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Own It!

2018 NAR President
Elizabeth Mendenhall asks
REALTORS® to step up Page 22

Plus: Back-to-basics tips and
inspiration for owning your
business success Page 14

The new world of MLS choice Page 6
Forging fair housing's path Page 10



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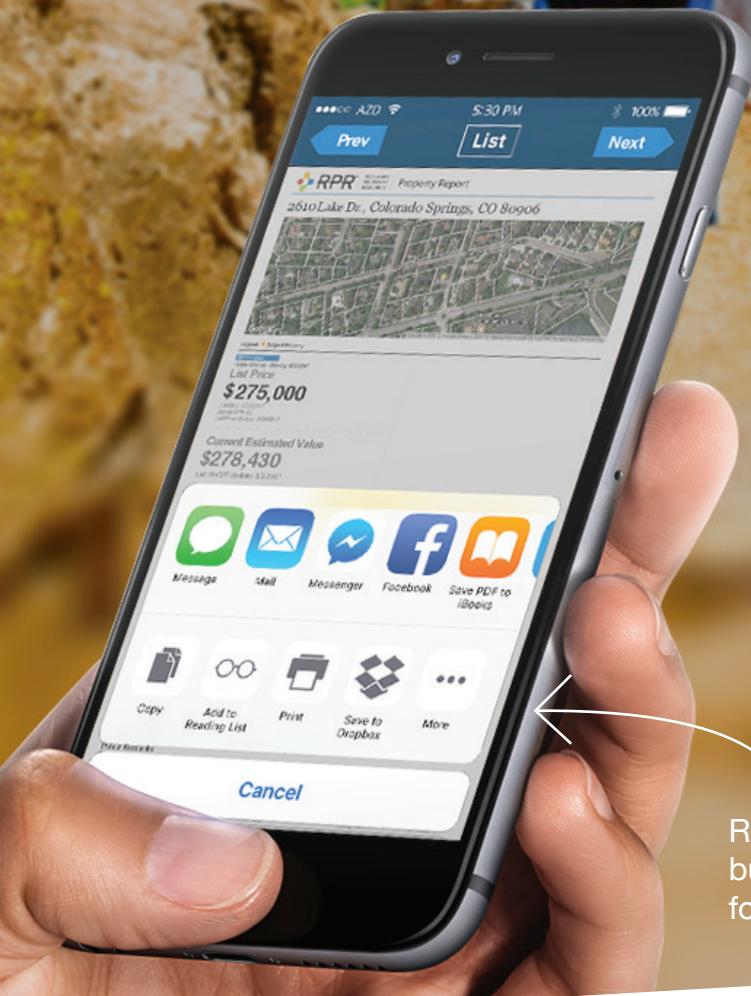
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OWN IT!

Is Your Foundation Sound?

In the intensity of working your everyday business, it can be easy to overlook some of the fundamentals that help you thrive in any market. Practitioners and coaches weigh in with back-to-basics advice for before, during, and after the transaction. [PAGE 14](#)

Does Your EQ Measure Up?

Scientific research confirms that emotional intelligence strengthens business relationships. Does yours need a boost? [PAGE 18](#)

She's Owning It. Are You?

2018 NAR President Elizabeth Mendenhall sets high expectations for herself and her fellow REALTORS®. Learn how she's working to help members retain a central role through industry disruption. [PAGE 22](#)

Your Pathway to a New Niche

Intrigued about transforming an underused space into a community asset? Here's your guide to getting started as a small-scale developer. [PAGE 28](#)

Finding Real Estate Nirvana

A broker's punk rock past has helped her company hit all the high notes. Pursuing joy plays a big role in her agents' success and her own. [PAGE 32](#)

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A CHOICE FOR THE FUTURE

Brokers and agents have gained long-sought flexibility in deciding which MLSs to join. [PAGE 6](#)

LAW

Clients may want to create an LLC to protect their second-home investments. [PAGE 9](#)

FAIR HOUSING

In 1963, the bold actions of a soft-spoken California assemblyman set the stage for the ban on housing discrimination nationwide. [PAGE 10](#)

ECONOMY

Tax reform may boost economic growth for the short term but the expected softening of home prices may weaken higher-end markets. [PAGE 12](#)

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Your surprising and amusing real estate stories. [PAGE 40](#)

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Debating Work-Life Balance, 24/7



Taking control of your time requires setting the right intentions for your day. Here are five rules to follow.



Can You Make Real Estate a 9-to-5 Job?
Between family and clients, real estate professionals are pulled in a million different directions every day, and trying to please everyone can make you feel like you have no control over your time. Most agents I know start their workday...

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Susan Mangan: I see this working for REO agents. They put on lock boxes, pay vendors, get contracts, and spend the day on email with the bank. They don't show any homes except their own listings, and don't answer calls on weekends. Listing appointments are by email from the bank. The agent may go to the house just a few times and does not attend closings. They only provide service to the buyer if they get both sides. It's not as crazy now as it was, but we have people in my office doing this. I am not suited to this. I like the personal schmoozing too much and I am not cut out to be a paperwork jockey.



Donna Harjes Addy: I don't have a desire to do all of the things that would fall on the flip side of your post: taking calls after dinner, working weekends, going to closings. I love being on the computer with a sprinkling of face time with the end user. Being a sole REO agent sounds perfect for me! Thanks!



David Moore: I don't think you can make it a 9-5 job, but you can make sure to schedule time off for yourself, family, and friends. You don't have to be a 24/7 agent to be a success in this business. Work smarter not harder!

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The Future of Home Design—Today

Are you up-to-date on what buyers are looking for in 2018? See our roundup of need-to-know products and services that may transform homes, consumer lifestyles, and your marketing efforts over the next year. Learn what you can do today to capitalize on these trends. Check it out at realtormag.com/trends18.



The Tech They're Talking About

We'll be in Las Vegas at CES 2018 (formerly the Consumer Electronics Show) in January to cover the latest smart-home devices, sales tools, and other innovations that will change the way you work. Check out product guides, news from the show, and our video examining the 10 best tech innovations for real estate at realtormag.com/CES18.



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Not Neutral on Net Neutrality

Many real estate pros would bristle at the idea of Zillow being able to pay for preferential treatment on the web. With the FCC's recent repeal of the Open Internet Order, ISPs could throttle service and slow down websites belonging to business owners who can't afford to pay to play. Learn more about the potential impact on agents and brokers at realtormag.com/FCCrollback.

**OWNING IT
TOGETHER**

“When I’m talking with a member coping with hardship, I’m motivated to work even harder.”



KEVIN BERNE ©2018

We Need One Another

Our profile of you (page 22) was written before you took office. A month into your tenure, how is the role of NAR president different than you expected? I’ve always known that REALTORS® are passionate about bettering our associations, our industry, and our communities. However, since being installed as president, my eyes have opened even wider at the magnitude of this allegiance. I am astounded by how many members have reached out to share their thoughts and to offer support. Never before have I gotten so many emails and text messages—it’s incredible. I promise to keep listening. Our best work is the product of collaboration. We need one another.

What has been the biggest challenge so far?

In December, tax reform was front and center. Thanks to REALTORS®’ engagement, we positively influenced the new law in some key areas. More than 300,000 contacts over two Calls for Action to members of Congress enabled us to improve on the original blueprint. For example, we pushed to maintain deductibility of state and local income and property taxes up to \$10,000 and to keep Section 1031 tax-deferred exchanges in their present form for real estate investments. And we will continue to advocate on behalf of the industry and property owners. Whatever their views on the legislation, REALTORS® are united in the belief that homeownership matters.

How do you balance your time between supporting national, state, and local concerns? Our three-way agreement gives us a powerful voice in shaping public policy. Issues important at one level are important at all levels; balancing my time between organizational tiers is a nonissue. Trickier is juggling work and personal time, but REALTORS® navigate this balancing act on a daily basis.

Have any conversations with members specifically shaped your outlook as president? The respect for the role of the NAR president is humbling. Almost every day, I have at least one conversation with a member who reminds me of the great responsibility this title bears. From tax reform to natural disasters, REALTORS® are facing change and challenges. Members’ livelihoods are at stake, and inaction can lead to serious consequences.

What response are you getting to the “Own It” mantra? Within the REALTOR® community, “Own It” has gone viral. People are sharing their “Own It” moments across social media, and it’s amazing to watch as “Own It” gratitude coins circulate the country. The coins, unveiled last summer at the NAR Leadership Summit, are tokens of appreciation, and recipients are regifting them to colleagues who embody the “Own It” spirit. This movement has exceeded all expectations. I hope it’s an indicator for our year ahead.

**NAR
President
Elizabeth
Mendenhall**
talks tax reform, time management, and gratitude coins with REALTOR® Magazine Editor Wendy Cole.



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A Choice for the Future

Now that multiple listing services must offer waivers to licensees who don't use their systems, how will agents and brokers benefit? *By Meg White*

A long-simmering proposal colloquially known as “MLS of Choice” has become the law of the land. Last November in Chicago, the National Association of REALTORS® Board of Directors voted 654 to 58 to revise NAR’s longstanding policies for the assessment of MLS dues, fees, and charges. These changes refine terminology and update the MLS service structures to add a mandatory waiver policy enabling licensees who don’t use the MLSs’ services to opt out. Agents who don’t wish to subscribe must provide proof of membership at another MLS and can be required to sign a certificate of nonuse pledging to not access or obtain data from the MLS service they are opting out of.

How big is this change? It depends on whom you talk to and where you are in the country. But without a doubt, many brokers and agents are gaining flexibility they’ve long desired, and some MLSs may soon experience increased administrative duties to track where licensees subscribe. Assessing the overall impact will be difficult because no complete database exists to show where brokers and licensees currently receive MLS service.

The biggest adjustment will be for MLSs that charge agents fees based on all offices of a firm (within the jurisdiction of the MLS’s shareholder association), also known as the “jurisdictional assessment option.” That option has been eliminated. But changes are also coming to the larger proportion of MLSs with the simple approach of assessing fees to all licensees affiliated with an MLS participant. Under the change, all MLSs will soon have a waiver option for agents who comply with the requirements of nonuse and subscribe to a different service.

David Welch, the president of a 6,000-subscriber MLS owned and operated by the Cincinnati Board of REALTORS®, has concerns with how the new policy is playing out. “We’re not set up to do what they’re asking us to do,” says Welch, CRS, GRI, with Comey & Shepherd, REALTORS®, in Liberty Township, Ohio. He says the MLS didn’t have the forms, policies, and technology in place to implement the policy by March 1, as required under the terms of MLS policy. Welch, who’s also an NAR director, fought for and secured a delay in the start date to July 1 to give smaller MLSs more time to prepare. *(Read Welch’s reflections*

on the debate and on the importance of speaking up before the board at realtorm.ag/welch.) He says the extra time will also give the Multiple Listing Issues & Policies committee a chance to make additional recommendations at NAR's legislative meetings in May.

Ahead of the NAR board vote, some downplayed the significance of the change, especially in markets where MLSs already allow agents to opt out. "We've offered this waiver for 20 years," Steve Byrd, CTO at Carolina Multiple Listing Services Inc., told the committee. "It's really not that big a deal." But Welch and others from small- and medium-sized MLSs object to that characterization, saying that while larger MLSs can more easily track who's using their services, implementing this new rule and assessing fees on those who violate it will be too costly and difficult where staffing and budgets are lower. Welch notes that MLSs had already drawn up their 2018 budgets prior to the rule change, and one vendor estimated it would bill around \$60,000 to create a tracking system that would allow MLSs to see where their

subscribers have other MLS memberships. He'd like to see NAR make enhancements to the NRDS database to help association-owned MLSs accomplish this task.

As the executive officer of the Rogue Valley Association of REALTORS® and the Southern Oregon Multiple Listing Service Inc. in Medford, Ore., Tina Grimes seems an unlikely supporter of the new rule. "I was very much in favor of this change even though it's going to be a huge amount of work," Grimes says. "It's a positive step in the right direction for evolving the MLS and keeping it relevant." She and a small staff of seven (four of whom work almost exclusively on association, not MLS, duties) serve around 1,575 MLS subscribers and have decided to seize the opportunity to completely revamp subscriber agreements, a task they've been meaning to take on for quite some time, in the face of the change.

