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SAVING
Texts, Chats
and More:
PROTECT
YOURSELF

Plus Why Stage or Upgrade in a Sellers' Market?



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President's Message



Jody O'Brien

ABR, CRB, GRI, RENE, SRS

Spring, Sweet Spring!

After a seemingly long winter, we welcome the sunny warm days like a long lost friend. It is not just the season, but the sense of rejuvenation that accompanies it that is the most satisfying. Spring provides a time to tidy up; to sweep out the accumulated grime of winter and welcome the crisp, sweet air of spring.

It is with this sense of renewed vigor that we assess where we are at in meeting our organizational goals for the year. Our talented and committed volunteers met during the NAR Legislative Meetings & Trade Expo earlier this month. At each committee meeting a consistent theme emerged: growth, expansion, member focus, and member value. Here are a few highlights:

- Membership stands at 41,619 candidates and designees for the first quarter – a 17% increase for the same period last year.
- We have delivered 721 classroom, online and virtual courses to 3,352 students through the first quarter.
- Our global community continues to grow with 22 countries and courses translated into 7 languages (Georgian, Italian, Romanian, Russian, Serbian, Spanish, and Ukrainian).
- Our CRB and SRS designees have contributed \$1,373,576 to RPAC through the first quarter.
- We developed and launched a new website and learning center.
- A new member benefit will launch in late June – REBI Business Solutions.
- 80+ microlearning courses are available in the REBI Learning Center – free to CRB and SRS designees.

Our volunteer talent pool is sizable and impressive. We are truly blessed to have the support and commitment of these real estate professionals who choose to share their time and talents with REBI.

As we move forward with our strategic priorities this year, we will keep you updated on significant milestones. We are excited about our direction and the new initiatives that we have already implemented and have planned. As a famous Nike ad put it – “There is no finish line.”

It is a privilege to serve as your 2022 President.

Sincerely,

Jody O'Brien

Jody O'Brien

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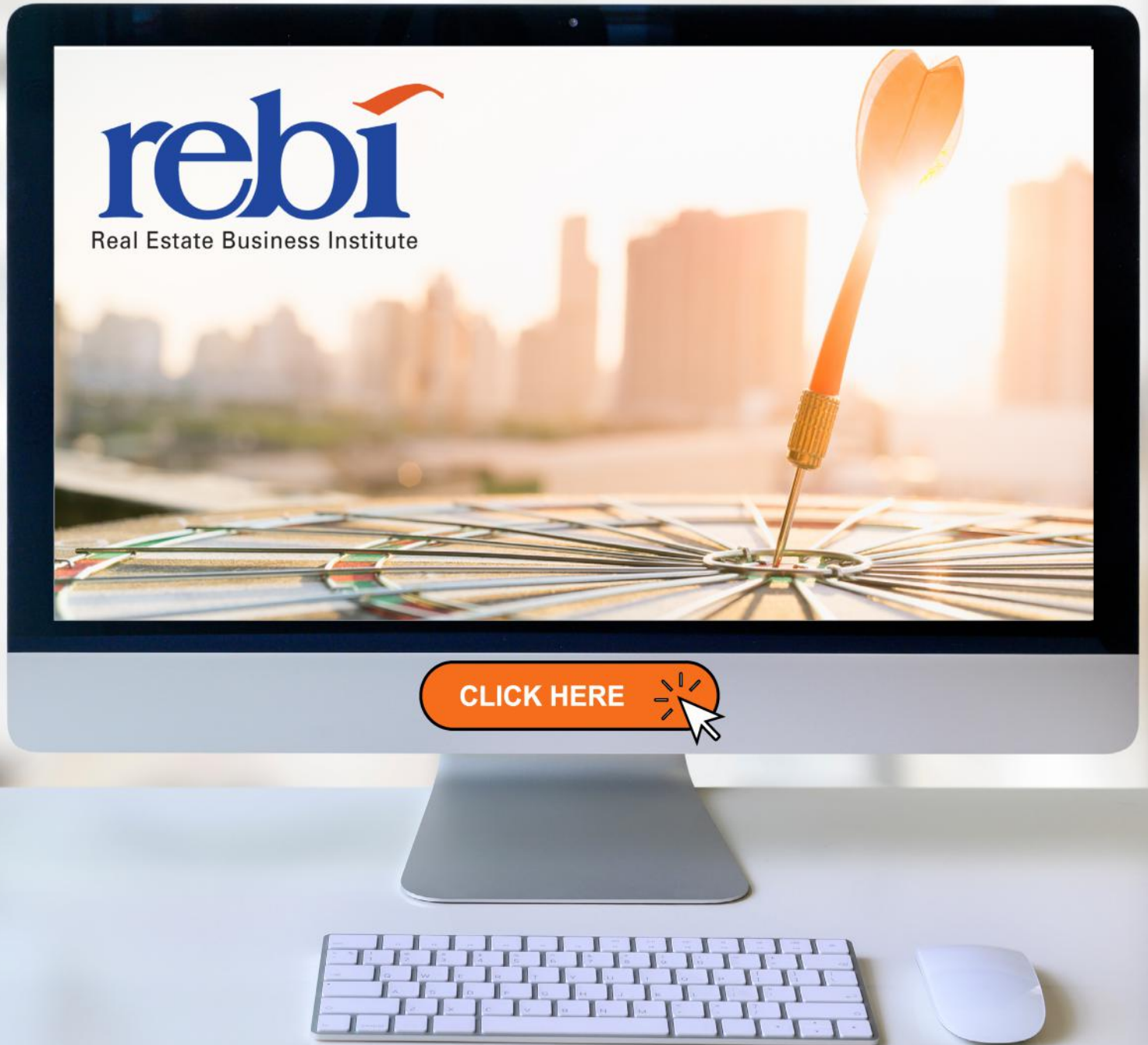
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SAVING

