

HOW TO SUCCEED IN A CHANGING REAL ESTATE MARKET



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**There's a large gap
between information and
actionable knowledge.**

”

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WHY WE CREATED THIS EGUIDE

The real estate industry is going through a major shift. Unfortunately, there are few (if any) industry or news outlets accurately reporting on this shift, which is leading to further confusion for the consumer. As a result, many agents aren't adjusting to these changes.

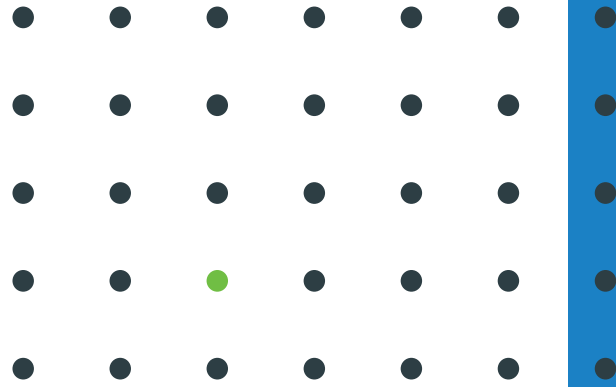
We created this resource to finally bring this new market reality into the light. In this eGuide, we'll discuss what this major shift means and how it has redefined the responsibility of the real estate agent forever. We'll also provide you with a guideline of **how to prove your value to your clients so you can easily separate yourself from your competition.**



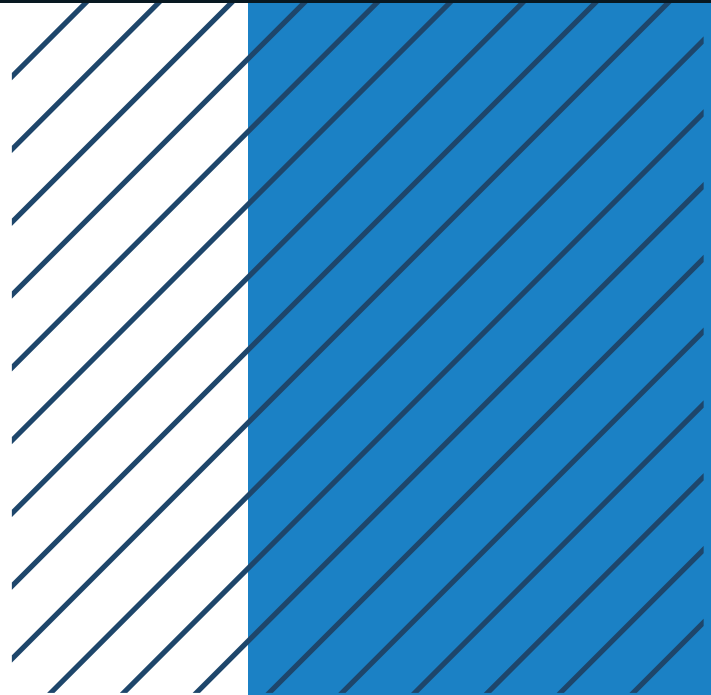


We wrote this eGuide to help agents raise the bar on what it means to practice real estate and, as a result, create a significantly improved experience for the consumer.

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THE NEXT BIG CHANGE



The real estate industry has navigated many changes over the past few decades. That's all been great practice for what we're starting to experience now and what will continue over the next several years.

Before we talk about the change, let's discuss the potential phases of change.

Any change in any aspect of life can cause people to go through four distinct phases.

They are:

- ✓ **CONFUSION**
- ✓ **CONCERN**
- ✓ **FEAR**
- ✓ **PARALYSIS**

Some people go through all four stages (as the real estate industry saw in 2008), while those who are proactive and remain calm may only experience the first one or two.

Our goal is to empower you with knowledge so you never pass the first phase, and thus help your clients to do the same.