Some brokers see advantages for small MLSs because of the change. MLS Policy Committee member Sam DeBord, managing broker for Seattle

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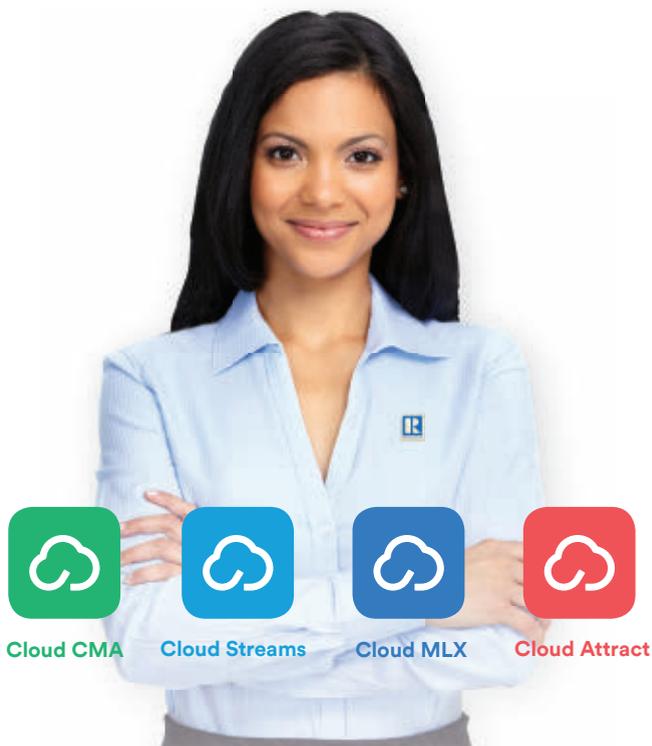
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Homes Group and vice president of strategic growth for Coldwell Banker Danforth in Bellevue, Wash., predicts this could spur brokers to expand their presence into new areas. “This is going to be better for the marketplace as a whole,” he says, noting that the intention of the policy change is to both circumvent off-MLS listing activity and support brokers and agents who want to expand but don’t due to the constraints of the so-called overlapping market syndrome. “These are brokers and agents who want to be members of more MLSs, but don’t join more because of the duplicative costs under current policy.”

Grimes says this will likely be the case in her area, where MLSs have up until recently employed the jurisdictional assessment model. She predicts her MLS may lose a few subscribers under the new policy, mostly among folks who are winding their businesses down in advance of retirement and shedding administrative costs where they can. “I think overall we will gain,” she says, reflecting upon phone calls she’d had from brokerages where a single agent wants to join the Southern Oregon MLS. When she tells them that all their agents would have to join because of the jurisdictional model, they usually change their minds pretty quickly.

But some areas could see fewer subscribers and brokerage locations. Managing broker Jenny L. Johnson, e-PRO, who runs the Chase International branch in the small town of Incline Village, Nev., predicts a few shadow offices in her area will close up shop. Some brokers rent a desk or nominal office space in a particular jurisdiction not for doing business but just so their agents can claim the location as their home offices and not have to belong to all the MLSs that their broker, in the main office, does. And while Johnson plans to continue paying almost \$4,000 a year for her brokerage memberships in four MLSs, plus another couple hundred dollars so that she can list as an agent on one of those four, she says agents will face a choice. Out of the 25 agents who work in her Incline Village office, she says about half are paying for MLS access that they don’t use. She predicts nearly all of those dozen or so agents will choose to sign at least one nonuse waiver. “It’s expensive,” she says. “We need to support our

agents and their business plans, not focus on dues and violation fines.”

The new rule should make recruitment easier for Johnson. As a trainer, she meets many new agents who want to work with her, but the two state borders and five MLSs that fall within 45 miles of her office make it tough to attract and retain sales associates who aren’t ready to compete in the market where her home office is located. “They don’t want to sell in Incline because it’s a luxury market,” she explains. “If I have an agent that hangs their license in my branch, but belongs to an MLS not located in my town, I get a call [from the MLS]. I’ve lost agents over this.” She still spends several hours each week informally coaching two such agents, who are working out of different Chase International offices, because she wants to see them succeed. But because they’d have to pay to belong to the MLS serving Incline Village if they worked out of her office, Johnson doesn’t personally see any profit in her work with them. With the waiver option, the situation may soon be different.

Making a Dent

The new rule represents one small step toward ameliorating some, but not all, of the problems caused by MLS boundaries that clash against natural market areas. Rocky Balsamo leads a top-producing seven-agent team within Weidel Real Estate in Princeton, N.J. Balsamo says he supports the rule change, even though it doesn’t address a bigger local concern. “We’re a little, itty-bitty state. We need one MLS for the state of New Jersey,” he says. Balsamo says he pays about \$1,000 a year to belong to four MLSs. Because three MLSs converge in one area near his home turf of Princeton, his entire team needs to belong to all of them in order to market listings properly. “It makes syndicating listings complicated,” he says. “When you take a listing within five miles of that spot, you have to put it in three MLSs, or you’re going to lose out.”

Johnson agrees that other MLS problems remain unsolved, but she takes the new policy as a sign that change is in the air. “This is a solid move to get more control back to our agents,” she says. “What else can we enhance? What’s next?”

The new rule represents one small step toward ameliorating some of the problems caused by MLS boundaries that clash against natural market areas.

Turning Buyers Into an LLC

Creating a separate legal entity for buying a second home is a smart way for ordinary households to protect themselves.



Bruce Ailion, CRB, CRS, is a licensed attorney and a broker affiliated with RE/MAX Town and Country in Woodstock, Ga. [bruce@locationlocation.com]

If you're working with a couple interested in buying a second home as an investment property, you might suggest they talk to a lawyer about setting up a limited liability corporation or other legal entity before they buy. That way, if they're sued by someone who was on the property after they bought it, they can limit their damages and protect their personal assets against losses.

Suppose a contractor they hire makes negligent repairs to a deck and it collapses while tenants and guests are having a barbecue. The judgment in a case like this could easily exceed the equity the owners have in the property and even the coverage limits on their insurance policy.

Or perhaps they rent the property to a person who owns a dog not covered in a typical landlord policy and the dog bites someone on the property. State Farm, for example, won't cover bites by rottweilers, chows, and about a dozen other breeds. The company paid \$121 million in dog bite claims in 2016 at an average of \$33,000 a claim. A claim of that amount might exceed the equity the homeowners have in their property. That could make their personal assets vulnerable to the judgment.

Or let's say the carbon monoxide detector is faulty and the property has a 20-year-old furnace that develops cracks, releasing gas indoors. Tragically, a family of four staying in the property is killed. The owners could face four wrongful death actions caused by negligence.

Gravity of Risk

These are rare occurrences, to be sure, but they point to the gravity of risks that investment property owners can face. In fact, the scenarios illustrate one of the main differences between real estate and other types of investments like stocks or bonds: real estate can carry risks that exceed the investment in the asset.

Of course, an owner's first layer of protection is insurance, but owners might fail to recognize that their losses can exceed coverage limits. Or there may be exceptions or carve-outs in the coverage that exclude or limit the losses, such as State Farm's exclusions for certain dog breeds. These gaps in coverage might expose the owner to unlimited liability. In today's litigious world, \$100,000, \$300,000, or even \$500,000 liability coverage may be inadequate. Also, owners converting their home to an investment property might not think to take out landlord or vacant property coverage.

To get the right amount of protection, buyers should strongly consider a personal liability umbrella policy with \$1 million to \$2 million in coverage. But they should also consider forming and running a corporation or LLC. The type of entity they can form varies and is governed by state law, but nearly all states allow incorporated entities like limited liability corporations, partnerships, C corporations, and subchapter S corporations.

Pricing Considerations

Deciding which type of entity to set up and how to structure it should be done with advice of counsel. The process may not be expensive. Depending on the area and particularities of the household, the legal work can be done for a few hundred dollars. There are also do-it-yourself forms online, but self-help isn't recommended; these entities, whether for your own investments or your clients', have to be set up correctly to get the maximum protection.

Investing in real estate can be a smart decision. The right property can outperform other investment vehicles. But because real estate investment comes with potential pitfalls, it makes sense to have sufficient insurance and for investors to consider setting up an LLC or other type of entity to separate their liability from their personal assets.

HARD-FOUGHT BATTLE After championing fair housing in California, William Byron Rumford ran for the state senate. Here, he celebrates with his son after a 1966 primary victory. Rumford, right, narrowly lost the general election and contested the results in the wake of numerous voting irregularities. Authorities dismissed the complaints.



CALVIN HARRELL ©2018

A Fair Housing Forefather

At great political cost, a soft-spoken California lawmaker laid the groundwork for the national case against discrimination. *By Wendy Cole*

Passage of the federal Fair Housing Act, 50 years ago this April, owes a debt of gratitude to familiar civil rights heroes like Thurgood Marshall and Martin Luther King Jr. But how many know of Berkeley, Calif., pharmacist William Byron Rumford Sr.? In 1948, Rumford became the first African-American from northern California elected to a state public office when he won a seat in the Assembly, the lower chamber of the California legislature.

After championing air pollution control measures and breakthrough employment discrimination protections, he introduced a housing bill in 1963 that would make it illegal to deny people the chance to buy or rent a home because of their race, among other classifications. The measure passed the Assembly 47–25, a feat largely attributable, according to

Byron's son Bill Rumford, to the elder Rumford's "soft-spoken, nonantagonistic way" of talking to his legislative colleagues. Even after the bill was softened to exempt most single-family homes, it faced steeper opposition in the state senate. But it passed in both houses and was signed into law by Governor Edmund G. "Pat" Brown the same year.

At that point, a gauntlet was thrown by a variety of interests, including organized real estate, that sought not to amend it but instead to nullify it by inserting a statement about private property rights in the state constitution. "People's thinking was a house is a man's castle and no one should be able to tell him what he can do with it," says Bill, 84, explaining the prevailing view held by the opposing side.

Proposition 14 read in part: *Neither the State nor*

any subdivision or agency thereof shall deny, limit or abridge, directly or indirectly, the right of any person, who is willing or desires to sell, lease or rent any part or all of his real property, to decline to sell, lease or rent such property to such person or persons as he, in his absolute discretion, chooses.

The petition to put Proposition 14 on the ballot garnered more than a million signatures, double what was required. *The Los Angeles Times* endorsed the effort to make racial discrimination in housing legal again in California.

Though the ballot initiative passed by a wide margin, Rumford never lost hope. "He wasn't bitter and took it in stride. He continued to meet with people to change minds," he says. "Dad argued intelligently and was never aggressive or loud," he says. "And he never backed down," says Bill, a former Berkeley council member and retired police chief for the Bay Area Rapid Transit system who now lives in Canada.

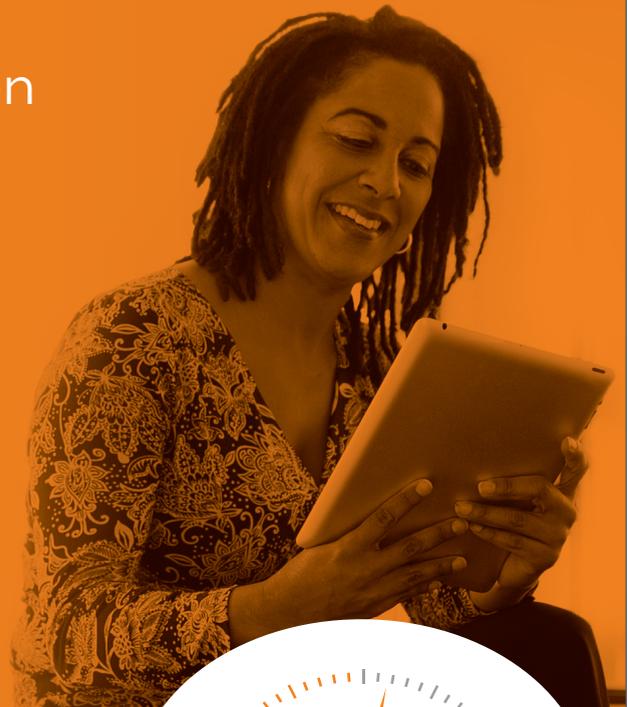
In 1966, the California Supreme Court declared Proposition 14 unconstitutional, a decision affirmed by the U.S. Supreme Court in 1967. The stage was set for the federal protections offered in the Fair Housing Act a year later. It passed with the strong support of President Lyndon Johnson, who signed the measure into law a week after King's assassination. The federal Fair Housing Act prohibited housing discrimination by race, color, creed, and national origin. In 1974, sex was added as a protected class; disability and familial status were added in 1988.