Texts, Chats
and More:

PROTECT YOURSELF





**These quick and
easy communication
tools can be a trap for
miscommunication and
missed documentation
if you're not careful.**

by G.M. Filisko

PROTECT YOURSELF

“If you’re using text messages, WhatsApp, and all that for business, you need to document it—and I know for a fact that not everyone operates that way,” reports Jairo Rodriguez, ABR®, AHWD, CIPS, e-PRO®, MRP, SFR, SRES, a sales associate in the Montclair, N.J., office of Prominent Properties Sotheby’s International Realty

Matthew Rathbun, ABR®, CIPS, CRB, C-RETS, CRS, GRI, RENE, SRS, a speaker at Four Pillars Education and executive vice president at Coldwell Banker Elite, both in Fredericksburg, Va., couldn’t agree more.

“It become a default for a lot of real estate salespeople to use texting and social media to communicate for business,” says the instructor of many REBI courses, including the CRB course [The Firm Rules: Policies to Mitigate Risk](#). “But nobody is thinking about the potential problems.”

What are the risks? Let’s run through a few of the most serious dangers, along with suggestions for reducing your legal exposure—and your stress levels.



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SPEAKER

Four Pillars Education

Fredericksburg, Va.

A stylized illustration of a smartphone screen in light blue, with a dark blue header bar at the top containing three small circles. A white speech bubble with a black outline is positioned over the screen, containing the text 'WHY IT CAN LEAD TO TROUBLE'. To the right of the speech bubble, there are two small white exclamation marks.

WHY IT CAN LEAD TO TROUBLE

Texting, WhatsApp, Instagram, and so many other platforms people are using for business today make experts jittery. But they may be here to stay.

WhatsApp is the platform of choice for Rodriguez's clients. "It's a free and easy way to communicate, and a lot of international clients use it," he explains. "I happen to be Hispanic, and no matter where we are in the states, many of my Hispanic clients prefer it over text. Also, I'm selling a house now where my client is in Kenya. WhatsApp is the only method of communication we use."

Rodriguez says he wouldn't use a platform like SnapChat because it doesn't save communications. But text chains, WhatsApp, and Facebook Messenger discussions should—we stress *should*—remain accessible to you until you delete them.

Even so, industry experts have concerns:



PEOPLE USE SHORTHAND WHEN USING THESE TOOLS.

“These were never intended to be business communication tools,” explains Rathbun. “The inherent nature of, say, texting, is for quick responses. When you’re holding a device in your hand and typing with one finger as opposed to typing a message on a keyboard, that tends to create an atmosphere where agents shorthand things—and then there’s a written history of you giving bad advice because you gave it succinctly while you were changing cabs in New York.”

“I always advise agents and brokers to ask themselves: What would this text look like if I had to read it in court?” he adds.

And don’t even get Rathbun started on the gibberish texts can end up including when you’ve sent them using the voice-to-text function.

Deanne Rymarowicz, NAR associate counsel, agrees that these tools can lead to incomplete or unclear conversations. “For logistical issues, such as, ‘Let’s meet at the property,’ they’re fine,” she explains. “But when it comes to the shorthand people often use in texts, it’s not always clear what someone is even saying if they’re using abbreviations or acronyms, and the terms of any agreement need to be clear. NAR’s Code of Ethics also talks about how REALTORS® need to communicate in clear language.”



DEANNE RYMAROWICZ

NAR ASSOCIATE
COUNSEL

Chicago, IL



LOTS OF STUFF IS OFTEN LEFT OUT OF TEXTS AND SOCIAL MEDIA MESSAGES.

“Article 9 of NAR’s Code of Ethics says REALTORS® must make sure everything is in writing,” explains Rathbun. “And in its standard of practice, it says you have to make a reasonable effort to explain agreements to clients. If I’m texting back and forth, by the very nature of texting, I’m short and succinct. So I’m not going to be clear.”

“By sending a text, what I’ve done is created evidence that I’ve off-handedly and without any depth ‘explained’ this agreement by touching only on certain things,” he adds. “That text thread will be used against you to say: ‘All you did was text that paragraph 3 said this,’ not what that means.”

Rymarowicz also has concerns about incomplete texts. “Maybe in a text you’re just mentioning two important terms of the entire contract,” she states. “Or maybe there’s a back and forth in a text about price. That’s fine, but it needs to be incorporated into a document that includes all the terms and conditions of the agreement. And the actual offer or counteroffer or listing agreement needs to be signed, shared, and stored.”



SEARCHING FOR THE TEXT OR ONLINE CHATS YOU NEED IS PAINFUL.

“It’s so common to be working with a client who’s preparing to buy for three months, and then there are two more months from contract ratification to closing,” explains Rathbun. “You could have thousands of text messages with that client by then. If you land in court two years later, how do you easily find that one text where you made a critical disclosure to the buyers? Email is easier to search.”