The change everyone is talking about now (and that will continue into the foreseeable future) is:

- The perception that the real estate market is declining
- Prices are too high
- Affordability is at an all-time low
- We're going to experience 2008 all over again

Because of this, many real estate agents are in the confusion phase and on their way to the concern phase.

Let's set the record straight to clear up any confusion and concern, and to prevent you from moving into the fear and paralysis phases.

So, are we going to experience 2008 all over again? Certainly not.

Most people vividly remember the housing crisis in 2008. But this housing market isn't a bubble that's about to burst. The fundamentals are very different today than they were in 2008. So, we shouldn't assume we're heading down the same path.

The fact is that when you're knowledgeable about the situation and truthful with your clients, you will emerge as a true leader in the real estate industry.

“ This housing market isn't a bubble that's about to burst. ”

Remember that what you think, or even know, about the current housing market will have nowhere near as much impact as what the consumer believes.

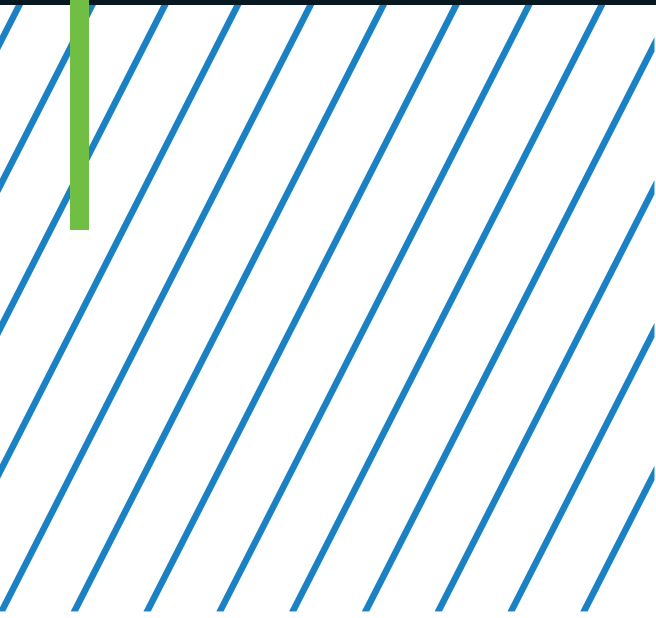
That's why it's your job to create a powerful narrative that simply and effectively explains what is actually happening and what it means to the clients you serve.

So, knowing that this shift is occurring, and knowing what your main role is, let's address how you can best help your clients.



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**REAL ESTATE IS BOTH
LOCAL & NATIONAL**





For decades, real estate agents have been taught to be fully informed on their local housing market. This is certainly valid advice, even today. However, true real estate professionals know that the national housing market has a big impact on the local market, and they have the tools to cultivate that knowledge and apply it to their clients' lives.

Why is the national housing market so important now? Realize that when a consumer has an interest in buying something, whether it's a house, a car, or even a gym membership, they go into a hyper-sensitive state of awareness. You've probably had this occur in your own life but didn't even realize it was happening.

The same thing happens when someone decides to buy a home (or sell their home). While prior to this decision they ignored the housing report on the radio, today they turn it up and really listen.

A few weeks ago, they skipped the housing articles in The Wall Street Journal, but today they read every word (and even bookmark it). In fact, now that they are in this hyper-sensitive state of awareness, they can't help but listen to and read all the national data.

For most consumers, their first context of the current market will be that of the national market, not the local market.



And that's precisely why you as the real estate professional must address the national market first, before you start talking about your local market.

As Ivy Zelman, Hall of Fame Institutional Investor Equity Research Analyst, said, "We would never suggest that a real estate company could be successful without fully understanding local market trends. But ignoring macro trends or assuming they do not carry the same weight would be an equally erroneous suggestion. In our experience, the most effective industry leaders appreciate the appropriate balance between the two ends of the spectrum."

For real estate agents, this means addressing

the national trends with clients before talking about the local market trends.

It can be as simple as stating: "This is what's happening nationally with real estate...This is what's the same and what's different from our local market..."