The federal law's passage was a proud moment for Byron Rumford. At the end of his legislative career, which included a losing bid for the state senate in 1966, he was offered a job in Washington as assistant director of consumer protection at the Federal Trade Commission. In 1976, he returned to his pharmacy and private life in Berkeley. "Dad was a fighter to the day he died [in 1986]," adds Bill.

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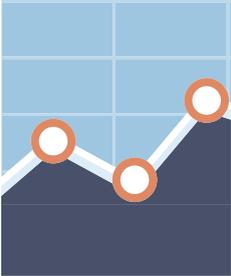
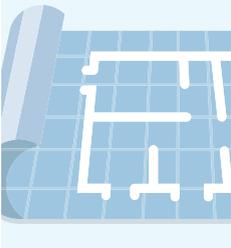
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	2016	2017	2018
 <p>GDP Growth (percentage change)</p> <p>Unemployment (percent of workforce)</p> <p>30-Year Fixed-Rate Mortgages (percent)</p>	1.5%	2.4%	2.8%
	4.9%	4.3%	3.9%
	3.6%	4.0%	4.6%
 <p>Existing-Home Sales</p> <p>Volume (in millions) (percentage change)</p> <p>Median Price (percentage change)</p>	5.45 3.8%	5.52 1.3%	5.64 2.2%
	\$233,800 5.1%	\$247,300 5.8%	\$259,000 4.7%
	 <p>New-Home Sales</p> <p>Volume (percentage change)</p> <p>Median Price (percentage change)</p>	561,000 12%	614,000 9.4%
\$307,800 4.6%		\$315,800 2.6%	\$323,000 2.3%

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Conflicting Signals for 2018

Housing will be helped by strong fundamentals, but tax changes are likely to hinder high-end markets. *By Robert Freedman*

The housing market in 2018 will benefit from strong economic fundamentals as job and wage growth stay solid and interest rates, although inching up, stay low. However, the upper-end housing market in high-tax states will be hit hard as a result of the tax overhaul recently signed by President Donald Trump.

Look for existing-home sales to remain the same, at about 5.5 million unit sales, NAR Chief Economist Lawrence Yun says. Home price growth will stay positive, but in a change from the last few years, prices are expected to rise only 1 to 3 percent, a significant downward shift from the annual increases of 6 percent or more over the last half-dozen years or so.

Tax reform is part of the reason behind dampening prices, Yun says, especially in expensive markets

in New Jersey, New York, and California. Homeowners who had been able to deduct all of their property taxes will be able to deduct a maximum of \$10,000 due to the tax changes Congress enacted at the end of 2017. "Households must now consider this limitation as they decide how much house they want to buy," Yun says. In New Jersey, for example, almost a third of homeowners pay more than \$10,000 in property taxes.

Price softening at the high end of the market will spill over into the next tier of homes to a lesser degree, but the low-end market will continue to see solid demand. "Given that the upper-end market competes with the near-upper-end market, there could be a chain reaction downward," Yun says. "The

next tier price points will see some price reductions to remain competitive as upper-end prices buckle.”

Mortgage interest rates are expected to rise, too, as the already tight labor market constricts further and as federal budget deficits grow, further dampening the market.

On the plus side, the tax changes are expected to provide some boost, at least in the short term, to the economy, fueling some gains in jobs and wages and increasing the ability and confidence of households to buy.

“For the first year, it’s fairly certain there will be some fiscal stimulus from the bill,” Yun says. “More jobs and higher wages should provide a steady flow of housing demand.”

Still, with inventory shortages persisting in many markets, the positives are unlikely to translate into much home sale growth for the year. “Pressure in the starter home market will persist because there remain too few homes at this price point to satisfy

demand,” he says.

Yun will be watching closely to see whether residents from high-tax states will migrate in significant numbers to lower-tax neighbors as a result of the new law, as wealthier households seek to mitigate their property tax hit. “There could be benefits to neighboring states,” he says. Pennsylvania might benefit from migration out of New Jersey, for example, or Wisconsin and Iowa might benefit from migration out of Illinois.

New-home sales, which have been increasing the last few years, will continue to grow, although that market, which comprises only about 10 percent of home sales, will continue to play a modest role in overall sales.

“What the new-home sales data tell us is that builders can sell whatever they build,” he says. But don’t expect too much new inventory to come on the market, because shortages of skilled labor continue to hobble growth.

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Is Your Foundation Sound?

BY GRAHAM WOOD

The deeper you get into the real estate business, the easier it is to forget some of the fundamentals. This back-to-basics advice will help you thrive in any market.

The familiar line “You can’t build a strong building on a weak foundation” was originally a religious prophecy, but it’s applicable to your business, too.

Sales skills, relationship-building aptitude, product expertise, and entrepreneurial know-how make up the core competencies of most successful practitioners. Strive for a balanced skill set rather than relying on a single strength, recommends Julie Youngblood, owner of Youngblood Coaching & Consulting and a sales associate with Keller Williams Realty Southwest in Las Vegas. The value of people skills alone, for example, may be overrated in the business. A strong work ethic may be just as important to a client as your communication style.

“You’re putting a puzzle together for your client in which, at the end, they move into [or out of] a house,” Youngblood says. “It takes many skills to complete that puzzle.”

We asked practitioners and real estate coaches serving a wide range of markets to share their reminders of the fundamentals that may be overlooked in the bustle of tending to everyday business. The result is this back-to-basics guide for establishing and maintaining a solid foundation for your real estate business. No matter what stage you’re at in your career—even if you consider yourself a guru of all things real estate—shoring up your foundation may be the key to overcoming a slump, filling your pipeline, or just starting the new year off right.

The Right Mindset It’s not like what you see on HGTV; a love of houses isn’t the linchpin of your success. “It’s just the product you’re pushing,” Youngblood says. Instead, customer service will be the centerpiece of your business. Your strongest passion must be to serve.

Treat your business like a job. Don’t be swayed by the freedom of not having a traditional 9-to-5 job. Whatever work schedule you set for yourself, you must show up every day and put in at least 40 hours a week for your business to grow. When you don’t have appointments lined up, you still have to work to find prospects. Fill holes in your schedule with activities that provide networking opportunities, such as volunteering or serving on a board.

Act like you have a “boss.” Despite being self-employed, you will have to answer to someone—and that person is not your broker. Consider every client to be your boss. Though customers don’t have actual authority over your career, they act as ambassadors to your business and have power over your referral pipeline. What they say about you to their friend and family affects the health of your business. Focus on providing them exceptional service.

Write out a business plan. Include a vision statement, which affirms why you want to work in real estate, and the goals you’d like to achieve in one, three, and five years. Create an organizational chart that shows how your business must be structured to achieve your goals, and spell out the tasks you must complete every day, week, month, and quarter to reach those goals. Assess your business plan at least once a year. Consult your broker, mentor, or coach if you need guidance.

Investing in Your Business It can be difficult to decide how to spend your money in order to grow your business, especially when you're a rookie with limited cash flow. Don't just throw money at any product that promises to generate more leads or save more time. Test-drive different technology and invest in items that have proven their value.

Start with free marketing options. It costs nothing to call your friends, family, and people in your sphere of influence to ask for business, go door-knocking to introduce yourself to neighbors, or attend local professional networking events. These methods can lead you to your first client—and sale. Don't automatically convince yourself that you need to pay for leads to land your first few deals.

Consider hiring a coach. In real estate, you don't have a supervisor who will closely monitor your business plan and require you to hit your goals. It's your responsibility to find a mentor to advise and guide you. One way to do this is by building a relationship with a more experienced colleague. Paying for a professional coach ensures that you have someone whose job it is to help you succeed.

Use free trials before buying a product. A free trial can be a great way to assess the value of a new technology tool. Track the free period in your calendar, and at the end, take stock of whether the product saved you time or money. If it did, consider buying it. But recognize that even if you can afford the latest gadgets, you may not need more than the free version of cloud-based tools to streamline your business.

Prospecting Most agents take one of two paths when it comes to prospecting, says Mike Stott, founder of Your Coaching Matters and broker-associate at Northwest Atlanta Properties in Roswell, Ga. They either focus on their sphere of influence or they go "scorched earth" with telemarketing, cold calling up to 100 people a day. Neither approach is necessarily more productive. "I've only met seven agents in 38 years who really like the scorched earth method," Stott says. "But your sphere of influence will typically generate only four to seven deals a year." Find a middle ground between these methods.

Connect with five new people each day. Even if the bulk of your business is from referrals, always be looking for additional client sources. Call on FSBOs and expired listings, target a geographic farm, or launch a door-knocking campaign.

Ask prospects at least one service-oriented question. You need to know more than how many bedrooms and bathrooms prospective clients want in a home. Find out what kind of service they are seeking from an agent. You might ask: "What's one thing I could do to make this process simpler for you?" This kind of question lets prospects know you truly care about their needs.

Never stop prospecting. Don't let a good run lull you into complacency. Some deals inevitably will fall apart. If there's nothing in your pipeline, the loss of expected commission income can be devastating. It takes time to see results from your prospecting efforts. If you stop, it'll take more time to restart.



Sources: Kathy Baker, KB Consulting Solutions, Raleigh, N.C. ■ Shannon Garcia, Reflections Real Estate Group, Henderson, Nev. ■ Michelle Gordon, CRS, JH Realty Partners, Ada, Mich. ■ Tina Jahrsdoerfer, Coldwell Banker M&D Good Life, Shirley, N.Y. ■ Robin Kuklenski, Firehouse Real Estate Services, Addison, Texas ■ Kyle Schulze, Berkshire Hathaway HomeServices Ambassador Real Estate, Omaha, Neb. ■ Mike Stott, Northwest Atlanta Properties, Roswell, Ga. ■ Julie Youngblood, Keller Williams Realty Southwest, Las Vegas

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Setting Buyer Expectations You want buyers who are realistic about what they can afford and what options are available in their price range. It's as important for you to understand what your buyers want as it is to advise them what is realistic in their market.

Make sure buyers are preapproved for a mortgage. Your clients should complete this step before you begin looking at houses. The process of getting preapproved will give them a solid idea of what they can afford, making it easier to narrow down their options early in the search process. This will help you avoid a lengthy home search in which your clients are misunderstanding their financial limits.

Walk them through the entire buying process ahead of time. Particularly for first-time buyers, make sure they understand what's involved at each stage of the transaction, from making an offer to the home inspection to the closing table. It's a good idea to revisit these details throughout the process, but empowering buyers with this information from the start will make the process go more smoothly.

Explain the value of a reasonable offer. Lowball offers risk offending sellers and crushing any chance for a serious negotiation. Particularly in a competitive, low-inventory environment, buyers should be ready to make their best offer. Also, help them consider ways to improve their offer, such as by waiving certain contingencies or accepting a closing timeline that fits the seller's needs.

Acing the Listing Presentation Earning an opportunity to present your marketing plan to prospective sellers is half the battle when it comes to winning a listing. It's important not only to sell your skills as a real estate pro but also to listen to the sellers' needs and create a campaign that suits their specific property. Generic sales pitches will fall flat.

Tour the seller's property first. Before scheduling a listing presentation, ask the seller to show you around the home so you can get an idea of its strengths and weaknesses. Then you can make your presentation more relevant to the sellers. Don't just talk about marketing campaigns you've done for other clients. Explain to sellers what you will do for *their* home and your thought process behind the proposal.