Even if you’ve saved all your online communications, have you saved them in a way that will support you? Lawyers who’ve had to rely on screen grabs of texts complain that those quick shots are often incomplete and might not include the date or time a text was sent.

More important: How do you prove it hasn’t been altered or created after the fact? “There are tons of free websites that allow you to manufacture text messages all day long,” says Rathbun. “I use an iPhone, and you can do a long hold on a text, which brings up the option to select all and copy. I can then go paste that into a Word document. But that document isn’t formatted, and it would be so easy for someone to say, ‘How do we know you didn’t edit that document after this dispute arose?’”

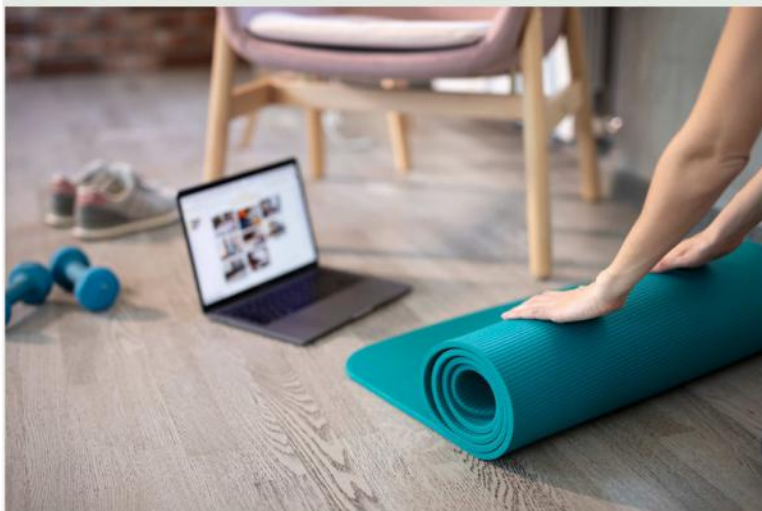
“I sit in on a lot of professional standards hearings,” he adds. “Texts often come up, and the response from the opposing party is frequently: ‘You did a screen shot of only what benefitted you. That’s not the totality of the discussion.’”

“Even if you say, ‘I corrected that misunderstanding later,’” Rathbun explains, “now you’re sitting in a hearing trying to find that text where you corrected what appears to be a misunderstanding.”



IT'S PROBABLY KILLING YOUR WORK-LIFE BALANCE.

“A big part of my push as a broker and instructor has been telling agents that they need to better control their work-life balance,” says Rathbun. “Agents feel like they have to rudely drop whatever they’re doing and respond whenever they get a text. If they don’t, they can forget to respond—and then clients think you’ve forgotten about them. Text messages are open, floating loops I have to go find. That’s not good for your mental health or for building relationships with clients.”



An illustration featuring a black gavel resting on a wooden block to the left. To the right is a white smartphone with a dark screen. A white speech bubble with a blue shadow points from the phone towards the center. Inside the speech bubble, the text "WHAT THE LAW SAYS" is written in bold, black, uppercase letters. The background is a light blue gradient.

WHAT THE LAW SAYS

It's early days when it comes to how courts view texting and social media business discussions. Only a few reported cases involve courts evaluating the use of texts in real estate contracts.

A 2017 Massachusetts case, [St. John's Holdings v. Two Electronics](#) involved texts related to the signatures on a letter of intent. In the case, the seller's agent texted the buyer's agent asking the buyer to sign a letter of intent. The buyer signed, and the buyer's agent gave the signed LOI to the seller's agent. When the buyer's agent sent a follow-up text asking for a copy of the LOI signed by the seller, he learned the seller had sold to another party.

The trial court denied a motion to dismiss, holding that the series of texts between the buyer's and seller's agents were sufficient to satisfy the statute of fraud's requirements that the terms of a contract and the intent of the parties be sufficiently detailed. It also held that the seller's agent's inclusion of his name at the end of a text was sufficient enough to satisfy the requirement that an agreement be signed. Therefore, the texts created a binding real estate sales contract.

On appeal, however, the court found no contract on a different issue, holding that the seller's agent didn't have the authority to bind his principal.

In a [2019 case summarized](#) by NAR's legal team, [Tayyib Bosque Corp. v. Emily Realty LLC](#), a federal court rejected a business broker's claim that he was entitled to a commission on the sale of three businesses on the basis of text messages. The court held that the texts didn't meet New Jersey's statute of frauds requirements that agreements be in writing and signed because the texts weren't signed, either physically or electronically.

"How courts are going to treat text messages in business will really depend on state law and what it requires to be in writing, whether it requires the agreement to be signed, and whether it considers a signature, electronic or otherwise, to be valid," says Rymarowicz. "It'll be interesting to see if real estate licensing boards catch on to these issues as well and maybe tighten up regulations as a result."



How YOU CAN PROTECT YOURSELF.



There are ways to use these tools that will provide better legal protection and reduce your stress:



1 | USE THEM ONLY FOR ROUTINE MATTERS.

“Texts and other media are good for confirmation of an appointment or people telling you they’re late,” says Rathbun. “They’re not meant for explaining. If a client insists on using text messages, you can say, ‘I’m going to email you that information because text isn’t the best way to share it.’ As soon as you do that a few times, clients will understand.”