Taking this approach adds to your credibility and positions you as a true real estate professional.

So, yes..real estate IS local.

“ Taking this approach adds to your credibility and positions you as a true real estate professional.

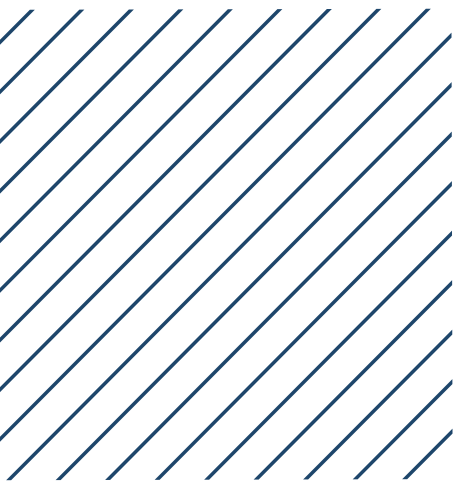
However, not taking into consideration the recent shifts in the national market would be like sitting on the beach in Miami on a beautiful day and not thinking about a hurricane forming off shore.

We did that in 2005-2006 when we, at first, convinced ourselves that the downturn in the market was limited to just the sand states.

But, being oblivious to the shift could deepen its consequences in your local market unnecessarily. Let's not repeat history and make that same mistake again.

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**HOW THIS CHANGE
REDEFINES THE ROLE OF
THE REAL ESTATE AGENTS**



The new reality for real estate agents is this:

- The real estate business has changed forever
- What worked in the past to make you a successful agent won't work today (or tomorrow)
- You need skills for this new market reality

What the consumer expects of real estate professionals today is very different than what they expected of them only ten years ago. The agents who don't evolve into what today's consumer demands will not survive.

What clients really want is someone who can...

- Analyze all the available information
- Connect the dots and let them know if now is a good time to buy or the right time to sell
- Take the time to explain their options—simply and effectively

It's a big change...and it's one you need to embrace to move forward.

To help put this change and the need for evolution in perspective, think of real estate as a NASCAR® race, and you—the agent—are the

racecar driver. Right now, you're driving in that race, and the track is taking a sharp turn.

To some agents this might be scary. But this is actually a tremendous opportunity. Why?

Because successful agents, like great racecar drivers, don't get paid to navigate the straightaways.

Think about it ... if anyone got into a racecar, hit the gas, and kept the wheel steady on a straight, empty road, they could drive very fast without a problem.

Navigating the straightaways is easy. But approaching a turn at 180 mph without either slamming the brakes or crashing into the wall requires true skill.

When things change dramatically, some agents (like novice racecar drivers) will hit the brakes. Yes, some even stop the car, pull over, and get out.

On the other hand, some agents keep going full throttle and crash. We don't need to explain why this is not a great strategy.

But the great agents (like the great drivers) see the opportunity in this turn. It's an opportunity for them to separate themselves from their competition.

The turn we're facing in the real estate industry right now is a tremendous opportunity for those who navigate it properly.

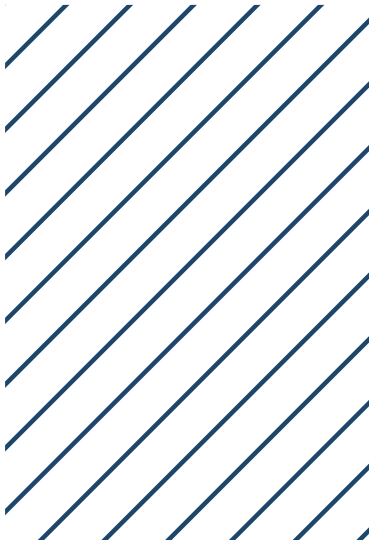
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**EXPERT ADVICE
DOES NOT MEAN
PERFECT ADVICE**



Don't be afraid of those two words: "expert advice."
Remember:

- "An expert doesn't give perfect advice"
- "An expert gives excellent advice"