Practice what you want to say. Going into a listing presentation unprepared could leave you rambling. New agents, in particular, should use scripts to help guide the flow and learn how to speak authoritatively and concisely. Don't worry about sounding like a robot at first; practice will help you sound more natural. Over time, you can adapt scripts to your own style and language.

Ask for the business. Don't leave a listing presentation without a firm plan for following up with the sellers. At the end, ask if they are ready to list with you, and then iron out next steps, such as whether any repairs are necessary before putting the home on the market. Asking for the business lends urgency to the seller's decision to work with you and gets the whole process moving more quickly.

Landing on the List Price Establishing the sales price of a home can be a contentious issue in the agent-client relationship. Some sellers have an exact number in mind and will be resistant to your advice. Make your case by providing credible local market data and CMAs, and know when to end the relationship if a client is being too inflexible.

Help clients understand what makes a good comp. It may vary depending on your market, but generally speaking, an appropriate comp is a home similar in size and features, within the same neighborhood, that sold no more than six months ago. To support their own opinion on list price, some sellers will conduct research online and use criteria outside these parameters. Be ready to explain how geography, time on market, and other factors affect the profile of comps.

Tell it like it is when the list price is too high. You may agree to "test the market" by listing at a high price that makes the seller more comfortable. But if you're not drawing buyer interest and a price reduction is necessary, be direct with the seller. Appeasing your client by keeping the price too high will drag out the sales time and lead to frustration for both of you. Be diplomatic in your approach, and make sure clients understand you have their best interest at heart.

Accept when it's time to walk away. As you're discussing pricing, gauge how open the client is to accepting your input. A seller who refuses your advice is waving a huge red flag. If you sense too much push back, even after you have a signed agreement, don't be afraid to suggest that the client may be more comfortable working with another agent. Be sure to communicate who's responsible for paying marketing or staging fees that have been incurred under the agreement.

Negotiation/Closing If you're in agency relationship, your duty is to protect your client's best interests, but give and take between parties is usually necessary to satisfy both buyer and seller. When you reach the negotiating table—and finally the closing table—be open to reevaluating your position while keeping your client's bottom line in mind.

Don't get in a cat fight with the cooperating agent. When the buyer and seller reach a point of disagreement, it is not wise for their agents to fight on their behalf. Then it becomes agent versus agent, when the transaction should be about the clients. Never throw low blows or burn bridges. Remember that you and the cooperating agent both want to execute a deal that pleases everyone.

Ask appraisers how well they know the neighborhood. Appraisers are generally hired by the lender; sometimes, they're unfamiliar with the area. That can lead to value estimates based on incorrect data and can imperil sales. If you're dissatisfied with the appraisal, suggest that your client get a second opinion from another appraiser. Of course, the lender has discretion over which appraisal to accept.

Tell your clients not to make large purchases before closing. If they buy a big-ticket item such as a car before closing, it could affect their credit score and creditworthiness in the eyes of their lender, who might rethink their mortgage approval. They could find themselves denied the loan at the closing table, which would negate all the work you've done together to make the transaction work.

Client Follow-Up Your relationship with consumers doesn't end once a transaction is complete. If you want them to send you referrals, and choose you as their agent the next time they buy or sell, you need to stay top of mind. This means you must have a reliable system for keeping in touch with clients.

Choose only what you need in a CRM. You want a customer relationship management tool you'll actually use. Don't spend time trying to learn the bells and whistles of a fancy CRM if all you intend to use are the basic client communication capabilities. The more intuitive your CRM is, the more you'll use it. And that ensures you'll touch base with your clients when you're supposed to.

Make your communication personal. Don't rely solely on generic drip campaigns; clients will see it as junk mail. Write personalized notes or, better yet, meet face-to-face once in a while. Also, don't make your communication all about real estate. Show your clients you're interested in them as human beings. Be inquisitive about their lives. People do business with people they like.

Try to touch base once a month. Staying top of mind means making regular contact to say hello. Monthly communication is a good baseline to start with. Vary your forms of contact, using email, phone calls, and in-person get-togethers. Connect with clients at intervals that are manageable for you. But make sure it's often enough so they don't forget who you are.



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Does Your



Brooke Wolford's clients had been contemplating their next home purchase for about six months. The Minneapolis-based agent with BRIX Real Estate had shown the couple close to 30 properties in the \$1 million–\$2 million range, but they passed on almost every one without giving much meaningful feedback during showings. But Wolford wasn't as frustrated by tight-lipped clients as she might have been. Not long before, she had taken an online emotional intelligence assessment because she thought it might provide insight into her own behavior when working with clients. In fact, the results helped her tune in more carefully to her clients' mannerisms, body language, and changes in facial expressions.

"It's a Minnesota thing for people to not want to upset anybody," she says. "I look for signs that will tell me what people really mean." To get to the bottom of what was holding her clients back, Wolford paid attention to the couple's interactions. She noticed that when the husband pointed out house features he favored, the wife failed to echo his enthusiasm or sometimes simply turned away. Wolford soon realized they wanted very

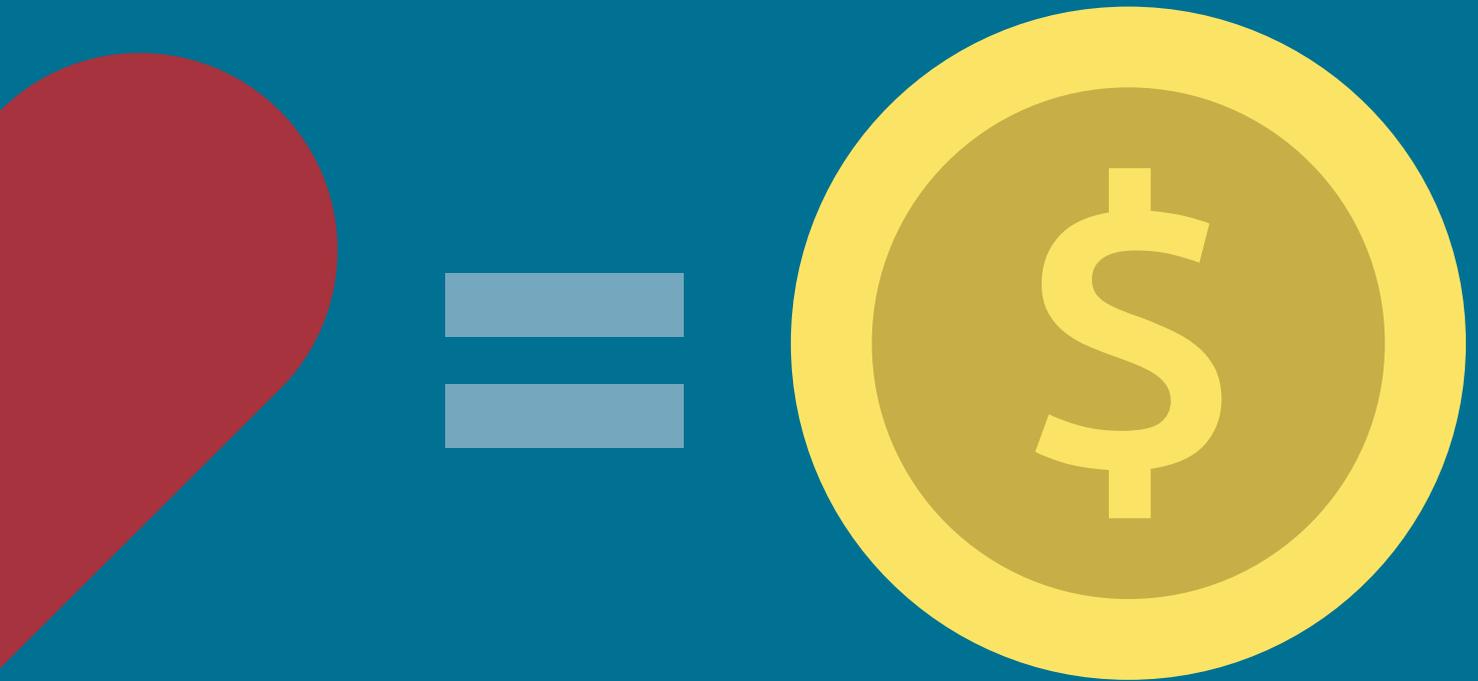
different things in a home. She recognized that she needed to initiate an honest conversation with her clients about their disparate desires. "She wanted to live in one part of town and he wanted another. You learn pretty quickly what people are into even if they don't verbalize it," Wolford says.

The concept of emotional intelligence has gained a lot of credibility as a useful business tool in recent years. While skeptics used to dismiss the notion as a fad with little scientific basis, academic research over two decades in psychology, neuroscience, human development, and yes, business, has validated its benefits for navigating human interactions.

There's a common misconception that EQ is about being nice or getting people to like you, says Vanessa Druskat, associate professor of organizational behavior at University of New Hampshire's Peter T. Paul College of Business & Economics. In reality, EQ involves more complex interpersonal skills and one's ability to read and interpret emotion. While our rational thinking, planning, problem-solving, and decision-making skills come from the

EQ Measure Up?

Hone your emotional intelligence to build your business. BY ERICA CHRISTOFFER



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brain's prefrontal cortex, the emotion center of the brain—the amygdala—is constantly scanning the environment for nonverbal information. Most of the time, the various sections of the brain work in tandem, Druskat says. She recommends Harvard Business Review's *10 Must Reads on Emotional Intelligence* for more insight.

"We have emotional intelligence because it helps us deal with conflict. It gives us an evolutionary edge," says Hendrie Weisinger, psychologist and author of *The Emotionally Intelligent Real Estate Agent*. Weisinger has written extensively on applying EQ in the workplace. "The idea is, if you have two people with equal intellect, the one with high emotional intelligence has an edge."

Get in Touch With Your EQ

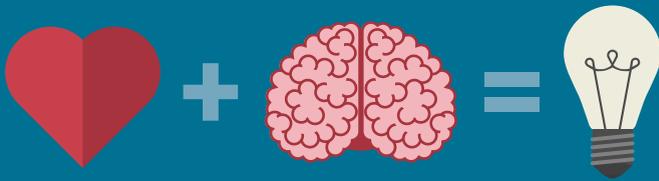
Emotional intelligence informs your motivations, how quickly you can bounce back from setbacks, and the quality of your relationships. Here's how Weisinger describes the main categories of EQ.

High self-awareness: Your ability to tune into yourself and get information from your senses.

Mood management: The ability to manage your own emotions—including difficult ones like fear, anger, and stress—and to change your mood for the better. For example, if you lose a listing at 9 a.m., are you still depressed about it by noon?

Self-motivation: How easily you accomplish necessary tasks and recover from challenges. External cues can help, not just for yourself but for others, Weisinger says. At your next open house, he suggests having light, upbeat music in the background. Put out good things to eat. When meeting a buyer, bring coffee. Think about how many ways you can put your client in a good mood. Keep in mind that a person in a good mood is more apt to buy.

Interpersonal expertise: Your ability to listen to and relate with others, take and give criticism, and work through conflict.



10 Ways to Apply Your Emotional Intelligence

Hendrie Weisinger, creator of the “Performing Under Pressure” e-workshop, suggests these tips for using emotional intelligence, or EQ, in your work.

- 1. Listen to how you talk to yourself.** Are you your own worst enemy? When the day begins, “do you say you’re not going to sell anything today, or do you say it’s going to be a great day?”
- 2. Use your thoughts as instructional self-statements.** To get through a difficult situation, focus your internal dialogue on positive reinforcements.
- 3. Be aware of your intentions.** Does your behavior contradict your intentions? Weisinger says they need to be in alignment.
- 4. Observe your actions.** Again, ensure your actions are indicative of your goals. This is a key area of self-awareness.
- 5. Learn to relax on cue.** Learn to put anger and frustrations aside so you can handle difficult situations thoroughly and professionally.
- 6. Generate humor.** A good sense of humor helps ease tensions and pulls people toward you, Weisinger says.
- 7. Become a good problem-solver.** Start with understanding the problem. You may need to change something you’re doing, such as how you’re communicating with a client, responding to competition, or delivering your prospecting message. “The faster you can recognize how you’re ineffective, the faster you can resolve the situation,” Weisinger says.
- 8. Practice the power of positive criticism.** Learn to give criticism constructively, respond to criticism nondefensively, and benefit from it.
- 9. Listen to the messages of emotions.** Anxiety communicates uncertainty. If a client is uncertain, then something is wrong. Identifying the problem allows you to respond more effectively.
- 10. Make big jobs underwhelming.** Break down overwhelming situations into small tasks. A baby-step checklist can change your perception of a task so you can approach it with more enthusiasm.