2 | DON'T AUTOMATICALLY TEXT WHEN ANOTHER METHOD WILL WORK BETTER.

People often text information that would be better handled by email because they don’t want to forget to send it altogether. Rathbun suggests a different reminder system.

“I tell students that if I’m in the car, instead of trying to text at stop lights—you shouldn’t be texting in the car at all—with an iPhone, I can say, ‘Hey, Siri, remind me to email Susan about what paragraph 3 in the contract means,’”

he suggests. “Those tools are so readily available to us and easy to use that it makes us look more professional. But agents are texting because something’s on their mind, not thinking about whether that text looks professional or not.”



DUSTIN GILBERT
ABR®, GRI, PSA

AGENT

West Kentucky
Realty Team

Hopkinsville, Ken.





SHIFT TO EMAIL QUICKLY.

“Maybe I’ll have a first conversation with a potential client on social media,” explains Dustin Gilbert, ABR®, GRI, PSA, an agent at West Kentucky Realty Team in Hopkinsville. “But after a few conversations, I may convert it to, ‘Hey, let’s talk using email or in person.’ Or if I’ve had an important conversation with a client, I’ll say, ‘I’m going to follow up by email to ensure you understand everything we’ve discussed. If anything needs to be changed, please let me know by responding to that email.’”

Rodriguez uses a similar practice. “Especially if it’s over the phone and I don’t have something in writing, I email clients to say, ‘Here’s what we just spoke about,’” he notes. “When it comes to contractual issues, I might send a text or WhatsApp message saying, ‘I’m ready to discuss XYZ on the contract.’ Then we’ll have a call, or I’ll lay everything out in an email.”

Rymarowicz believes that’s wise: “You need to leave the Snapchat or text behind and get into a document at some point, if for nothing else to meet your obligations under the Code of Ethics.”



NEED SOMETHING URGENT? TEXT ONLY A HEADS UP.

In an emergency, Rymarowicz suggests using these tools only to get your client’s attention. “If you have something urgent, maybe you send a text saying, ‘I need your help with this right now. I just sent you an email. Please check your email right away because we have five hours to respond.’”

SAFE RECORDKEEPING



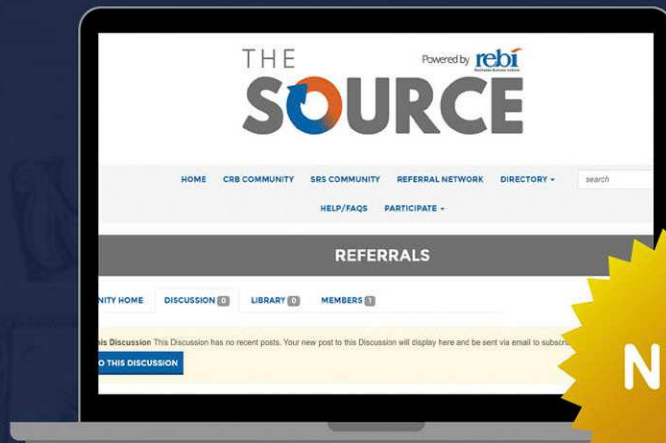
STOP RELYING ON RECORDKEEPING BY CHANCE.

Never delete discussions you've had on social media. "When I speak to clients on WhatsApp, I don't ever erase those discussions," says Rodriguez. "I have a recent transaction that's under contract right now, and I have messages on WhatsApp that go back to March 1, 2021, which is when the client first contacted me. I also don't erase texts, either. Storage on my phone is super full."

Also look into tech that allows you to automatically back up your texts to your computer. They're a bit catch as catch can, and you'll need to ensure they're reliable. "There are third-party tools you can pay for," says Rathbun. "You connect your phone to your laptop, and the tool will pull that text data into your computer and create PDF of an entire thread. The ones I've seen cost about \$30 per year. But they've also been fleeting. Two years after you've signed up, that company is out of business, and you have to find another."

Even if you have to do it manually, Gilbert thinks it's worth the effort to back up texts when you sense a dispute brewing. "Once I have a client who's complained about things here and there, I do even more to create that timeline," he states. "I'll send emails saying, 'Today, we talked about this.' I'll also take screen grabs of texts as I go to ensure I always have records of those conversations." 🍌

G.M. Filisko is a lawyer and freelance writer who specializes in real estate, legal, business, and personal finance topics.



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Why Stage or Upgrade in a Sellers' Market?

Your colleagues explain when they recommend staging and doing other work in an era of multiple offers and sight-unseen purchases.

Let's be honest. Sellers would *prefer* to leave their home exactly the way it is, then hand you a listing today, and get an offer tomorrow. Of course, you'd also prefer not having that often-thorny discussion with potential sellers about getting their home into shape for a sale.

So can you and sellers forego the “gussying up for sale” stage of the sales process in today's sellers' paradise? Maybe. Here's what real estate pros across the country are advising clients.

Too fast to stage

Most homes in my market under \$250,000 are selling sight unseen whether they're purchased with cash or financed. It would be a waste of money to stage every home in this market because there are so many buyers and not enough homes.—*Khali Gallman, agent, Coldwell Banker Midtown, Columbia, S.C.*

Consider the appraisal stage

In my experience, if the home is “dressed right and priced right,” staging or upgrading is very rarely a necessity. There are times, however, where an upgrade or staging could make all the difference.