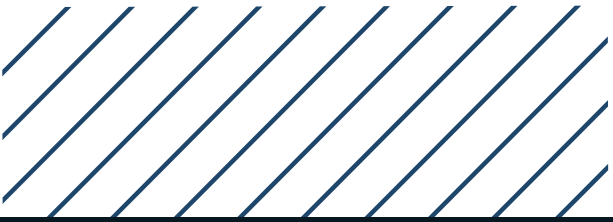
Here's the difference:

If you go to a doctor with a serious illness, she can't tell you how it's all going to wind up in the end. She doesn't know. If she did, she could give perfect advice.

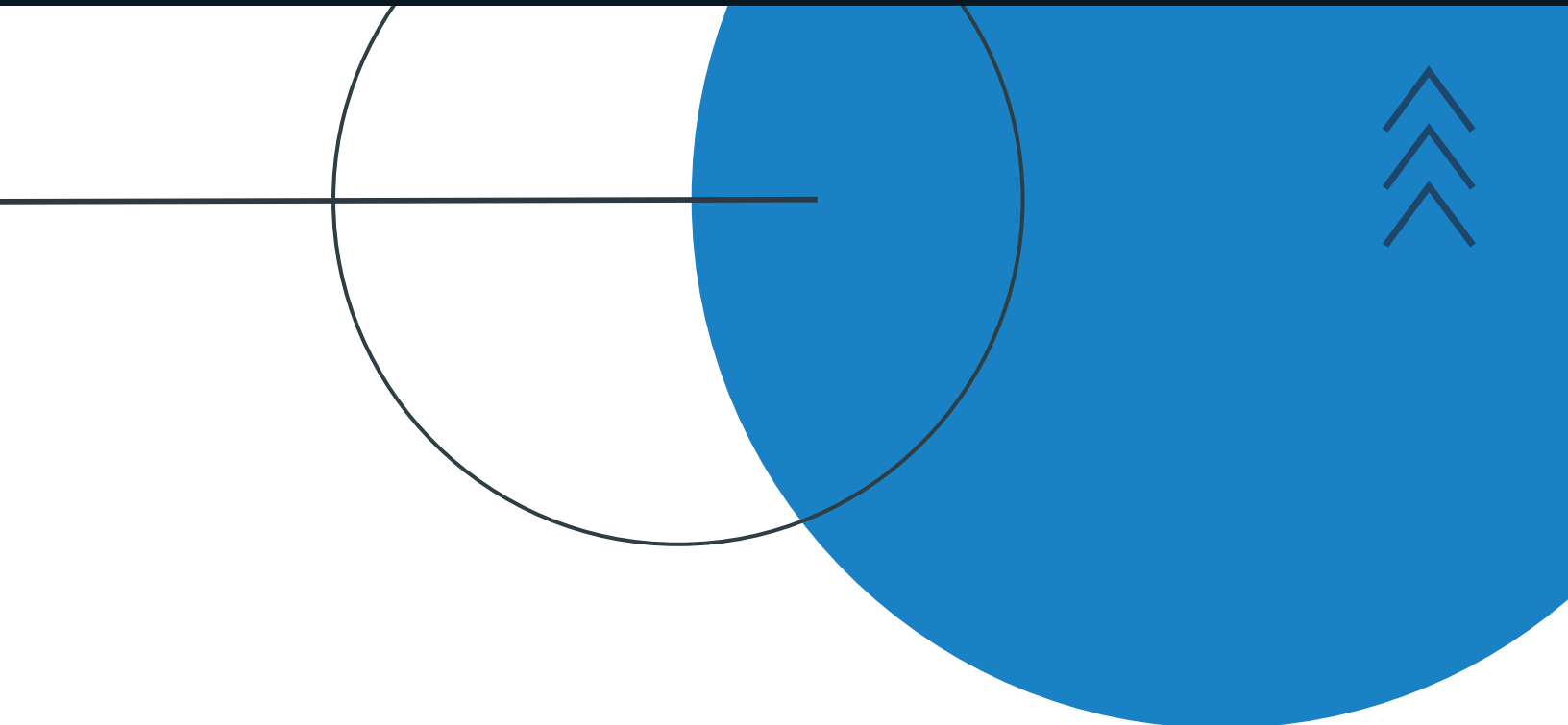
However, your doctor can give you excellent advice. She can use all of her professional knowledge and experience to try and lead you down a path to good health.

