



Warning:

Education for Real Estate
Professionals is not enough to
add higher value

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Agenda

- ✓ What makes a professional a professional?
- ✓ DIY (Do-It-Yourself) vs. Full-service on the real estate market
- ✓ State of affairs on the Romanian market
- ✓ The missing link to becoming a market of recognized professionals



Let's look at a few established professions...



Doctors, Nurses

Specialized education:
2-6 years



Specialized tools:





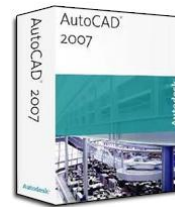
Architects

Specialized education:
2-4 years

Specialized tools:



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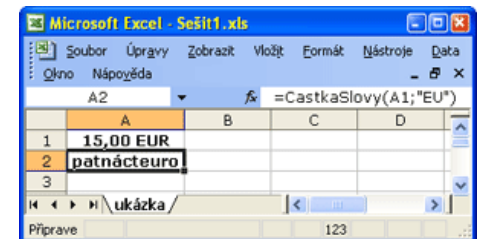


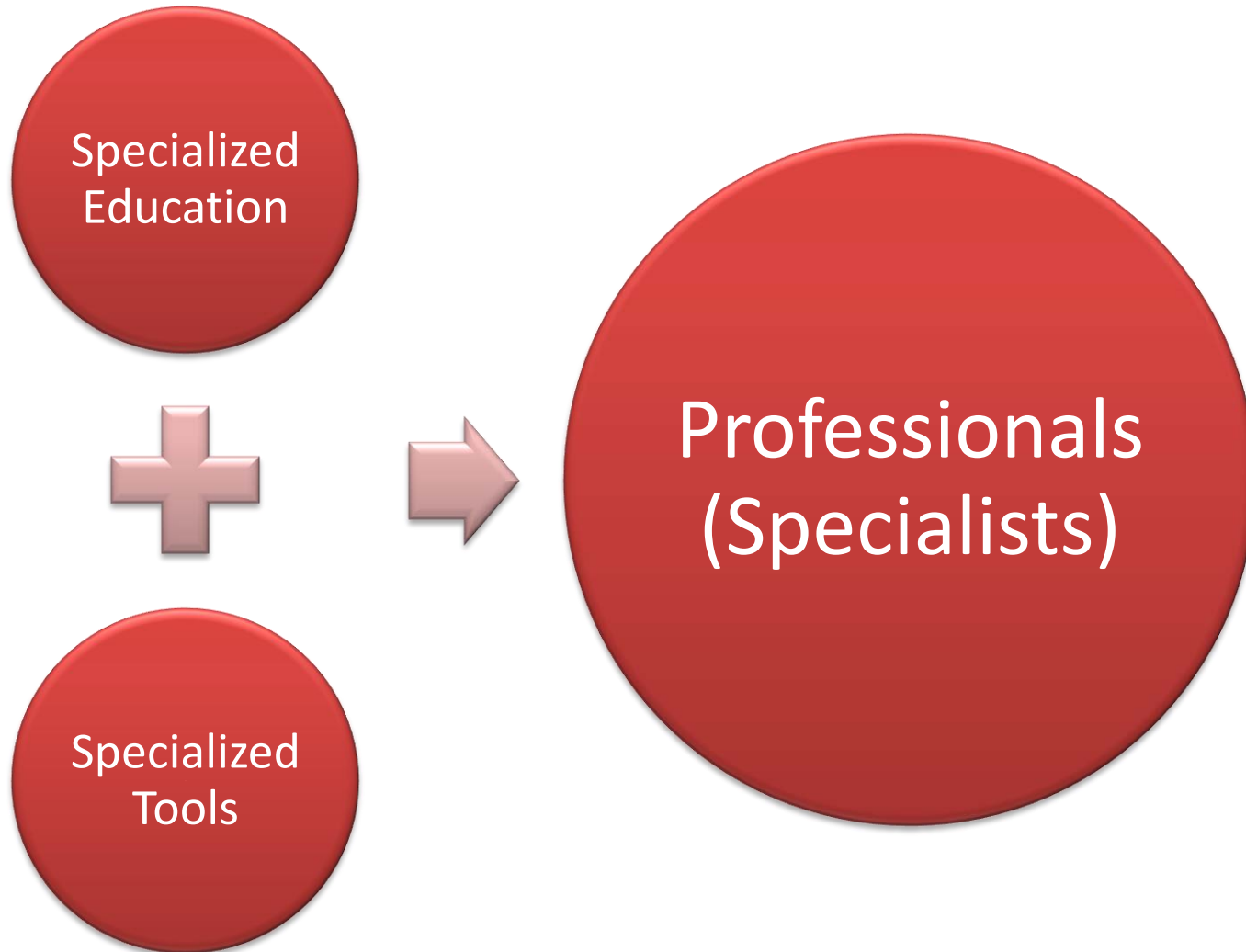


Accountant, Financial analyst

Specialized education:
2-4 years

Specialized tools:







RE agents, appraisers,
mortgage and land record specialists

Specialized education:
0-24 months

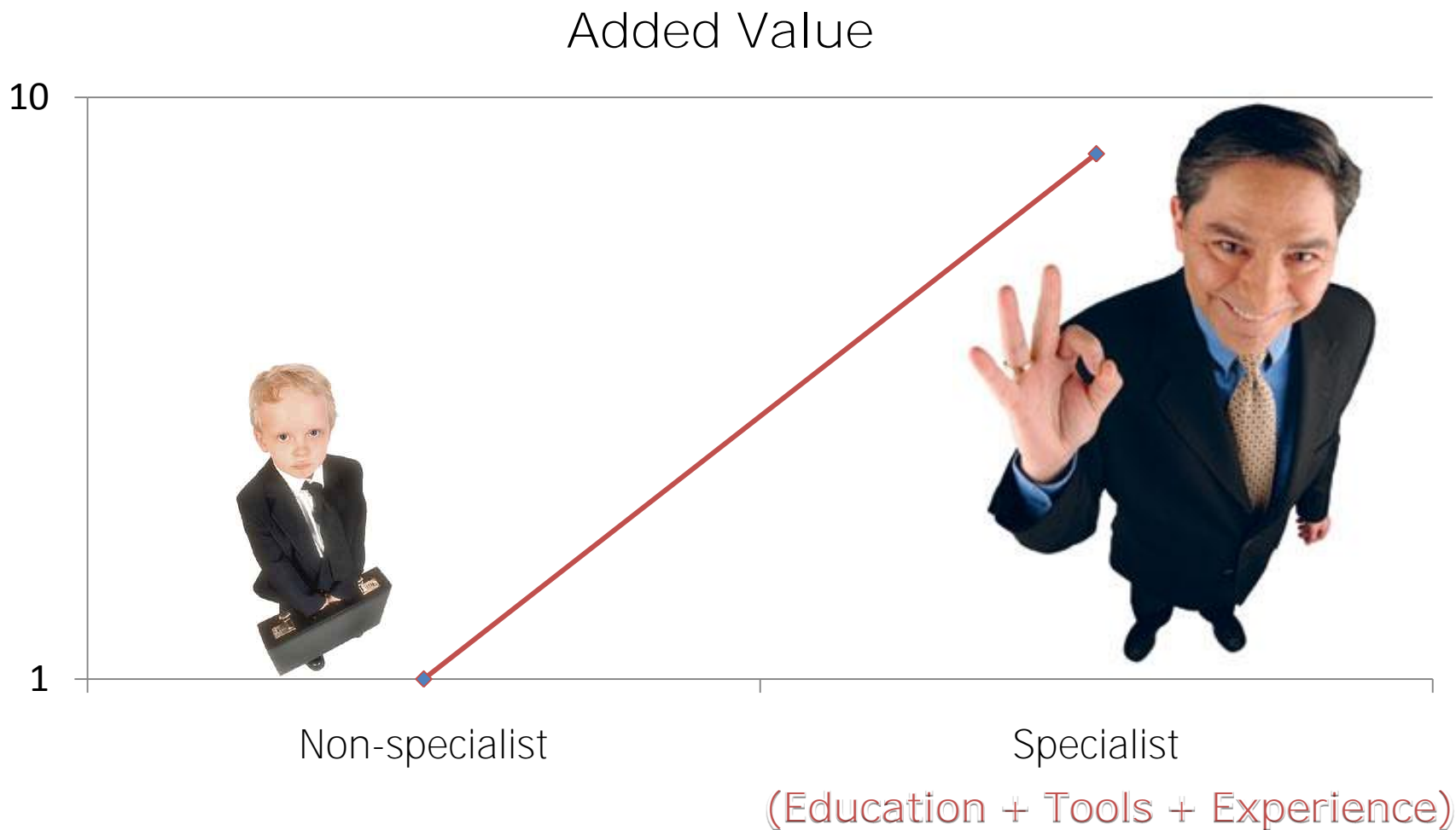
Specialized tools:





Why should I care?

1) Difficult to win business





Why should I care?

2) Easy to lose business



	Non-specialist (i.e. your clients) DIY (Do-It-Yourself) FSBO (For-Sale-By-Owner)	Specialist (i.e. you) Full-service Real Estate Brokers
Plan (when should I sell?)	General press 	
Prepare (how should I prepare?)	Point-and-shoot camera 	
Promote (how do I find a buyer?)	Classifieds (newspapers, "portals") 	
Negotiate (how do I get the right price?)	Haggling 	
Close (what paperwork do I need?)	Bureaucracy 	
Payment (how do I get my money?)	Stress 	



No wonder is hard to show value...

✓ “Since the client doesn’t think of you as a provider of services, but rather as a worthless amateur, it’s very obvious the situation is a non-starter.

✓ “Often, you look bad in front of a client right from the start; I’ve been through many such situations; clients would ask me how much their house is worth, I’d tell them, to which they quickly reply that another real estate agent told them they could get 10K more.”

✓ “At present, whether your client is a seller or buyer, trust in real estate agents is relatively low; there are many outfits claiming to broker transactions... some more professional, others a lot less...”

*quotes from a RoREN market study surveyed in Sept. 2007



Yes Virginia, there is a better way...

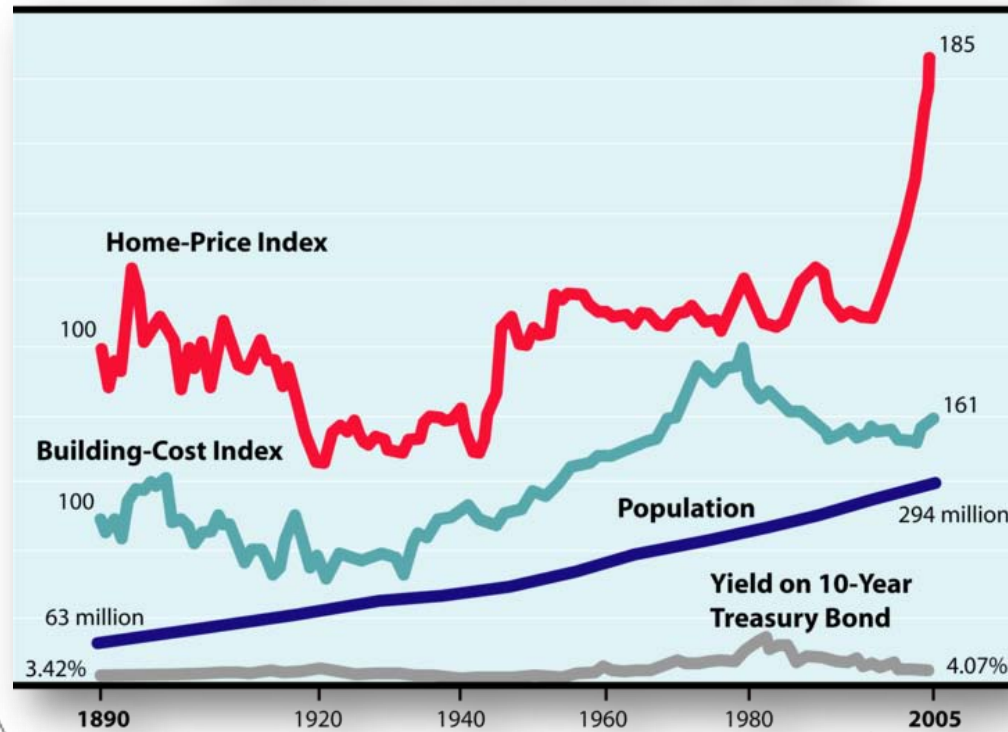
1) Study, study, study

2) Build, sell, buy, and use tools, tools, tools

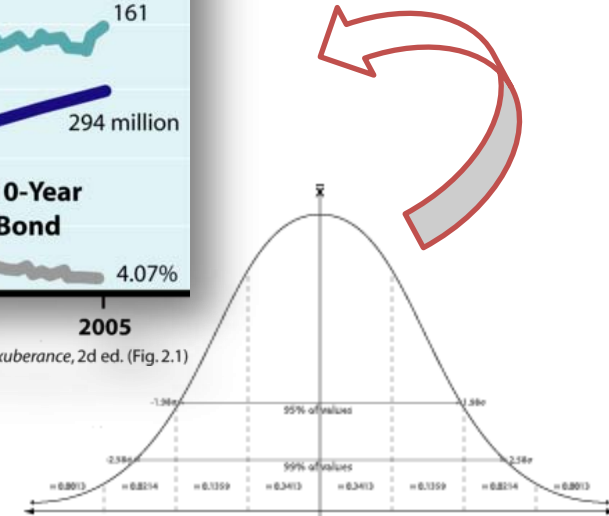
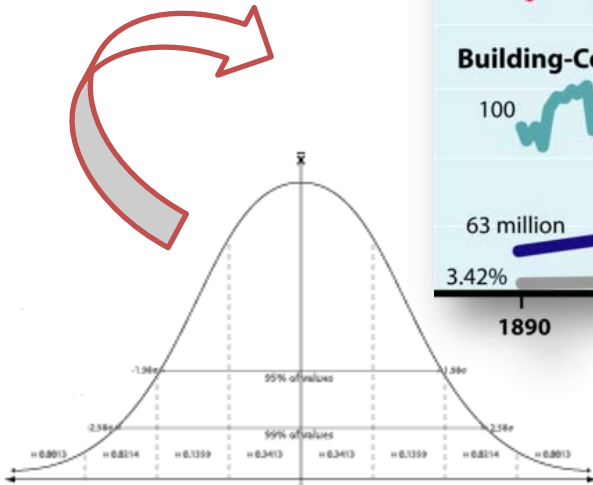


Statistically-valid statistics

Inflation-adjusted U.S. home prices, Population, Building costs, and Bond yields (1890–2005)