In our current market, I don't see a lot of benefit to traditional staging. There are times where

staging could still be helpful, but it's usually when there's an awkward space you want to help the buyers decide what to do with or to help take the attention away from something about the house that might be turning people off. Outside of those two options, it's rarely going to be worth sellers' money to stage.

There are a few reasons for this, but the main one is that we're running into appraisal issues left and right, so adding furniture and showcasing the space isn't likely to get sellers more money. Appraisers don't care how pretty a home is. They simply compare the property to others that have sold. If a home is worth \$350,000, there's no amount of furniture that will make that home worth more to an appraiser.

What if it's a cash deal? Then there's a small chance sellers may be able to get more than the property is worth, especially when offers are leveraged properly against other offers to drive the price up. Will that amount exceed the price sellers pay for staging? Maybe. But sellers might spend a good deal of money staging a property just to get exactly what they'd have gotten, anyway, which means they'd be out the money they paid for staging.

When it comes to upgrades, these can be massively beneficial to maximizing sellers'

Listing Strategies



dollars, but they do come at a little risk and extra work. For example, recently I priced a home at \$420,000 and told sellers that if they put a new fresh coat of paint on the interior walls and replaced flooring in about half the property, they'd get \$460,000.

The total cost to the sellers was about \$4,000 for the flooring and maybe \$300 to paint the house (a professional would have charged them about \$6,000 so they elected to paint it themselves and did a good job—luckily) to net them almost \$30,000 more. That's not always the case, but it's a strategy we use quite often to help maximize the dollar for our sellers.

—Andrew “Mongo” Iremonger, agent, eXp Realty, Fort Walton Beach, Fla.

Virtual or limited staging may work

Homes, if priced right and in the right market, are selling so fast it doesn't necessarily make sense to stage them. You can always do virtual staging, which puts buyers in the right mind frame to understand the use of space. Or if it's a large, empty house, to make a home look more lived in and homey, you could stage one room upon entry since first impressions mean a lot.

—Talia McKinney, agent, The Talia McKinney Team, Serhant, New York City

Still stage, except when...

It's true that most homes today sell with multiple offers or bidding wars, but that doesn't

Listing Strategies

mean sellers can simply sell without staging. They can still maximize their price with the right upgrades or staging. Otherwise, they may be leaving money on the table or they may not get as many offers.

Having said that, there are occasions where it doesn't make sense to upgrade or stage. It's not valuable when the house is occupied by a tenant or is in rough shape, meaning it needs *a lot* of work. I wouldn't recommend the seller doing the work unless that's what they do for a living. In these situations, it's simply better to empty out the home and sell it as is. Thousands of people are looking for fixer uppers, so it should still get a bidding war if it's priced low enough. —*Lambros B. Demos, broker, Royal LePage Realty Plus, Toronto, Ont.*

No difference whatsoever

In the central Oklahoma market, we've yet to see staging produce a more profitable sale. I've built and sold luxury homes, and there was no difference in how fast the homes sold or for how much. Buyers and their agents know what to look for in a home, and staging won't cover any of that up.

In this hot sellers' market, I'm also not seeing that major upgrades are necessary as long as the home is priced correctly. Everyone should make sure the home is clean, free of smells, and presentable. Then, as long as the home is correctly priced, I fully expect it to sell within a couple of weeks at most. I have a conversation with all my sellers that if the home isn't selling, it's likely because it's overpriced. —*Jimmy Hughes, broker, JMR Realty, Oklahoma City/Edmond, Okla.*

What's the competition?

There are a few things for sellers to keep in mind when deciding whether to upgrade or stage. The first is their budget. If they have the money to spend on upgrades, it may be worth it. But if funds are limited, they may want to stage instead. They should also consider the competition. If most of the homes in the seller's area are updated and well-staged, sellers may need to do the same to stay competitive. —*Rinal Patel, co-founder, We Buy Philly Home, Philadelphia, Penn.*

Focus on your market

Never lose sight that real estate is local. What's true and what works in one market may not be successful in another. Some homes receive multiple offers, some more than just a few—my clients have experienced both. In my market, lower-priced or starter homes are more likely to get multiple offers. Higher-priced homes generally receive far fewer offers.

In deciding on upgrades, consider market variables plus time and money. In today's market, upgrades aren't as necessary as they would be if we were in a buyers' market. However, sellers shouldn't expect their home to sell for as much as the same model that was kept up to date or upgraded by a neighbor.

If a home is badly outdated or the cabinet doors are falling off and the plumbing doesn't function properly, there's no doubt some upgrading may be necessary. If the home absolutely needs upgrades and the seller is unable to pay for them, consider new hybrid options, such as companies that will work with you and the sellers to facilitate the sale

Listing Strategies

by advancing money to do upgrades to the seller.
—*Al Cannistra, CRS, C2EX, e-PRO®, GRI, PSA, SFR, broker-associate, San Antonio Homes Texas Premier Realty, San Antonio, Tex.*

“Dress” the part

Would you ever leave your home knowing you had a stain on your shirt? What if you were unlikely to see anyone important or anyone you knew? What if you already had a significant other who loved you and you didn’t need to impress anyone?