Your role as a real estate professional is similar to the role of the doctor. You can't give buyers or sellers perfect advice because you don't know what's going to happen—you can't predict the future.

However, you can give excellent advice based on the information and situation at hand. You can guide them through the process and help them make the necessary changes along the way, and that's exactly what your clients want.



**SUCCESSING IN TODAY'S
NEW MARKET REALITY:
GIVE EXCELLENT ADVICE**





“ People don't believe what you tell them, but they always believe what they tell themselves.”

- Seth Godin



What does it really mean to give excellent advice?

Two things:

- ✓ It means that your knowledge inspires confidence and certainty.
- ✓ It means that your knowledge takes away the clients' concerns.

This goes way beyond the sound bite answers salespeople in every profession are good at regurgitating.

This is about a depth of knowledge. When someone asks you a question, you can truly explain to them what their options are based on what's taking place in the market.



In order to know whether you have a depth of an answer, ask yourself three questions:

- ✓ Do I know what is truly happening in the market?
- ✓ Do I know why it's happening?
- ✓ Can I simply and effectively communicate both of these points—what's happening and why it's happening—to a consumer?

Knowing what's happening and why it's happening, as well as how to communicate those two things, are what make you an expert and trusted advisor.

It's what enables a buyer or seller to say, "I am going to have the courage to move forward. I'm no longer afraid of making a decision."

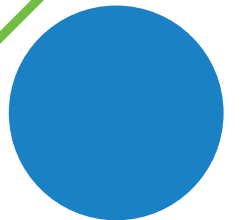
Seth Godin, one of the greatest marketers of our time, put it best. He said: "People don't believe what you tell them, but they always believe what they tell themselves."

When you're sitting with someone and explaining their options, you have to educate them. **Remember that they won't believe what you tell them.** That's why you have to bring them to the point that they understand what you understand. When you get them to that point, you're no longer telling them it's okay to buy or sell. Now they're telling themselves it's okay based on their understanding.



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WHERE'S YOUR HEART?



Dave Ramsey, the financial guru, said, "When getting help with money, whether it's insurance, real estate or investments, you should always look for someone with the heart of a teacher, not the heart of a salesman." He talks about our industry specifically

When you have the heart of a teacher, you're willing to take the time in every presentation to teach. It doesn't matter if you're having a conversation with a first-time home buyer or a seasoned seller; if you're taking the listing or negotiating an offer. **Every conversation is an educational opportunity.**

You shouldn't be trying to convince someone to do something (that's what salespeople do); instead, you should be helping your clients

“ When getting help with money, whether it's insurance, real estate or investments, you should always look for someone with the heart of a teacher, not the heart of a salesman.”

- Dave Ramsey



discover what their options are, explaining the pros and cons of each of those options, and then letting them make the decision that is best for them. That's what a trusted advisor with the heart of a teacher does.

