintonville, a neighborhood in Columbus, Ohio, north of the Ohio State University. When dealing with parents, he's learned to manage their expectations of the purchasing process.

"Because they are out of town, they don't understand the fact that if you want to come and look at houses on Saturday, I need to know Tuesday to get things set up. And, no, you can't look at a property that's a [current] tenant rental on Saturday morning at 9 a.m. because the tenant isn't up."

Also, most of Clintonville's housing stock was built in the early 20th century, so two baths and a renovated kitchen aren't the norm. "We have parents and students coming from suburban housing. They want to duplicate that at the university, and they can't," Jackson says.

Investors Also in the Mix

If a college market is a good investment for a parent, then it's likely on the radar of non-parent investors. Pepine deals with a lot of investor clients. According to National Real Estate Investor, Gainesville offers strong gross annual rental yields.

"Investors don't even need to see the property," Pepine says. "It's totally a numbers game. If you can show them the financials, and usually they want a 10 percent return, they are fine. It's a very different sale."

Jackson enjoys working with investors, but he notes that the rental market in Columbus is in flux right now. The university has mandated that all sophomores, in addition to freshmen, live on campus. "The university built about 3,800 more housing units," he says, "so the rental cycle this year has been very soft."

But even though college or university decisions can affect the real estate market, the stability of a large entity that's employing and bringing in hundreds or thousands of new people every year is a boon for REALTORS®. "People are buying and selling at a more rapid rate," Moore says.

"One of the downsides of being in real estate is the fluctuation of income," Pepine says. "But being in a university town provides some protection from that." ❖

Gayle Bennett is a writer and editor based in Washington, D.C.

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—Betsy Pepine, CRS

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