I’ll never leave my home knowing I have a stain on my shirt. I always put my best foot forward and dress to impress. Similarly, I’ll never not prep a home for sale because, even in a supercharged market, there’s always an opportunity to sell for more.

It’s critical to make a positive first impression. Most buyers are unable to envision a property’s potential or imagine how they might comfortably live there. It’s our job as agents to create the environment in which buyers develop an emotional attachment to a home. If they fall in love, they’ll bid higher.—*Michael Shapot, lawyer, associate broker, The Shapot Team, Keller Williams NYC, New York City*

Only big upgrades matter

There are times when staging won’t make much of a difference. If a home is being sold in a hot neighborhood, there may be a chance sellers can get away without staging. Staging also matters less for distressed or as-is sales.

As far as upgrades go, they’ll make a difference only if they’re substantial. Doorbell cameras,

new faucets, or changing cabinets from brown to white won’t change the value of a home if done alone. Upgrades need to change the functionality of the home or give it a brand, new look. Beware. It’s easy for sellers to throw away money before a sale.—*Donald Olhausen Jr., agent, Realty One Group Pacific, San Diego*

Sellers can skip them, but should they?

In the current market, something like an old, smelly carpet can be left in place instead of pulling it up to reveal hardwood floors. Sellers can choose not to do upgrades, such as painting cabinets, in favor of coming to market quickly. They should still be able to expect a modest demand for their home.

However, just because the market is hot for sellers right now, it doesn’t mean that those differences go unnoticed. Sellers need to keep in mind that even though they might not *have* to do upgrades, maybe they still *should*.

Even in this market, some listings do still expire—and that’s usually for a couple reasons, such as pricing or condition. Although there are many buyers looking eagerly for fixer-uppers and there’s buyer demand for home that wouldn’t make the HGTV cut, sellers should plan on their homes competing against fully upgraded, picture-perfect homes in their market.

There may need to be some concessions, so I tell sellers they should ask themselves a couple of questions:

- How many offers do I want to get?
- How good do I want those offers to be?
- How quickly do I want to sell my home?

Listing Strategies

- If I took X number of weeks to put Y dollars into my house to improve Z, would Z increase the value of the home enough to pay for the X weeks and Y dollars I spent on it?

In this market, we know we can sell a house that isn't in pristine condition. But at what cost?
—*Tim Lumnah, agent, Berkshire Hathaway HomeServices Page Realty, Medfield, Mass.*

First impressions matter

We still recommend staging to our clients, even with the hectic speed of the market. That first impression online is your best shot for any and all marketing you're going to do. We typically find that by staging, homes spend less time on the market and get more offers.

However, staging might not be ideal for a client who isn't able to afford the upfront cost. In that case, if the home is empty, we highly recommend virtual staging, which is incredibly affordable. There's also the option of staging only one or two rooms for sellers working with a tight budget.

Also, some sellers have custom furniture or furniture well-curated for the space that's difficult to rearrange for staging. Sellers still living in the home may also be worried about damaging staging furniture, so they avoid that option. Finally, staging may not make sense for sellers in a major rush to list and sell.

Many stagers are very busy, and the process may take significant time and effort.—*Jenny Usaj, owner-broker, Usaj Realty, Denver, Colo.*

Some buyers still need to be sold

Believe it or not, sellers in the northeastern part of Pennsylvania are still a little apprehensive about our market. And some sellers feel rushed trying to get their ducks in a row.

Recently, sellers are opting to save money by not doing some of the basic upgrades we would have seen them do only a couple years ago. They don't sense the need to replace worn flooring, repaint interior rooms, or update kitchens and baths. Also, in my experience, many home shoppers here expect that and are willing to take on the challenge of making their own updates.

That's true unless, of course, there are structural defects in the home. Those need to be addressed and resolved before closing. But I don't see buyers asking that simple repairs be done nearly as much as used to. Buyers are simply happy to be chosen when there are multiple offers.

In our market today, unless there's a pressing need to pull out the home staging playbook or make upgrades because there are comparable homes in the neighborhood that aren't selling, my clients and I will refrain from choosing either.—*Christina Keller, agent, Realty Network Group, Scranton, Penn.*

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Why Personality Tests Don't Work for Me

These business leaders explain why they're bucking the real estate hiring trend of requiring applicants to complete a personality test.

For every broker or team leader who swears by the use of personality tests in recruiting and hiring, there are others who take a pass.

Tomas Satas, founder and CEO of Windy City HomeBuyer in Chicago, is in the “no, thanks” crowd. He says personality tests may give you some insight into a recruit's skills, but he believes they should be only a small part of the hiring process—and he comes to that conclusion based on personal experience. “I've seen that when using a personality test while recruiting people for your business,” he explains, “you may unintentionally exclude talented people since you're basing your decision on a test rather than looking further into a candidate's skill level and experiences,” he explains.

“I had a friend I'll call Richie, who'd been working at a brokerage for a few years,” recalls Satas. “After his third year as office manager, he was so bored out of his mind that he attempted to transition to working as a licensed broker. Richie's boss decided that Richie's personality test results had shown that it was impossible for him to succeed as a broker.”

“Can you imagine how frustrating that must have been?” he asks. “So Richie left that company, which made most of its employment

decisions using personality tests results, and joined my brokerage. Long story short, my friend Richie ended up being the top-producing broker his first year—and his old boss begged him to come back for close to a year.”

