

REAL ESTATE BROKER'S INSIDER

Management and sales tools for the residential real estate broker

June 2010 Vol. 41 No. 6

Agency Marketing

Brokers in hard-hit markets pursue foreign investors

Three or four times a year, Brad Cozza flies from Florida to Israel to give presentations to investors looking for bargains in depressed housing markets.

Cozza pitches duplexes and single-family homes in Southwest Florida, one of the nation's most battered housing markets, and he's finding plenty of takers in Israel.

"It's been astonishing the results we've gotten," says Cozza. "They feel that now is the time to invest in real estate

in the United States."

As Cozza's experience shows, investors can be a lucrative market for brokers looking to move properties. Investors played a role in inflating the housing bubble of 2005, and they might help rescue the housing market now.

"This is exactly the medicine we needed," says Cozza, who runs the 10-agent Cozza Realty Group in Fort Myers, FL.

(Continued on page 3)

Business Strategies

After change in franchise affiliation, brokers battle for agents

In one conference room at a hotel in Tucson, AZ, broker Anthony Azar told his agents about the superior services they'd enjoy as a result of his switch from Realty Executives to Keller Williams Realty.

In the hallway outside stood officials from Realty Executives, who told agents they could stay with the company if they

wished. The Realty Executives representatives even directed agents to another conference room at the same hotel.

Rarely do brokers fight for agents in such a dramatic way. But the deep downturn in Arizona's real estate market set the stage for the bad blood that emerged between Realty

(Continued on page 5)

Coldwell Banker offers own stimulus

Buoyed by the success of the federal tax credit for homebuyers, Coldwell Banker Real Estate launched a private version of the popular stimulus package.

Dubbed the Buyer Bonus Sales Event, the offer began May 1 and is available to buyers who sign a contract by July 31. Through the program, participating home sellers offer a credit of 3 percent of the home's purchase price, up to \$8,000.

Unlike the tax rebate, there's no deadline for a closing date, and no income limits.

Homes of sellers who participate in the program will be promoted by Buyer Bonus Sales Event yard sign riders and tagged as a Buyer Bonus home on www.coldwelbanker.com.

In this issue

Realtor pay continues long slide ...	2
Multiple generations increasingly share one roof	8
Broker recruits "servicepeople," not salespeople	8
Embrace mobile devices or be left behind, tech expert says	9
Realty, ZipRealty sees finances improve	10



for newcomers, in the business for two years or less, to 23 percent for veterans, with at least 16 years of experience.

- Some 24 percent of Realtors held at least one of six certifications in specialized training, up from 16 percent in 2009. The fastest-growing designation is the Short Sales and Foreclosures Resource Certification, or SFR.

- The typical NAR member is 54 years old and works 40 hours a week; 57 percent are women. Women account for 51 percent of brokers and 63 percent of sales agents. Four percent of all Realtors are under 30 years old while another 5 percent are 30 to 34 years old; 17 percent are 65 or over.

- Seventy percent of Realtors are compensated through a split commission arrangement, 18 percent receive all of the commission, and 3 percent receive a commission plus a share of profits. Some 81 percent of members work as independent contractors for their firms. Seventy-three percent receive no fringe benefits; however, 11 percent are covered by errors and omissions insurance and only

6 percent receive health insurance.

- The median number of transaction sides Realtors handled in 2009 was seven, unchanged from 2008.

- More than six in 10 NAR members have a personal website. Seven out of 10 Realtors have a home office.

- Fifty-four percent of members are affiliated with an independent, non-franchised firm; 32 percent are with an independent franchised company, 9 percent with a franchised subsidiary of a national or regional corporation, and 4 percent with a non-franchised subsidiary of a national or regional corporation.

- The median-sized firm has 29 licensees and one office.

The *2010 National Association of Realtors Member Profile* was based on a survey of 58,022 members that generated 6,830 usable responses.

To order a copy of the study, call 800-874-6500 or visit www.realtor.org.

The profile is free for NAR members but costs \$125 for nonmembers.

Contact: National Association of Realtors, www.realtor.org. REEL

Brokers in hard-hit markets pursue foreign investors

(Continued from page 1)

During his trips to Tel Aviv, Cozza focuses on some eye-popping numbers that appeal to value-minded investors. In the Lee County communities of Lehigh Acres and Cape Coral, homes are trading for 50 percent of replacement cost.

And capitalization rates, a common measure investors use to determine a property's yield, are above 10 percent. The higher the "cap" rate, the more generous the return.

During the boom, cap rates were less than 5 percent, and often negative.

Bargains for bottom feeders?

Five years ago, brokers pitched speculators on sky's-the-limit profits. Today's numbers are much smaller. Three examples:

- **5 percent:** The typical return Greg Swann thinks a Phoenix investor can make by buying a bargain, fixing it up, then quickly flipping it.

- **10 percent:** The capitalization rate Brad Cozza tells investors they can achieve on properties in Fort Myers and Lehigh Acres, FL.

- **50 percent:** The discount from replacement value for existing homes in Southwest Florida.