Emotional mentoring: The capacity to help other people deal with their emotions through motivation or conflict mitigation. Separate yourself from your own biases so that you can offer advice that best suits the other person, Weisinger says. “Emotions are contagious. If you yell at your spouse, they yell back. If you give someone a dirty look, they’ll give you one back. If you smile at someone, they’ll probably smile back.”

The brain is collecting 11 million bits of information per second, often as nonverbal, emotional signals. For instance, when you’re about to meet a new prospect, Druskat says, study the person’s face. Is he or she excited or anxious? If the person seems nervous, you’ll want to speak slowly and calmly. If you’re not sure, ask what’s on their mind. “People trust your nonverbal cues,” she says. “A good agent will meet people where they are, mirroring where their emotions are. The more intentionally you can do that, the better.”

EQ’s Link to Performance

Druskat, who specializes in leadership and team effectiveness, says high EQ is linked to better job performance. For managers and team leaders, she offers three ways to set up an environment where EQ can thrive.

Let people know they’re valued. Celebrate people’s distinct talents. Acknowledge their contributions publicly and privately. Create a culture of inclusion and belonging so agents feel free to ask questions, seek advice, and work through failures.

Develop a shared understanding. Being nice to agents isn’t enough. Make sure you communicate authentically so that everyone knows the office or team mission. Suggest improvements through constructive discussions.

Give people a sense of control. Build a trusting environment by giving people responsibility. Be the guiding force behind a positive social and emotional office environment.

Each week, Gino Blefari, CEO of HSF Affiliates LLC, writes a “Thoughts on Leadership” blog post aimed at both agents and brokers about how to improve leadership skills by bettering yourself and the way you interact with others. “EQ is as much about internal adjustments as it is about taking external cues from the world around you and heightening your emotional sensitivity to them,” he says.

In real estate, culture is vital to the success of the brokerage. “Organizations may have the latest technology, the greatest talent, the hardest-working employees, but if they don’t have a positive culture, what do they really have?” says Blefari. For

brokers, watch for top producers who are constantly helping others. Ask those agents to share their best practices at a sales meeting. If you have a mentoring program, Blefari says tap potential mentors in the office with high EQ.

Berkshire Hathaway HomeServices has dedicated trainers who visit network offices to train agents and managers on methods for navigating the stress and challenges felt in the homebuying and homeselling process. “Role-playing definitely helps train agents on EQ,” he says. “We place a lot of emphasis on empathy.” Put yourself in the mindset of the consumer or client—especially those who are selling a home where lifelong memories are attached. “No client is the same, no consumer is the same, and we have to try to understand the diverse fabric of buyers and sellers in America—and around the globe—so we can better service our clients,” Blefari says.

Email campaigns with automated search results to reach prospects may seem to be an efficient communication tool, but they lack the personal touch that is essential for building strong, trusting business relationships. “When you’re building a relationship, it should be more personal,” Wolford says.

Emotional intelligence is essential for understanding your clients and reaching your full potential as a real estate professional. “All emotions are intrinsically good,” Weisinger says. “[The power] is in how you manage them.”

Recruit and Hire High-EQ Candidates

At Keller Williams International, educating agents about emotional intelligence is part of the company’s mission. The company encourages agents to build teams and provides tools to help attract talent. More than 90 percent of KW franchises have adopted the Keller Personality Assessment and dashboard tool launched in July 2016. KW partnered with a professional in the behavior assessment industry and created a technology platform in-house to streamline the recruitment and hiring process that screens for certain emotional and cognitive traits.

Talent strategy leader Leslie Vander Gheynst says the assessment looks at 11 components of a person’s personality, such as assertiveness, sociability, adaptability, intensity, and optimism, and how the person uses those behavioral traits in a workplace. This results in behavior profiles, which tie back to agents’ performance. “We’re trying to understand people, their behaviors, and how they think so we really maximize each person’s potential,” she says.

Karina Loken, president of The Loken Group with Keller Williams Luxury International, oversees a top national team of 59 licensed, independent contractors in Houston. Her primary role has been recruiting and hiring, and she plans to add 23 more people this year. She’s a big fan of the KPA and of Keller Wil-

liams’ career visioning program because it gives the interviewer specific questions to use in shaping its detailed analysis of prospective team members. For example, if a candidate is assessed as strongly assertive, the report explains how that trait might show up in positive and negative ways. “Sometimes our biggest assets are also our biggest weaknesses,” Loken says.

Before she gives the assessment, she reviews resumes to start filtering out candidates, then conducts phone interviews, and if all goes well, she proceeds to an in-person interview. If both parties want to continue, then she asks them to complete the assessment via email. Once Loken receives the KPA results, she reviews the report with candidates in person, whether or not she intends to hire them. “Even people who we’ve determined aren’t the right fit have been thankful because they walk away knowing more about themselves,” Loken says.

Not all assessments are created equal. KW’s previous behavioral evaluation examined only four components of a personality. What ended up happening was people felt like they were being associated with specific judgments. “You can’t put someone in a box; it requires a more purposeful conversation,” Vander Gheynst says.

KW also asks new hires and recruits about their future, where they see themselves in five years, and what the best five years of their lives would look like. This allows the hiring manager the opportunity to align the candidate’s goals with the team’s business goals.

If your company doesn’t have a formal recruitment assessment, Weisinger says to look for candidates with action-oriented hobbies—things that reflect their motivations. Druskat recommends asking recruits about a time they had to manage themselves or their emotions in front of a client. “Ask questions to get them talking about real-life situations,” she says. Ask them about when they’ve had a hard time empathizing with a client or how they’ve helped a client who was dealing with a difficult situation, such as selling a house during a divorce. “Focus on questions looking at experience, such as ‘How did you help the clients manage their emotions?’ And look for details in the story,” Druskat says.

Just as self-awareness is critical for a healthy EQ, company awareness is also critical for a healthy business. So, before you begin a recruitment or hiring process, Loken says, have a defined vision, mission, and core values statement written down for your company or team. This will help guide your hiring.

“Get to know people, what motivates them, and what their ideal environment looks like,” Loken says. “You’re the one who knows the internal culture, vibe, and values of your office. If [your office is a fit] for that person, then it’s always good for your organization.”



She's Owning It. Are You?

Elizabeth Mendenhall has high expectations of members—and herself—as she brings a ‘disruptive’ leadership vision to the NAR presidency.

BY WENDY COLE

When Elizabeth Mendenhall arrived at work on a bright September morning, a line of SUVs, sedans, and minivans was already snaking around the parking lot at RE/MAX Boone County Real Estate in Columbia, Mo. Many of the 130 agents in the company she co-owns with her father Richard and brother Ford had lined up early for a “drive through” rebranding event. They were there to order promotional materials adorned with the new, sleeker version of the RE/MAX balloon. Along the way they got bumper stickers, t-shirts, and other promotional swag, along with free doughnuts and coffee. “Good morning, everyone,” said Mendenhall, as she enthusiastically worked the throngs of staff and agents.

It was hard not to feel you were in the presence of a rock star. “I’m stoked about Elizabeth [as NAR president],” said Aaron Rose, a 20-year veteran of the business, who had arrived early and was first in line. “She is very approachable and has so much wisdom. When we need help, she has answers.”

But as Mendenhall assumes the presidency of the National Association of REALTORS®, her approach will be less about providing answers and more about urging the 1.3 million REALTORS® to claim their place at the forefront of a vital

industry in the throes of change. Technological, legislative, and political challenges require engagement by REALTORS®, and Mendenhall has unequivocal expectations about what REALTORS®, working together, can do.

Her presidential theme, “Own It,” encompasses Mendenhall’s core belief that REALTORS® need to drive their own success, while feeling confident in the knowledge that she and her leadership team are raising awareness, and fighting the necessary fights, on issues ranging from access to home ownership to preservation of the mortgage interest deduction to the indispensable role that REALTORS® play in communities and the lives of their customers.

“‘Own It’ is both an attitude and an action,” Mendenhall says. “And professionalism is an attitude, not just a time commitment. Your success is about owning it in your heart.”

She’s flipping the script about who is ultimately responsible for bringing about positive change in the industry. NAR’s leadership team (*pictured on page 24*) has made a commitment to carry out the Own It vision not just through Mendenhall’s presidency but through the next three years. That continuity of vision, she says, will enable the team to accomplish goals more efficiently and over a longer time horizon.

Rising to the top of the team’s agenda is the “Commit-



ment to Excellence,” a voluntary program that will enable REALTORS® to publicly demonstrate core competency in ethics, advocacy, technology, data privacy, and customer service. There will be built-in learning opportunities and tools for building skills and knowledge, and members’ accomplishments will be recognized through an endorsement process. The program was conceived in 2015 under President Steve Brown to address the popular desire to raise the bar in real estate. “We intend to get it funded and implemented,” Mendenhall says.

Born to Lead

The downtown Columbia brokerage where Mendenhall has worked since 1996 and been CEO since 2003 is the largest RE/MAX office by transaction sides, and number two in volume, in her seven-state region. She and her family are also co-owners of nearby RE/MAX Jefferson City. Together, the companies reported sales volume of \$671 million in 2016, up from \$427 million in 2010. Transaction sides grew from 2,674 to 3,698 during that time. The long-independent Boone Realty became a RE/MAX affiliate in 1991. The company has been in her family since 1894,

A Sixth-Generation REALTOR®

Elizabeth Mendenhall, pictured here with her NAR leadership team, is the 110th president of the National Association of REALTORS®. Career highlights by the numbers:

7 Number of designations and certifications Mendenhall has received. They include: Certified Real Estate Brokerage Manager (CRB), Accredited Buyer Representative (ABR), Accredited Buyer Representative Manager (ABRM), Certified International Property Specialist (CIPS), Performance Management Network (PMN), e-PRO specialist (e-PRO), and Graduate of the REALTOR® Institute (GRI).

130 Number of agents she manages at her brokerage RE/MAX Boone Realty in Columbia, Mo.

2003 Year she became CEO at RE/MAX Boone Realty.

In Sync The 2018 NAR Leadership Team includes, clockwise from **Mendenhall**, President-elect John **Smaby**; First Vice President Vince **Malta**; Vice President Colleen **Badagliacco**; Vice President Kenny **Parcell**; Treasurer Thomas **Riley**; and, not pictured, Immediate Past President Bill **Brown**.

through six generations. Her father, Richard Mendenhall, became broker-owner in 1974 when his mother, Mary Jane, segued from management back into sales. His father Hirst, meanwhile, handled the property management side of the business. In the fall of 1996, as Richard was becoming increasingly involved in state and national association activities. He called his daughter and asked if she was interested in becoming his full-time administrative assistant. Was she interested? Mendenhall, who had studied accounting at the University of Kansas and was working in restaurant management, said she was.

First came the two-hour formal interview, when she realized her dad was looking for someone who would eventually take over the reins. "I got the typical interview questions about what would make me a good manager. He asked me about the people I hired and fired at the restaurant. I have to admit going through that formal process with your dad felt really weird."

Her mother, Pam Newman, helped quash any hesitation. "She pointed out that if I didn't like it, I was still young enough to start something else," she says.

Within five months of starting at RE/MAX Boone, Mendenhall had earned both her sales agent and broker licenses. She shadowed her father at sales meetings and trainings; attended franchise conventions and association meetings; and pored over contract language and the nuances of the REALTORS® Code of Ethics.