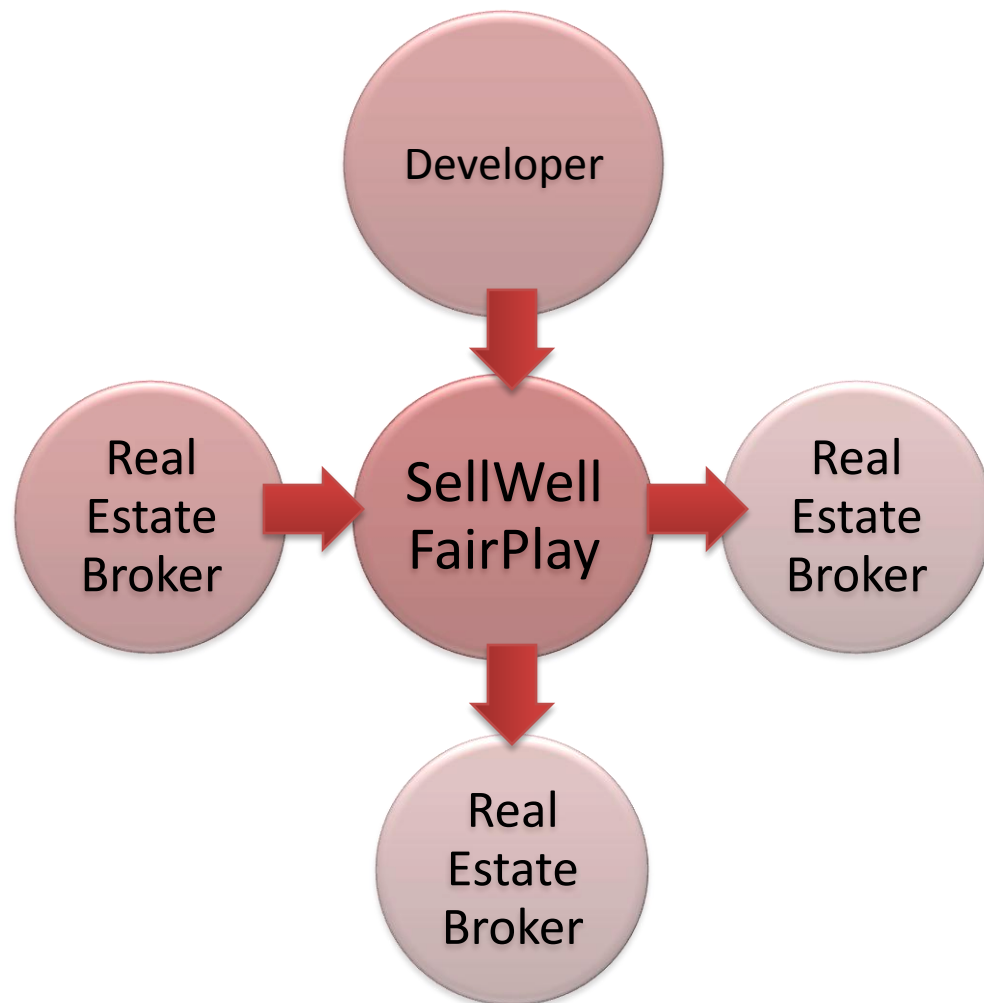


Source: *Irrational Exuberance*, 2d ed. (Fig. 2.1)





Information exchange platform / MLS





Subject Property

Suggested Price

\$400,000

Sold Price

\$0

Colonial

Original Price

\$400,000

Rooms: 10

BdRms: 4

Baths: 2

1/2 Baths: 1

3/4 Baths:



1 ANY STREET HOMETOWN, NH

Lot size: 65340 SqFt 1.500 Acres

Tot Fin SqFt: 3220 \$/SqFt: \$124

Fin SqFt Above Grnd: 3220

Fin SqFt Below Grnd:

Footprint: 30X58

Year Built: 1993

Driveway: Paved

Garage: 2 Car Att,Dir.Entry,AutoOpen

Exterior: Clapbd

Basement: Full,Bulkhead

Roof: Shngl

Heat Fuel: Oil

Heat System: Hw,Baseboard,MultiZn

Water Heater: OffBoiler

Electric: CirBrkr

Water: Prv

Sewer: Prv

Amenities:

Eat-in-Kit,MBR

w/bth,Cath.Clng,Deck,Cable,Firepl-Wood,1stF

IrLndry,ScrnPorch,Tennisrct,Ingpool

Equip/App:

Dishwasher,GasStove,CntrAir,Microwave,C

ntrVac,WindowTreat,Kitchen Island

Comparative Listings

List Price

\$398,500

Colonial,Contemp



42 ANY STREET HOMETOWN, NH

Lot Size: 95832 SqFt 2.200 Acres

TotFinSqFt: 3120 \$/SqFt: \$127

Fin SqFt Above Grnd: 2616

Fin SqFt Below Grnd: 504

Footprint:

Year Built: 1999

Driveway: Paved

Garage: 2 Car Under,OffStreet,Dir.En

Exterior: Vinyl

Basement: Full,Finished,Walkout,Daylig

Roof: Shngl

Heat Fuel: BotGas

Heat system: Ha

Water heater: Gas,Tank

Electric: CirBrkr

Water: Prv

Sewer: Prv

Amenities:

Eat-in-Kit,Pantry,MBR

w/bth,1stFIrLndry,Deck,Cable,Patio,Firepl-W

ood,UndGrUtil

Equip/App:

SecSystem,Dishwasher,ElecStove,Microwa

ve,SmokeDet

Sold Price

\$392,500

Original Price:

\$418,500

Rooms: 10

BdRms: 4

Baths: 2

1/2 Baths: 1

List Price

\$398,900

Colonial



130 ANY STREET HOMETOWN, NH

Lot Size: 78843 SqFt 1.810 Acres

TotFinSqFt: 3300 \$/SqFt: \$120

Fin SqFt Above Grnd: 3300

Fin SqFt Below Grnd:

Footprint: 30X46+24X26

Year Built: 1986

Driveway: Paved

Garage: 2 Car Att,AutoOpen

Exterior: Clapbd,Wood

Basement: Full,Unfinished,Bulkhead

Roof: Shngl

Heat Fuel: Oil

Heat system: Ha

Water heater: Elec

Electric: CirBrkr

Water: Prv

Sewer: Prv

Amenities:

Eat-in-Kit,MBR

w/bth,1stFIrLndry,ScrnPorch,UndGrUtil,Skylight,Firepl-Wood

Equip/App:

Frig,Dishwasher,ElecStove,CntrAir,Microwa

ve

Sold Price

\$400,000

Original Price:

\$398,900

Rooms: 9

BdRms: 4

Baths: 2

1/2 Baths: 1

List Price

\$399,500

Colonial



22 ANY STREET HOMETOWN, NH

Lot Size: 88862 SqFt 2.040 Acres

TotFinSqFt: 3161 \$/SqFt: \$126

Fin SqFt Above Grnd: 2769

Fin SqFt Below Grnd: 392

Footprint: 40X33 IRRG

Year Built: 1987

Driveway: Paved

Garage: 2 Car Under

Exterior: Vinyl

Basement: Full,Finished

Roof: Shngl

Heat Fuel: Oil

Heat system: Hw

Water heater: Oil,Sep.Booster

Electric: CirBrkr

Water: Prv,DrilledWell

Sewer: Prv,Septic

Amenities:

Eat-in-Kit,Pantry,MBR

w/bth,Cath.Clng,Attic,Porch,Deck,Cable,Und

GrUtil,Skylight,Firepl-Wood,CeilFan

Equip/App:

Frig,Washer,Dryer,Dishwasher,ElecStove,S

mokeDet

Sold Price

\$397,500

Original Price:

\$399,500

Rooms: 10

BdRms: 4

Baths: 2

1/2 Baths: 1

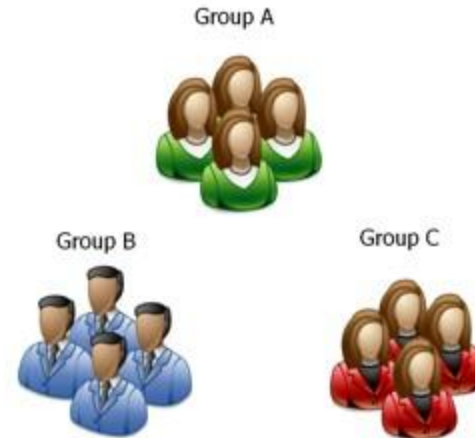


Tablou de Bord	Documente	Listări	Rapoarte	Căutare	Inchide Sesiunea		
Subiect Comparație		Comparabilă 1		Comparabilă 2		Comparabilă 3	
Criteriu			Corecție		Corecție		Corecție
Strada	Sos. Stefan cel Mare	Calea Serban Voda	0.00	Aleea Sportivilor	0.00	Calderon	0.00
Numar	24	64	0.00	27	0.00	34	0.00
Bloc	A	---	0.00	B	0.00	4	0.00
Scara	3	1	0.00	3	0.00	B7	0.00
Etaj	5	1	3000	2	2000	4	0.00
Ap.	45	3	0.00	11	0.00	3	0.00
Sector	2	2	0.00	3	0.00	2	0.00
Oras	Bucuresti	Bucuresti	0.00	Bucuresti	0.00	Bucuresti	0.00
Judet	Bucuresti	BUCURESTI	0.00	BUCURESTI	0.00	Bucuresti	0.00
Cod Postal	---	---	0.00	---	0.00	---	0.00
Reprezentare	Vanzare	Vanzare Rapida	0.00	Vanzare Rapida	0.00	Vanzare	0.00
Tip Proprietate	Apartament	Apartament	0.00	Apartament	0.00	Apartament	0.00
Comfort (Subcateg. Comfort)	C1 (Decomandat)	C1 (Semi Decomandat)	0.00	C2 (Semi Decomandat)	0.00	C1 (Lux)	0.00
Supraf. Lot	2.000,00	2.000,00	0.00	1.000,00	0.00	600,00	0.00
Camere	2	2	0.00	2	0.00	2	0.00
Supraf. Niv. 1	90,00	---	0.00	---	0.00	200,00	0.00
Supraf. Niv. 2	---	---	0.00	---	0.00	---	0.00
Supraf. Niv. 3	---	110,00	0.00	---	0.00	---	0.00
Stare Cladire	Reamenajata	Necesita Reparatii	0.00	Necesita Reparatii	0.00	Reamenajata	0.00
Nivele	---	65	0.00	27	0.00	---	0.00