Satas isn't the only skeptic. Here, other business leaders explain why they hesitate to lean too hard on personality testing as they build their teams.

Recruits might be able to influence results

Some recruiting and hiring pros believe the people taking the tests can shape the outcome, whether intentionally or not.

“One important thing to keep in mind is that a person's results on paper may not always translate to real life because not all people are good at taking tests,” says Satas. “For example, the person could be nervous while taking the test and therefore may not be answering questions to the best of their ability.”

J. Jones, a broker at Devalentino Properties in Houston, is also unconvinced of the accuracy of such tests. “Each person is a complex individual with a unique past and experiences unlike anyone else on the planet,” she explains.



“A personality test attempts to distill all the peculiarities and differences of each person and neatly place them into categories. Even if this were possible, people may respond differently to different people and different situations, and an exam can’t possibly account for all these different nuances.”

“Not to mention whether the person is even responding honestly to the test questions,” adds Jones. “While interesting, even entertaining, these tests aren’t worth the time nor the money to implement because people can say one thing yet do another. Observing a person’s behavior or actions will tell you more about someone than any report.”

Isaiah Henry, CEO of Seabreeze, a property management company based in Aliso Viejo, Calif., that manages more than 90,000 commercial and residential properties, agrees. “Many test takers answer based on what they think their potential employer wants to hear,”

he states. “They don’t answer truthfully, which skews the results.”

“Unfortunately, I’ve seen a lot of new hires who’ve faked their personality tests,” agrees Craig Miller, a psychologist and co-founder of Academia Labs in Austin, Texas. “When looking at their test results, they seem to be cooperative and a team player when engaging in a friendly competition.”

“However, once hired, they don’t show any cooperativeness and willingness to work with a team,” he adds. “Often, they even create a toxic environment to be the best at what they do. So I really don’t trust personality tests anymore. We just rely on panel discussions about whether an applicant is a fit for our team.”

The science has been questioned

Several business pros question the underpinnings of these tests. If you’d like to take a deep dive into whether these tests are grounded on science, an

hour online reading academic studies can provide insights to help you make your own decisions.

Leonard Ang, CEO of iPropertyManagement, has done his own research on personality tests. “In short, they’re pseudoscience,” he asserts. “I’ve personally tested this. For quite a while, we used a leading personality test as part of our hiring process until I sat down and took it once a week for six weeks, over which time I was determined to have four different personality types, two of them twice.”

Could they be stifling creativity?

Henry also believes the tests tamp down innovation. “Personality tests tend to inadvertently weed out qualified candidates who think outside the box,” he asserts. “Many times, the tests are finding those who fit the mainstream personality type. Some of the best leaders in real estate are independent thinkers who don’t conform to the conventional personality type.”

Requiring recruits to take a personality test could also scare away promising candidates, according to Joe Schwimmer, CEO and founder of OpticsForce. “Not every potential candidate feels comfortable taking an in-depth personality test for a potential employer they don’t even know,” he explains. “So in addition to some candidates being more likely to select the responses they think you want to hear rather than their actual answers, at best, the tests can be inaccurate. At worst, you scare off quality candidates. While there are some possible pros to using personality tests to profile candidates, I believe those cons are much greater. So I choose not to use them.”

These tests may also cause candidates to doubt their own skills, reports Dan Belcher, a real estate broker and CEO of Mortgage Relief in Oklahoma

City, Okla., who relies more on interviewing and getting to know candidates better as people. “We focus more on skills than personality tests since the tests may complicate things for employees, leading them to switch roles based on the results they get,” he says. “It can also give them hesitation that maybe their current career isn’t for them.”

Lincoln talked about this (indirectly)

Finally, Devon Wayne, founder and owner of ASAP Cash Offer in Oakland, Md., turns to a former U.S. president to explain why he chooses not to use personality tests.

“As someone who has looked up to Abraham Lincoln to achieve great heights, I feel that the answer to why I don’t use personality tests has a lot to do with his quote that says, ‘I don’t like that man. I must get to know him better,’” he explains.

“Personality assessments give a rough idea about the individuals you may wish to hire,” says Wayne. “But a rough draft about any employee’s personality will never help you in the long run. Like every other algorithm, a personality test can go wrong and make mistakes. As a business leader, you need to know your team members intimately to weigh their passions, aspirations, and performance and to encourage teamwork without affecting their mental health.

“In other words, unlike personality tests, physical interactions, experiences, and conversations help provide a fair evaluation of individual strengths and weaknesses,” he states. “These qualities translate to the giraffe’s perspective, which remains the benchmark for any excellent leader who wishes to hire after keen reflection and observation.”



John D. Mayfield
*ABR®, CIPS, CRBsm, C-RETS,
e-Pro, GRIsm, RENE, SRS*

Write Yourself a Check

Category: Motivational

Materials needed: Handout included with meeting materials (sample check), flip chart, lamination materials

Estimated time: 5 minutes or less

PowerPoint available: No

Meeting objective: To help your team members realize that writing down a dream or goal and looking at it every day will regularly remind them to pursue their goals.

STEP 1

Distribute one sample check included with this meeting to each of your team members.

Ask: If you could cash a check to yourself a year from now for any amount, how much would you like to write it for?

Have your salespeople write a check to themselves in the amount they just stated. Provide lamination materials team members can use to protect their check from wear and tear.

