

THE residential SPECIALIST

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My Town



CRSs share how they are dealing with the opportunities and challenges in their individual markets

By Gayle Bennett

In November 2018, National Association of REALTORS® Chief Economist Lawrence Yun, made a general prediction for 2019: Home sales will flatten, though prices will continue to increase, but at a slower rate.

But as everyone knows, all real estate is local. For a sense of what's happening on the ground, four CRSs from across the country share the current state of their markets, their challenges and opportunities, and their predictions for 2019.

Still going like gangbusters

Joshua Matthews, CRS, associate broker at Coldwell Banker Residential Brokerage, had his best year ever in 2018.

“Right now, I’m in a market full of type A buyers—people ready to go right now,” says Matthews, who works in both New Hampshire and Maine. “I’ve got people who want to buy and people who want to sell, both of whom are serious about what they’re doing.”

His primary market is Strafford County, New Hampshire, which had a median sales price of \$270,000 in 2018, compared with \$247,000 in 2017. Matthews’ median sales price for his listings was \$305,000 in 2018.

In a market like this, Matthews isn’t dealing with too many challenges, though as a 16-year real estate veteran, he’s paying attention to history.

“It feels like 2006, when it was anything goes as far as real estate appraisals,” he says. In 2018, he saw multiple listings without comps to justify them sailing through the appraisal process.

He predicts that prices will plateau in 2019, like they did in his market in 2007. In 2018, Matthews saw a great return on investment from Facebook marketing and client appreciation events, and he will continue to employ both tactics in 2019, whether his market slows or not.

“In the 16 years that I’ve been selling, this seems like the strongest real estate market that I’ve lived through yet,” he says. “If it’s coming to an end, like I fear, I will be disappointed. But there’s always going to be opportunities.”

Insulated by new construction

A new toll road is currently under construction north of Orlando, Florida. When finished, it will provide quicker access to downtown Orlando and Tampa. Given this infrastructure addition, Addie Owens, CRS, broker/owner with RE/MAX Touchstone in Eustis, Florida, has seen her market remain robust. The median sales price in Eustis in December 2018 was \$222,700, compared with a 2017 median sales price of \$213,833.

“We have a lot of relocations from the northern states, as you expect, but also a lot of transplants from Miami and even some parts of north Florida,” she says. And she’s also keeping busy helping her clients from 2009 through 2013 cash out their home equity and move into bigger houses. “I’ve had a lot of triple-ending deals—list it, sell it and go find them a new home.”

Like other hot markets, Owens’ market is dealing with a lack of inventory. But she sees this as an opportunity to improve her skills as a REALTOR®. “I’m trying to be a better agent, more refined in my skills and a little more aggressive in presenting the seller’s home through staging, pricing and marketing materials,” she says.

She sees her market remaining the same in 2019 and expects new home construction to start within the next couple of years. “Once the toll road is completed, I think we are going to see rooftops multiply like the gremlins,” she says.

A sense of fatigue

Monique Higginson, CRS, broker with Market Source Real Estate in Salt Lake City, saw her market suddenly slow down in August 2018. “It felt like overnight,” she says. Average days on market immediately doubled from about 20 days to about 40 days.

She’s not sure why this happened, but she thinks buyers have become fatigued by the aggressive sellers’ market of the last few years, when some homes would immediately have 30-plus offers and sell for \$20,000 to \$50,000 above the asking price. In December 2018, the median sale price in Salt Lake City was \$354,000, up from \$327,500 a year earlier.

“My newer buyers have seen what’s been happening over the last couple of years, and they are willing to sit on the sidelines longer,” she says. “Rates have gone up so much, and it seems like the consensus is that it’s not as appealing to buy a home.”

But Higginson doesn’t sense a crash—just a slowdown that she’ll deal with by hustling to fill her client pipeline. She predicts home appreciation rates will increase 3 to 5 percent in 2019, just outpacing inflation. “I think timelines will be slower and days on market will go up, but I don’t see any catastrophes coming,” Higginson says.

She will need to educate her sellers about this new reality because “their friends who sold their houses six months ago had a different experience than they will,” she says. “So we need to explain what’s happened, and we really have to be on our game in terms of getting our listings ready and having amazing marketing.”

A slightly softening market

Bend, Oregon, is currently experiencing some price corrections coming off its sales price peak in May 2018, according to Brian Ladd, CRS, principal broker with Ladd Group Real Estate at Cascade Sotheby’s International Realty.

In December 2018, the median sales price in Bend was \$433,000, an 11 percent year-over-year increase. But in the second half of the year, days on market increased and prices at the higher end adjusted downward.

Bend is a move-to market from the feeder cities of San Francisco, Seattle and Portland.

So it’s a bit more complicated to predict what the next year will bring.

“Our market is a by-product of those urban centers on the West Coast that have seen price appreciation on housing for the last decade,” Ladd explains. “If those markets slow down, we are going to slow down even more. So to project what is going to happen here, I have to project

what's going to happen in Northern California and Seattle, and that gets into macro trends of the economy, technology and the stock market.”

With inventory increasing, he's focusing on seller education in 2019. “Now that we are facing a normalizing market, we are going to have to do a better job of managing our clients' expectations and not take listings that aren't in line with the market.”

Regardless of what's currently happening in their markets, all of these CRSs are focusing on past clients in 2019. There's no better way to maintain or grow your business than keeping your satisfied clients close.

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

Staying on Top of Their Game

Whether a market is slowing or still going strong, savvy CRSs are always working to grow their business. Here are three tips for doing just that.

Hire a client concierge.

At the end of 2018, Brian Ladd, CRS, principal broker with Ladd Group Real Estate at Cascade Sotheby's International Realty, hired a client concierge to maintain relationships with all his past clients.

“So many agents, including myself, are so forward-focused on new business,” he says. “But it's important to have someone in your business looking backward to make sure you aren't leaving a trail of orphan clients behind you.” This person will maintain client relationships through the transaction and then institute a follow-up campaign of touches, events, mailers, gifts, calls and emails.

Promote community involvement.

Addie Owens, broker/owner of RE/MAX Touchstone in Eustis, Florida, has set up the REMAX Touchstone Community First Foundation. She and her team donate a portion of their commissions to the foundation, which then disperses the funds to community theatre groups, soccer teams and more. “Consumers are now parting with their money according to who is giving to their community and who is making an impact in their community,” she says. “We need to make sure that we are doing a better job of showing that.”

Invest in education.

Though Joshua Matthews, CRS, associate broker with Coldwell Banker Residential Brokerage in New Hampshire and Maine, has been a REALTOR® for 16 years, he earned seven designations, including his CRS, over the past 18 months. “I've walked away from earning each of these designations with a new tool in my toolbox,” he says. “I feel like I have a whole new arsenal to keep myself in the game.”