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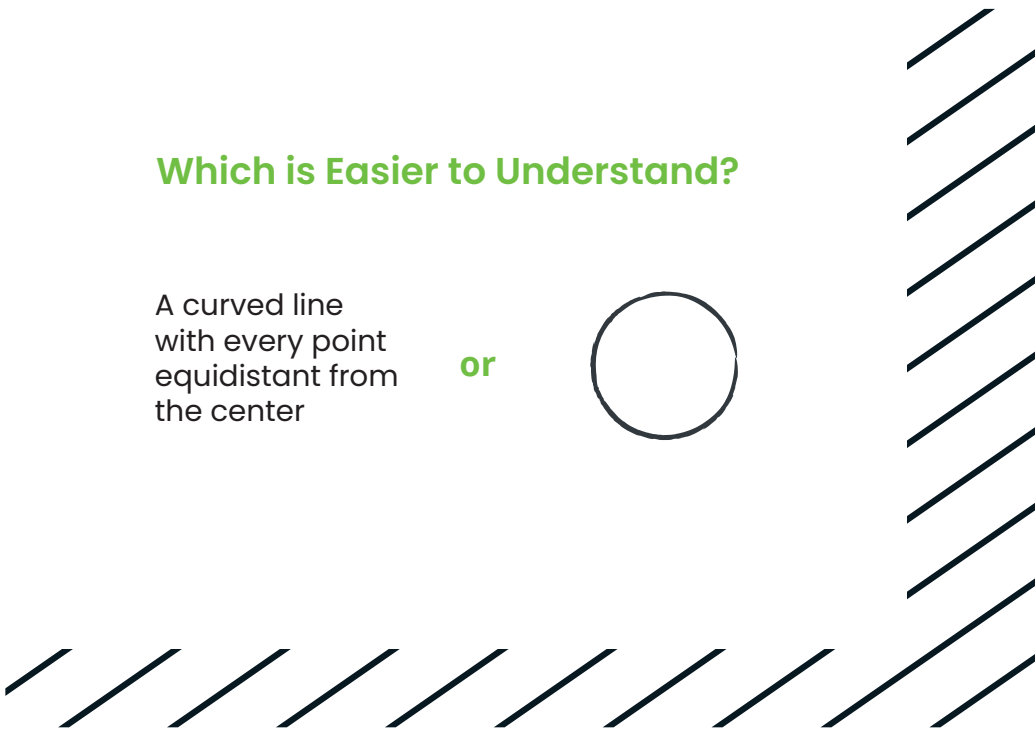
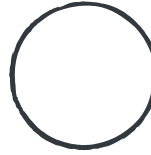
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**LEARN BEFORE
YOU TEACH**

Which is Easier to Understand?

A curved line with every point equidistant from the center

or



In order to teach effectively and with the heart of a teacher, it's important to understand how today's consumers learn.

A few generations ago people came home from school and were educated and entertained by radio—by the spoken word. That generation didn't have television or the visuals we have today. As a result, they were great storytellers. They could craft a vision with words alone.

Today, as we know, is a much, much different world.

As technology evolved, subsequent generations didn't sit in front of a radio; they sat in front of a

television or a computer. They learned to count watching Sesame Street, and they watched short YouTube videos to learn about something. Today, we're educated and entertained very visually.

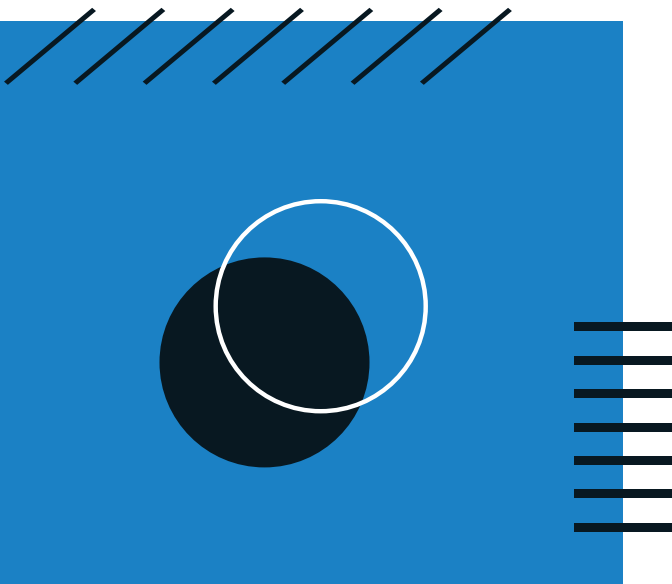
The way we process information changed from auditory to visually. **Simply telling them something isn't enough. They need to see it as well.**

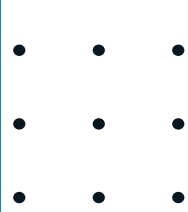
If you're not using strong visuals in all your communication with clients (face-to-face meetings, emails, newsletters, etc.), then your message and advice is not being fully heard or understood. Using visuals enables you to explain your clients' options in a way they can understand.