"I was all about acquiring as much knowledge as I could," she says. In quick succession, Mendenhall earned three designations—she now holds seven—and three years into the job, she had her own personal assistant. Encouraging others to acquire as much real estate education as possible "became part of my vision" for running the business, she says.

Mendenhall also proved to be a skillful recruiter. "I'm a good judge of people's character and personality. My father would agree with that," she says.

The company's formidable growth is attributable to her eagerness to leverage the burgeoning power of the internet at the start of the millennium. "We were the first brokerage in town to have a website, the first to offer virtual home tours, and the first to offer social media marketing packages to agents," she notes.

Her direct, open way of communicating has served the company well. "I'm a better delegator than my dad," she says. "I try to empower the staff. The effect is that people really step up."

'Small Stuff Does Matter'

While family businesses are common enough in real estate, NAR dynasties are not. Mendenhall, 45, is the first offspring of an NAR president to ascend to the top association role. Richard was NAR's 2001 president. His name helped open doors for her in organized real estate, she says, and she values his advice. But as the first Generation X president, she brings her own leadership style and work-life experience to the role.

One of Richard Mendenhall's professional mottos is "Don't sweat the small stuff," she says. "But I realize that sometimes the small stuff does matter. I send a lot of thank-you notes. I go out of my way to respond to email because responses do matter," Mendenhall says. Even on highly charged issues like tax reform, she does her best to answer every comment she receives. "I'm glad people feel comfortable reaching out to me

[even when they have an objection]. I see these as opportunities to provide education and have a conversation.”

Mendenhall likes to face fears head-on (a 2016 skydiving trip with four REALTOR® family pals left her feeling like a super hero, she says), and she comes into the presidency with a reputation for wanting to shake things up. “This ain’t your daddy’s association anymore,” she quipped from the stage last August before a gathering of 1,500 local and state REALTOR® association leaders. “My daddy is here and I think he would agree with me.”

The role of a rebel doesn’t jibe easily with that of association president. “In many ways, it’s easier to be the renegade,” she admits. Yet the stakes have never been higher. Tax reform was a watershed moment, with many REALTORS® expressing support for a simplified code. But NAR leaders saw early on that tax packages put forth by the U.S. House and Senate would raise taxes on millions of homeowners and threaten real estate markets.

In the end, the bill signed by President Donald Trump in December reflected important changes sought by NAR. The law preserves both the exclusion for capital gains on the sale of a home and the like-kind exchange for commercial investors, and it provides tax breaks for pass-through businesses. Mortgage interest deductions remain in place for first and second homes on new loans of up to \$750,000. Deductions for state and local income tax and property tax were retained, though capped at \$10,000. (See a complete summary at nar.realtor/tax-reform.)

The theme of “Own It” applies in this realm as well, Mendenhall points out. “America still believes in the promise of homeownership, and our tax structure should support that belief.” Despite NAR’s successes, achieved with the help of two Congressional Calls for Action that registered the highest response rate ever, “we still have some hard work ahead of us,” she says.

Even as federal tax reform was capturing national attention, Mendenhall and her leadership team were gearing up for an associationwide conversation about advocacy at the state and local levels. A presidential advisory group convened by 2017 president William E. Brown showed that the five-year-old REALTOR® Party initiative, which funds state and local advocacy, would need additional resources. The PAG’s proposal and other critical budget decisions will be vetted over the next several months; if they advance, they’ll be voted on by the Board of Directors in May. Mendenhall plans to use Facebook Live and other avenues to seek member input, but for her the decision is clear: “We need to beef up our efforts and fund more issue mobilization at the local level,” she says.

She knows first-hand the value of a state and local advocacy program. As president of the Missouri Association of REALTORS® in 2010, she led a successful effort to change the

state constitution to permanently ban transfer taxes in real estate sales. “We got a lot of support through the REALTOR® Party program, and I really came to see NAR as a business partner,” she says. “There’s power in numbers. There’s power in being a member.”

As Mendenhall has moved up the leadership ranks at NAR, improving member communication has been at the forefront of her agenda. Her drive to bring greater transparency and consistency in the way that NAR committees communicate led to the introduction, in November, of a community website called The Hub (thehub.realtor), built on the same technology used by Missouri REALTORS®. She also is behind the creation of leadership .realtor, a website where members can easily find who’s leading each of NAR’s regions, committees, and affiliated organizations.

Taking a Stand

At NAR, it’s the incoming president who appoints committee vice chairs, so Mendenhall’s appointees now chair the association’s 91 committees, advisory boards, forums, and councils. For her, selecting REALTORS® with the spirit to “Own It” was critical—but just as important was having a diverse leadership. “Better decisions are always made with diversity at the table,” she says, “whether we’re talking about men and women, race, or small and large brokerages or boards.”

Diversity—or inclusivity—will be on Mendenhall’s mind quite a bit this year as NAR commemorates the 50th anniversary of the Fair Housing Act. The magazine will touch on some aspect of the law each issue (see page 10), and NAR will continue advocating for changes to the federal law to add protections for sexual orientation and gender identity. NAR’s Board of Directors amended the Code of Ethics in 2010 to prohibit discrimination on the basis of sexual orientation (effective January 2011) and in 2013 added gender identity (effective January 2014).

But driving toward a fair future is only part of the picture for Mendenhall. At a National Association of Real Estate Brokers conference in 2016, Mendenhall addressed the mostly African-American audience and took an unprecedented step, personally apologizing for the association’s past discriminatory practices in housing and membership.

“I acknowledged that we had a history in which we didn’t include everyone, and I noted that I would be the first president [because of her age] who had no tie to that history,” she says. “People at NAREB told me later it was a big deal for me to recognize NAR’s past,” she says. “I felt it was important to apologize, not just acknowledge what happened.”

For Mendenhall, it’s that simple. “Let’s own the past,” she says. “And let’s own the future.”

**2018
ENTRY
DEADLINE
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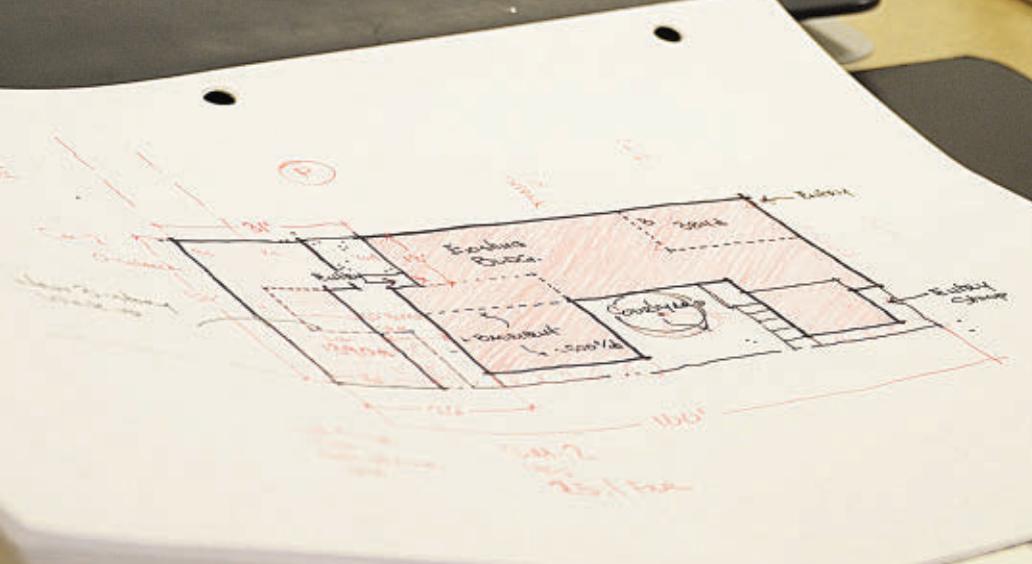
Your Pathway

Have you heard of the “missing middle”? It’s where opportunities abound for small-scale developers to turn languishing spaces into community assets. Here’s how to get a project off the ground. **BY MEG WHITE**

Imagine you’re heading to your favorite coffee shop. It’s a familiar walk, and every time your shoes crunch the loose gravel that’s escaped from the deserted parking lot next door, you think to yourself, “Why is this patch of land still unused? It has so much potential.”

That’s what R. John Anderson likes to call a “somebody oughta moment.” Anderson, principal at Anderson Kim Architecture & Urban Design based in Portland, Ore., and New York, says it’s a common first stop on the journey to becoming a small-scale developer. As a real estate professional, you may well have tripped—literally—over an opportunity with potential benefits for both your community and your business portfolio.

Anderson is a cofounding member of the nonprofit Incremental Development Alliance, created in 2015 to train people to leverage underused spaces to boost their local economies and their own bottom lines. While the IDA works with a wide variety of professionals, Anderson says real estate professionals are particularly well suited to this task thanks to their knowledge of the local economy, business relationships, and understanding of how transactions work. “They typically know who makes a good property manager or does whatever they don’t specialize in,” he says, adding that they also have their fingers on the pulse of the market. “The more thoughtful real estate professionals are following larger trends.”



KICKSTARTERS Two-day boot camps like the ones run by the Incremental Development Alliance in Memphis teach participants the fundamentals of transforming underused spaces into high-impact properties.

to a New Niche

Why Small Is Good

One trend fueling Anderson's optimism about small-scale development is pent-up demand for an often overlooked housing subset. Daniel Parolek, founding principal at Opticos Design Inc. in Berkeley, Calif., describes the segment as the "missing middle," including duplexes, pocket neighborhoods, and live-work arrangements. "The real estate industry is heavily weighted to delivering single-family homes or bigger urban buildings," Parolek says, adding that demand for the missing middle far outpaces supply, an assertion backed up by studies from Urban Land Institute, strategic real estate advisor group RCLCO, and others. "When developers are delivering these types, the market is responding really strongly."

Michael Ward, an agent at High Street Real Estate in Springdale, Ark., who recently established his own development company called Escala Group, agrees. "Almost every town in the United States has a need for that missing middle housing," he says. "That's the low-hanging fruit, especially for real estate professionals."

This unmet demand dovetails with a vital piece of advice for new developers: Start small. If you're a residential agent who's never invested in real estate outside your own house, consider buying and renovating a duplex. That first project will help you build a baseline knowledge and establish contacts to move you toward more complex and creative mixed-use developments.

Finally, it's easier to get community buy-in on projects with lower stakes. "If the scale gets too big, people are typically not happy with the results," Anderson says, adding that small projects can lead to big positive changes. "If you look at the type of places we really like, they were all built in small increments."

Define the Need

When hunting for the right opportunity, developer Nathan Mitchell, CRS, with Crye-Leike in Memphis, Tenn., suggests keeping to your real estate farming area. He takes a "fishing net"

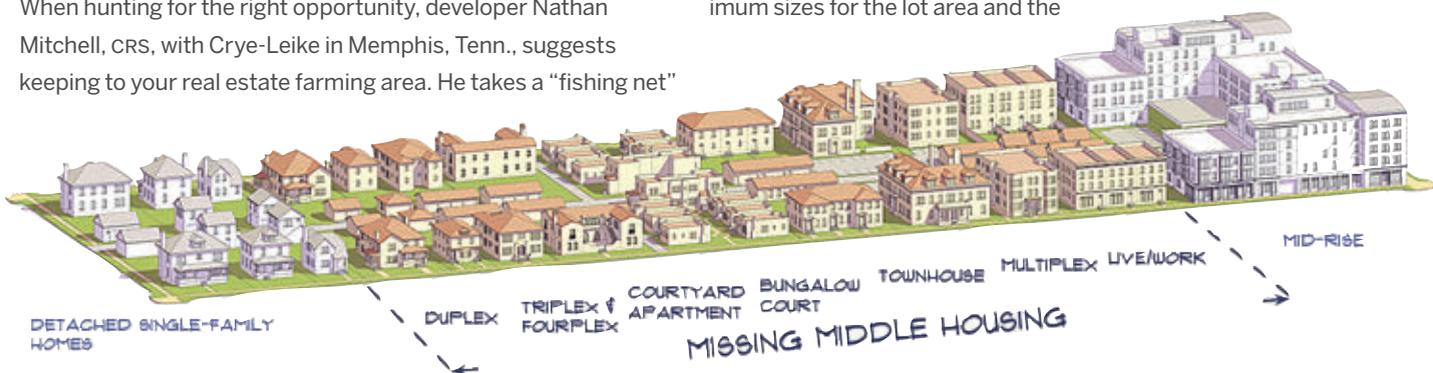
approach—checking foreclosure and tax records, contacting current building owners, communicating regularly with other real estate professionals who work nearby, and simply driving and walking the streets of his community.