An Constr.	1960	1930	0.00	1948	0.00	1996	0.00
Garaj	Descoperit	Stradal	0.00	Descoperit	0.00	Fara	0.00
Numar BVI	100186	100048	-	100117	-	100185	-
Stare	Salvat	Activ	-	Activ	-	Activ	-
Pret	110.000,00	74.000,00	-	120.000,00	-	98.000,00	-
Tip Proprietate	Rezidential	Rezidential	-	Rezidential	-	Rezidential	-
Pret Final	0,00	62.463,35	-	21.965,35	-	0,00	-
Pret Ajustat	99000.00	77000.00		122000.00		98000.00	

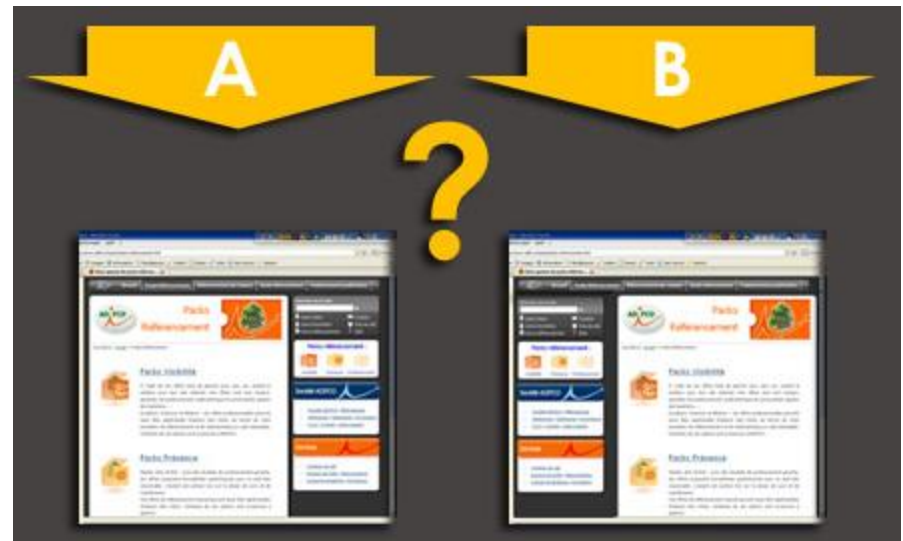


Marketing tools:

1) Market segmentation



2) A/B testing





	Non-specialist (i.e. your clients) DIY (Do-It-Yourself) FSBO (For-Sale-By-Owner)	Specialist (i.e. you) Full-service Real Estate Brokers
Plan (when should I sell?)	General press	Statistics
Prepare (how should I prepare?)	Point-and-shoot camera	Improvements, decoration, photography
Promote (how do I find a buyer?)	Classifieds (newspapers, “portals”)	Marketing, CRM, MLS
Negotiate (how do I get the right price?)	Haggling	Less emotion, more market analysis
Close (what paperwork do I need?)	Bureaucracy	Simplicity, automation
Payment (how do I get my money?)	Stress	Financing, escrow, insurance, safe



Call to Action

- ✓ Learn, practice, repeat...
- ✓ Differentiate yourself through the use of specialized tools
- ✓ Join RoREN to build the next generation information infrastructure for the real estate market

Thank you!