A classic study sponsored by 3M at the University of Minnesota School of Management shows that visuals are important in any presentation.

The study found that presentations that used visual aids were "43% more persuasive than unaided presentations."

Additional research at 3M has shown that "we process visuals 60,000 times faster than text." You've heard the saying "a picture is worth a thousand words," right? See the diagram above for proof of that.





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GO MOBILE





Education doesn't just happen at the formal appointments—listing presentations, presenting an offer, or sitting with a buyer in your office. For true professionals, the kind of education we're advocating needs to take place at the informal appointments too.

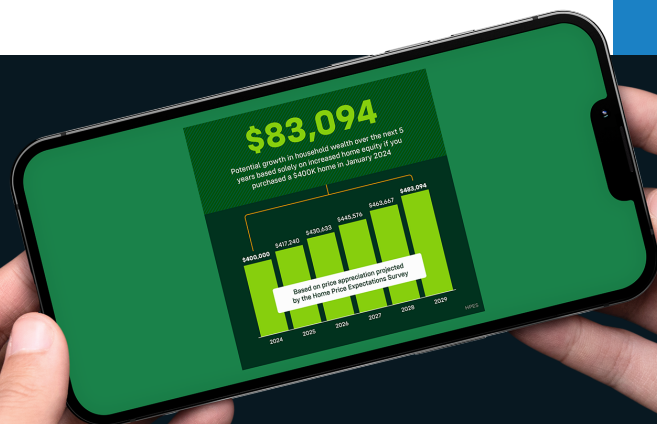
These are what we call the “pre-appointment” appointments, and they happen all the time:

- At one of your children's athletic events
- At the grocery store
- At friendly gatherings, family events, social media

These are the interactions that often lead to the appointments that we spend most of our time preparing for.

DID YOU KNOW?

Visuals increase retention **by 29–42%**





But how many of us prepare for these pre-appointment appointments? We know the basic questions they're going to ask, right?

- ✓ How's the market?
- ✓ Should I wait to sell my house?
- ✓ Is now the right time to buy?



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Do we prepare some very quick presentations (two to three visuals with an explanation) that cover these questions and have them ready on our phones or computers?

As an agent who thrives in this New Market Reality, you should be able to grab your phone and pull out graphs, charts and other visual information that helps explain what you want that person to understand.

If you do a better job at those pre-appointment appointments, you'll be invited to more formal appointments (and thus create more business).

The key to doing a better job at these pre-appointment appointments is becoming mobile with your real estate information and tools.



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PROVE YOUR LEADERSHIP AND YOUR VALUE



“ Until very recently, many agents didn't realize their value. That's because you can't prove how great you are during calm times. You prove your greatness during challenging times you tell them, but they always believe what they tell themselves.”

Until very recently, many agents didn't realize their value. That's because you can't prove how great you are during calm times. You prove your greatness during challenging times. Why is this important?

Imagine if the captain of a ship, at the first signs of rough waters, started running up and down the deck screaming "We're gonna sink! We're gonna sink!" The crew would start jumping off the sides, the captain-less vessel would likely crash and sink, and any cargo on-board would be destroyed.

As real estate agents, we're the captains of our own ships. There is a shift taking place in the market (rough waters). Let's not panic. Let's calm down. Let's simply plot a course that will bring our crew, our ship, and its cargo safely into port.

And, let's not forget the value of the cargo we carry. It contains our dreams, the dreams of our

families, and the dreams of our clients.

If you are confused about what the shifts in the market mean to you and those who rely on you, **Keeping Current Matters** was founded and built for one reason and one reason only: to be the lighthouse that the captains of the housing industry can depend on to help navigate difficult waters and bring their ship home safely.