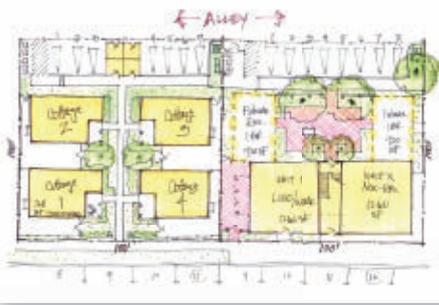
Monte Anderson, a developer and broker-owner of Options Real Estate in Duncanville, Texas, who worked with R. John Anderson (no relation) and others to cofound the IDA, advises being present in your target neighborhoods, regularly attending community events and meetings. "Every day your mind is recording, and it's going to give you the instinct you need to find the right tenants," he says. "Stand on a street corner and turn around in a circle. Ask yourself what's missing."

This is where your local market knowledge takes center stage. Your town's main street might feature an empty unit above a popular storefront that could be converted to condos with a 96 percent "walk score." Or perhaps you know a small-business owner looking for a better fit. Many communities suffer from a missing middle in their commercial space, too. R. John Anderson says small-business owners are often stuck with more backroom storage space than they need in buildings designed before paperless offices, work-from-home lifestyles, and on-demand shipping existed. He says most business owners want more exposure to potential customers than the typical strip mall floor plan can provide. If developers configure buildings to better match the needs of today's small businesses, they can generally fit more tenants in one building, translating to more affordable rents and more profitable investments.

Visualize It

Once you have a location and idea of the area's needs, it's time to sketch the project out. Learn the current zoning designation and applicable regulations. Determine the minimum and maximum sizes for the lot area and the





building's allowable height. Are parking and storm water management space part of these figures? Speaking of parking, how much do you have

to provide, and must it all be off-street? The research can be daunting, but it's important to know the rules, even if you need to meet with your city's zoning department. If your plans require a new land survey, entitlement, or zoning changes, you can make that a condition of the sale. That way you have control of the property, but you haven't purchased it before knowing it's going to work.

This isn't just for new construction, either. Older buildings often don't comply with newer rules and codes. If you don't plan to make substantial changes, your development may be grandfathered in. But if you're planning major construction, you could be subject to current codes. If your city, county, or state subscribes to the International Code Council's International Existing Building Code, you might have an easier time. Beth Tubbs, senior staff engineer at the ICC, says the code was created to "facilitate the reuse of buildings, rather than tearing down and building new," but its application often depends on how much you're changing the structure. If you're tearing down walls, your municipality may expect electrical and plumbing that meet today's standards. "The more work you're doing, the more you're taking the building apart, and it's easier to do those updates."

Once you know the rules that govern your space, draw a site plan—a scale model of the development including the parameters that define what you're allowed to build (setbacks and parking, say). If you have a variety of ideas, create multiple drawings. They'll be useful later when you go in search of partners, investors, and financing.

The Pro Forma

Armed with a visual aid, it's time to figure out if your project will make money. R. John Anderson estimates every \$1 in rent (per square foot) supports around \$100 in total project costs. Of course, estimating rent is easier for seasoned real estate pros than figuring out hard development costs. Anderson suggests consulting the National Association of Home Builders for estimates of residential costs, and partnering with contractors well-versed in the type of development you're considering.

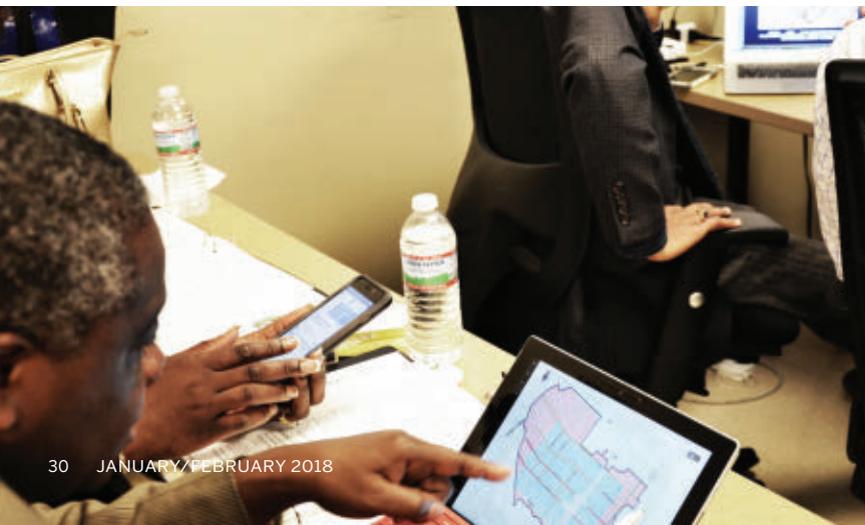
A pro forma—a spreadsheet balancing a project's expected income against its costs, recurring expenses, and financial risks—will help. Jim Kumon, a Minneapolis-based developer and executive director of the IDA, says this living document begins with estimates and assumptions that are revised and specified as the project progresses. Download the IDA's sample pro formas, project ideas, and site plan examples at realtorm.ag/small-developer.

Anderson underscores the importance of this step. "Do not get a 'numbers person.' Do it yourself," he says. "That's one you can't farm out." Ward agrees: "You have to understand how to use Excel and model a project." He admits that estimating construction costs is always a challenge, especially for new developers. When building single-family homes in his area of Arkansas, Ward starts at \$100 per square foot, adding soft costs, such as design and permitting fees, later. "Ultimately you have to start getting bids from contractors, and that's where it gets real."

When crunching numbers, Mitchell suggests incorporating contingencies and exit strategies. If you're planning to rehab a building and sell it, make sure that you can keep it and rent it out if the market turns. For those hoping to secure tenants and rent out space: If you needed to, could you sell it for a profit?

Assemble Your Team

The size and skills of your team will depend both on the scope of your project and on the knowledge and time you can devote to it. Rehabbing a duplex is much less likely to warrant the hiring of an



architect than a mixed-use, new-construction project, for example. Mitchell's background in carpentry and economics—along with the fact that he's gradually curtailed his work as an agent from 30 or 40 transactions annually to roughly 10—means he can manage projects more or less on his own.

If you want to keep your regular real estate business rolling, or if you lack the basics in architecture, building, finance, or property management, find partners. Concentrate on finding professionals work on a small scale, because they can tailor their offerings to your budget. Look for local chapters of the Congress for New Urbanism, Urban Land Institute, or Main Street America programs.

Find the Money

With site plans and a pro forma under your belt, you're ready to finance the project. Banks will be particularly interested in your debt service coverage ratio, estimating how easily you can pay off the loan. Anderson says lenders like to see it at about 1.25, meaning you have 25 percent more money than is needed to service the debt. "The bank is not a partner," he says. "They want to know that it's not too thin a deal for them to get paid."

Anderson notes most residential developments of four units or less can be financed with a simple 30-year mortgage, and many can include commercial space. If one of the units is your primary residence, HUD's 203(b) mortgage offers low down payment options for residential or mixed-use buildings under five units. However, you may need a separate construction loan. While Fannie Mae and Freddie Mac both have small commercial loan programs, Anderson says it may make more sense to re-configure a six-unit building into four units to qualify for simpler lending terms, as long as market rents support it. "Form follows finance," he says. "It's not how much it costs you; it's how much the building is going to make you at the end of the day."

Lenders will expect you to have skin in the game in the form of a down payment. Besides savings and money from investors, you can also consider throwing your real estate commission into

the deal as part of your equity.

The Benefits of Owning It

Small-scale development can boost your real estate business, too. Mitchell says clients often trust him more after they learn about his other work. "Your credibility jumps forward immensely," he says, noting it also demonstrates buy-in to the idea of real estate as a smart investment. "I don't know any financial advisers who don't own stock."

And Anderson says investing in small-scale property brings intangible yet boundless benefits to your portfolio and neighborhood. Infill developments are usually walkable and near other businesses that appeal to tenants, both free luxuries that are often more alluring than landscaping or other costly amenities: "Urban civilization—for people to live in real neighborhoods—is something that defies the laws of supply and demand. The more we build of this, the better the neighborhood gets, the more demand there is for it. That's the kind of business I want to be in."

Resources for Small Developers

The **Incremental Development Alliance** will be offering workshops and intensive boot camps all around the country in 2018 (incrementaldevelopment.org/events). **CCIM's Development Specialty classes** are open to all students: ccim.com/education/development-track/. CCIM offers development tools at its Site to do Business (stdb.com). Users can generate reports on development opportunities using powerful demographics, economic data, and Esri mapping products. The site also offers prospecting capabilities for finding potential tenants and investors. The tools are free for CCIM designees, and most features are available for purchase for \$1,295 a year. And don't forget **REALTORS Property Resource®** (narrpr.com), an NAR member benefit.



We look at sales
volume, and we
celebrate that,
but it's not the
end-all and be-all.

It's huge for
agents to feel
their whole being
is seen. We have
very intentional
conversations
about what brings
them joy.

As told to
PAMELA DITTMER MCKUEN

Finding Real Estate Nirvana

Jenelle Isaacson's punk rock past helped turn her company into a fierce performer.

Punk rock gave me the confidence to know I could rock anything in heels. A year after graduating from the University of Oregon, where I majored in art, I started a punk rock band called Spread Eagle with three girlfriends. It wasn't that we loved punk rock—it was all we could play. I was lead singer and guitarist. I don't have a good singing voice, but that's the beauty of punk rock. You just need something to say and the courage to scream it. For the next several years, with Spread Eagle and other bands, I screamed and sang in clubs and dive bars around the country. As the crowds cheered us on, the louder and crazier we got. I also negotiated contracts, marketed the band, sold merchandise, and managed budgets and schedules. Those years were transformational. They taught me about being a business owner and an entrepreneur. They taught me I could create my own space.

Joy Through Serving

I'm a big-picture thinker, and I knew that owning a house was an important piece to financial stability. But as a musician, I



Jenelle Isaacson 41

Obtained her real estate license in 2002.
Opened her own boutique brokerage in 2008.

Living Room Realty

Headquarters: Portland, Ore.
www.livingroomre.com

6 offices

in Oregon and Washington

108 sales associates

In 2016:

\$433 million
gross sales

1,018 transaction sides

In 2017:

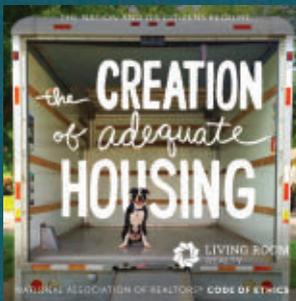
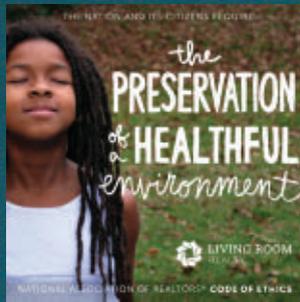
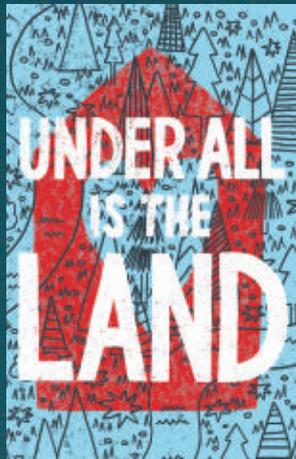
\$550 million
gross sales

1,230 transaction sides

Projected for 2018:

\$700 million
gross sales

1,500 transaction sides



Living by the Code

As REALTORS®, we have an amazing Code of Ethics, and it spells out clearly that agents should be working toward the broadest distribution of land ownership and the preservation of a healthful environment. Our company strives to live by this Code. We have given engaging posters [using language from the Code's preamble] to our agents and visiting agents, and we've reinforced the messages with a social media campaign on Facebook and Instagram.