Instruct them to carry this laminated check in their wallet or purse every day for the next year. Encourage them to look at the check daily.

Handout 1

Pay to the order of _____

Check No. _____

DOLLARS CTS

Memo _____

⑈ 000000 ⑈ ⑈ 000004567⑈ 34567890⑈ 000000



“

Success means having the courage, the determination, and the will to become the person you believe you were meant to be.

”

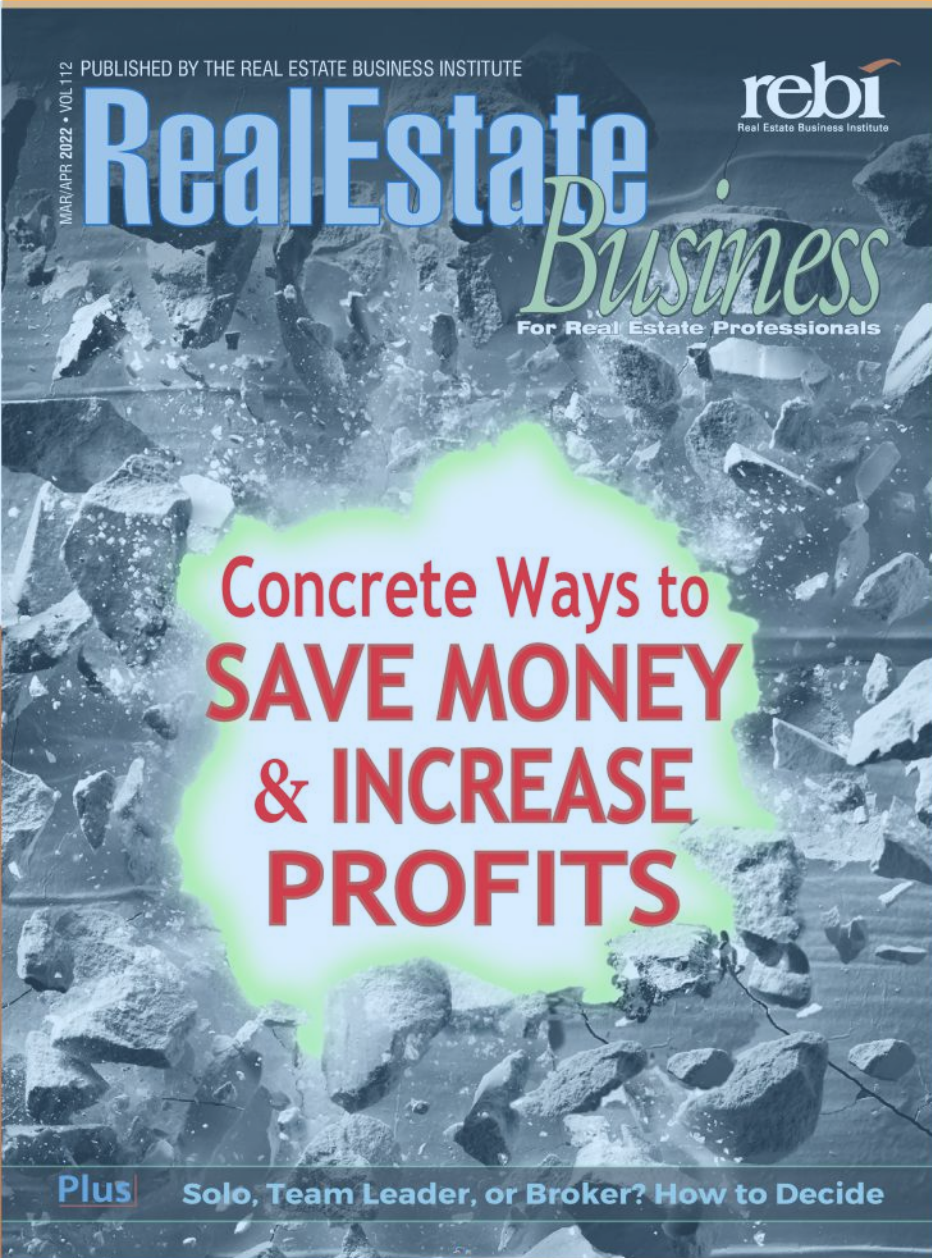
– George Sheehan,
American physician,
senior athlete, and author

CLOSING

Recount the story of the actor Jim Carey. Legend has it that while he was homeless and living on the streets trying to make it as an actor, he wrote a check to himself for a large sum of money. He told himself that *someday* he was going to cash that check. He continued to look at it daily and to repeat to himself the positive affirmation that this check he'd written to himself would someday become a reality.

Tell your team that they, too, can cash their check if they set goals, work hard, and believe in themselves.

John Mayfield, ABR®, CIPS, CRBSM, C-RETS, e-Pro, GRISM, RENE, SRS, received his real estate license in 1978 and has been a practicing broker since 1981. He earned his Master's degree from REALTOR® University in 2015, has been recognized as REALTOR® of the Year from his local board, and received the 2014 Richard A. Mendenhall Leadership award from Missouri REALTORS®. John has spoken to thousands of real estate professionals in over 22 countries and served as the 2010 President of the CRB Council. He also owns and operates the Global Real Estate School. For more information, visit www.easysalesmeetings.com.



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