We may not be able to convince the U.S. Congress to vote one way or another, but there are small actions we can take each day to enrich our communities and the people who live in them. At Living Room Realty, we recycle, we buy 100 percent renewable energy, and we created an agent charitable giving fund that supports local nonprofits. Whether people own or not, we want them to love where they live, so we offer tenant and property management services as well.

didn't have any credit. I'd never had a car loan or a student loan. An overdue library book was the only thing that showed on my credit report. But early 2002, when I was 26, I bought my first house through an Oregon bond program that counted paying my rent and utilities on time. The experience was empowering. At the bars we were playing, I went up to people and said, "Do you know you can buy a house?" My stepmother, a real estate agent, urged me to get my license, and I did.

I worked for two brokerages over the next few years and became a top producer at both. But I felt we as agents were valued based on our transaction level, and that didn't tell the whole story. I saw a need for a real estate company that viewed the home as a place to live, not just another investment, and that built community and celebrated our lives. At the end of 2008, I launched Living Room Realty. The market had crashed, but I had given birth to my second daughter and was too focused on being the sole provider to my family to worry about it. I was just looking for opportunities. Punk rockers don't need permission to do something. They just go for it and figure it out.

Our company was founded on eight values: Diversity, balance, connection, abundance, integrity, excellence, joy, and relevance. From the beginning, we've defined a Living Room agent as a leader who finds joy through serving, whether through sports or religion or music or some other passion. Punk rock taught me that technical proficiency is overrated. I can coach someone to sell real estate. It's pretty hard to coach someone to have the values of connecting to the community with integrity.

Play Through the Wrong Notes

I've had missteps along the way. For one, we went through a rebranding early on. It cost me some agents who felt left out of the process. From my music experience, I learned that writing a song was always better when we did it together. Someone else came up with the right word or the right chord. I had to learn to translate that approach I had as a musician into business. If I don't tell people what I'm doing, I've missed a chance to collaborate.

Another misstep was when some agents weren't a good fit in terms of values. On paper, they were top performers, and firing them was going to be a big hit for my financial picture. But they weren't very kind to me or to the staff. One of our values is joy, and I realized I had a right to feel joy myself.

We recognize our agents for fulfilling goals that are important to them outside the transaction. We look at sales volume, too, and we celebrate that, but it's not the end-all and be-all. It's huge for agents to feel their whole being is seen. We have very intentional conversations about what brings them joy.

Be in business for yourself, not by yourself.

With Technology.

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- ▶ Online tools, like our proprietary CRM, make it easy to manage your clients, your marketing and your transactions.



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*Among traditional real estate brokers. Experian Hitwise 6/10/2017 rolling 4 weeks. **Average based Google Analytics, 1/2017.

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Reaching for the Sky in Chicago

At the REALTORS® Conference and Expo in November, some 20,000 attendees got energized to push themselves and make a difference in the industry and the lives of others. **1)** 2018 NAR President Elizabeth Mendenhall took the oath of office from her father, 2001 NAR President Richard Mendenhall. She is the first offspring of a former NAR president to rise to the top spot. **2)** Michael Phelps, the most decorated Olympian of all time, described the challenges he faced beneath the surface and the importance of personal responsibility. **3)** REALTORS® helped to revamp a block in Chicago's West Pullman neighborhood during the Habitat for Humanity Build. **4)** NAR CEO Bob Goldberg and Mendenhall discussed a coming boost to REALTOR® Party advocacy initiatives.



Latest Tools, Trends at Tech Edge

If you're eager to learn how innovative technologies can benefit your business and your clients, plan now to attend one of NAR's eight Tech Edge events in 2018. These one-day, high-energy events are packed with short, fast-paced sessions presented by a mix of NAR speakers, industry thought leaders, and local real estate technology experts. Early registration is \$49 for the full-day program and lunch. For dates, locations, and registration, visit nartechedge.com.

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-Ken Kopcho, Broker/Owner of Help-U-Sell Santa Maria



Free for Members: Trust Stamp

When scheduling a meeting with a new client or prospect for the first time, feel more confident about your personal safety by verifying their identity in advance through Trust Stamp. NAR's 2017 Member Safety Report found that more than one in three agents experienced a situation that made them fear for their personal safety or the safety of their personal information. "Safety for our members is a top concern, and this is a great tool that REALTORS® can use to protect themselves when meeting strangers and new clients," says NAR President Elizabeth Mendenhall. Trust Stamp, a startup company funded in part by NAR's venture capital fund Second Century Ventures, uses patented software to analyze hundreds of public records and social media data to quickly verify the identity of a stranger.

Through a program exclusively for NAR members that requires a NRDS number to log in, Trust Stamp provides a real estate-specific webpage and mobile app. REALTORS® enter an individual's email address or cell phone number in the tool that then invites the person to make a Trust Stamp profile online that includes a photo of their driver's license and a selfie and links to one or more social accounts, such as Facebook. Trust Stamp analyzes public records and social media to verify their identity and trustworthiness. Access Trust Stamp's real estate-focused page at truststamp.re.

2019 Leadership

NAR officers for 2019 will be elected at the Board of Directors meeting May 19. The association's 2019 President John Smaby, CRB, GRI, and the other 2019 officers will be installed at the REALTORS® Conference & Expo in November 2018 and will take office the day after the official close of the conference. The Credentials and Campaign Rules Committee presents the following list of 2019 eligible candidates for election in May:

PRESIDENT-ELECT

Vince Malta, *San Francisco*

FIRST VICE-PRESIDENT

Charles Oppler, AHWD, *Franklin Lakes, N.J.*

Sherri Meadows, CIPS, CRB, GRI, PMN, *Ocala, FL*

TREASURER

John Flor, ABR, CRS, e-PRO, GRI, RSPS, *Chetek, Wis.*

REGIONAL VICE PRESIDENTS

Alan DeStefano, *Bristol, N.H. (1)*

Guy A. Matteo, GRI, SRES, *Newtown Square, Pa. (2)*

Carole Maclure, CRB, *Olney, Md. (3)*

James A. "Tony" Smith, ABR, GRI, *Charlotte, N.C. (4)*

Maria Wells, ABR, AHWD, CRB, e-PRO, SRES, *Stuart, Fla. (5)*

Carol Griffith, GRI, *Brighton, Mich. (6)*

Michael D. Drews, GRI, *Aurora, Ill. (7)*

Rodney Helm, CRS, GRI, *Minneapolis (8)*

Chris Rost, *Salina, Kan. (9)*

Beth Cristina, ALC, *Metairie, La. (10)*

Paula Monthofer, ABR, e-PRO, GRI, *Flagstaff, Ariz. (11)*

Mark Kitabayashi, AHWD, CIPS, SRES, *Puyallup, Wash. (12)*

Don Faught, CRS, GRI, *Pleasanton, Calif. (13)*



Summit to Focus on Innovation

Modernize your management approach and gain invaluable insights from top brokers at the 2018 REALTOR® Broker Summit, April 4–5, in Nashville, Tenn.

Real estate innovation, agent training trends, brokerage culture programs, and a housing market outlook are among the main topics at this two-day, members-only event. For a full agenda, list of speakers, and hotel and registration information, visit nar.realtor/brokersummit. Attendance is capped at 200, so register today!

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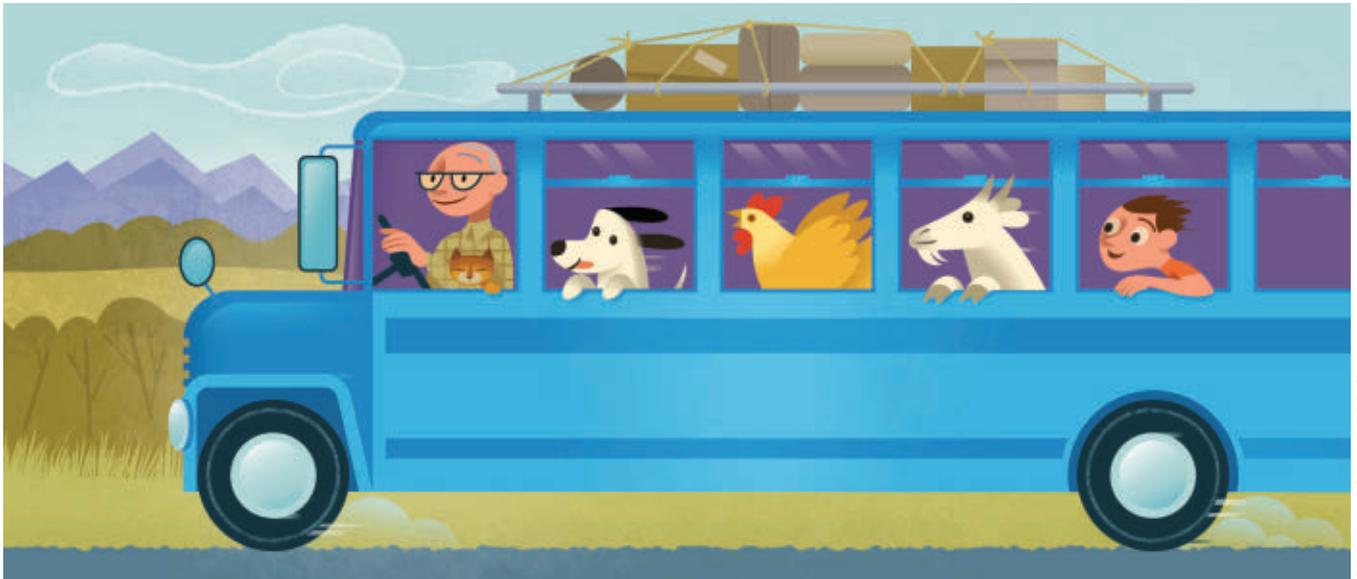
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A Moving Tale

I listed a property for an elderly couple who planned to fulfill their 18-year-old grandson's dream of moving from Florida to Montana. The grandson, whom they had adopted, had a disability that made it hard for him to walk, but he loved the mountains and spent hours researching the state online. The move would be difficult because they owned a menagerie of animals, including dogs, cats, chickens, and goats.

On the day of closing, I went to the house to retrieve the lock-box, and the grandson met me at the gate. I noticed a 1980s-era Blue Bird school bus, painted sky blue, parked in the yard. "What are you going to do with this bus?" I asked. He invited me to climb

inside, and I noticed that the bench seats had been removed and there was a wall of stacked hay toward the back. He explained that his grandparents bought the bus specifically for their move to Montana. He and his grandmother would drive in their van along with their cats, and his grandfather would drive the bus with their two dogs and six goats. At night, they planned to pull off the road, and everyone would sleep in the bus. They left town before even securing a new home in Montana, but I always think of the grandparents fondly for living simply and doing what it took to make their grandson's dreams come true. —*Katherine Shalosky, MRP, Keller Williams Realty South Shore, Apollo Beach, Fla.*

Short Notice Leads to Long Friendship

When I was a rookie agent in 1989, a prospective buyer came into the office and said he admired one of our listings, a house under construction on a golf course. I offered to show him the nearly completed home, but he said it wasn't necessary. He wanted to make a cash offer for the full asking price, contingent on one thing—that it close the next day or the deal was off. I was skeptical of him at first, but he was a farmer from Texas who struck oil on his land. This is just how he did business; a handshake would have been enough for him to close the deal. We had no cell phones then, so I wrote up the offer and said that as soon

as my qualifying broker was back in the office, he'd present the offer and we would be in touch. To my amazement, the seller accepted the offer and the closing timeline, and we settled the transaction in one day. The buyer and his wife lived out the rest of their years there, and I learned how lasting friendships can be made in this line of work. Once a week, the couple would stop by our office to deliver a bag of Werther's butterscotch candies. We exchanged Christmas gifts and birthday wishes. When they died, it felt like I lost my grandparents. —*Cindy K. Lynch, CRS, GRI, Berkshire Hathaway HomeServices Lynch Realty, Ruidoso, N.M.*

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