So now it's your turn.

It's time to reflect on how far the market has come over the last ten years and then make a plan based on where it will be going the next ten years. Thanks to this eGuide, you have the tools to start planning your path to success now.

Remember: The agents who embrace this New Market Reality are going to be the dominant agents moving forward. They are ones who will win the race!

As you move forward in your real estate career, remember to plot out these three steps along the way:

Step 1 – Continually Educate Yourself

Whether you use the KCM membership or some other educational means, know what's going on and why it's happening. As Albert Einstein said, "Wisdom is not a product of schooling but of the life-long attempt to acquire it."

Step 2 – Be Able to Communicate What You Learn

Think of it as the ability to sing versus being on Spotify. If you can sing, but deliver your message on the equivalent of 8-track tapes, no one will listen to you.

If, however, you can sing and you publish your music online, you'll have a much higher likelihood of reaching your audience.

In real estate, this means making sure your client presentations are filled with impactful, relevant information that will help them gain clarity from the confusion in the market.

Make your presentations overly visual and so simple that anyone—even a child—can understand what is happening in the current market. Graphs, charts, and infographics are great formats to use.

Step 3 – Keeping Current Matters

You can have a tremendous understanding of key factors and wonderful visual materials to help make it easy for your clients, but if you're not updating these things on a consistent basis, you're lost.

Don't be caught with outdated information in your presentations and conversations. Do your homework and be on top of all the major news that will impact the current real estate market.

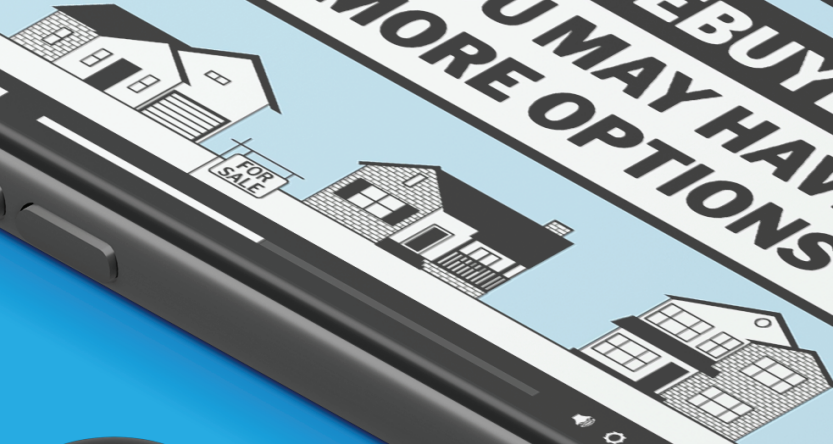
For most families, buying or selling a home is one of the most important personal decisions and possibly the largest financial decision they'll ever make.

They are looking for a true professional to help them through this process. Make sure they get one when you walk into their lives.





HOMEBUYERS: YOU MAY HAVE MORE OPTIONS



homebuyers. If you're thinking about buying a home, you're probably wondering how much you



A Real Estate Professional Can Help You

- ⌚ Weigh the pros and cons of the cost of waiting as repairs are completed
- 📍 Understand what buyers are looking for in your area
- 🌟 Highlight any upgrades you've already made by calling them out in your listing

Decide what you need to prioritize based on your home's condition

Library **Help** **Settings**



4:07



janesmithrealty
Peoria, Illinois

Posts



Find a good agent:

The advice and guidance provided by a professional real estate agent can be invaluable, particularly amid a hot or unpredictable housing market.

Bankrate

219 views

janesmithrealty According to a survey by Concentrix Analytics, the emotional benefits of homeownership seem to carry more weight than overall... more

View all 4 comments

August 5



PROFESSIONAL EQUITY ASSESSMENT REPORT

Let's take a look at the numbers to see how much equity you have in your home.



Estimated Value

\$550,000



Mortgage

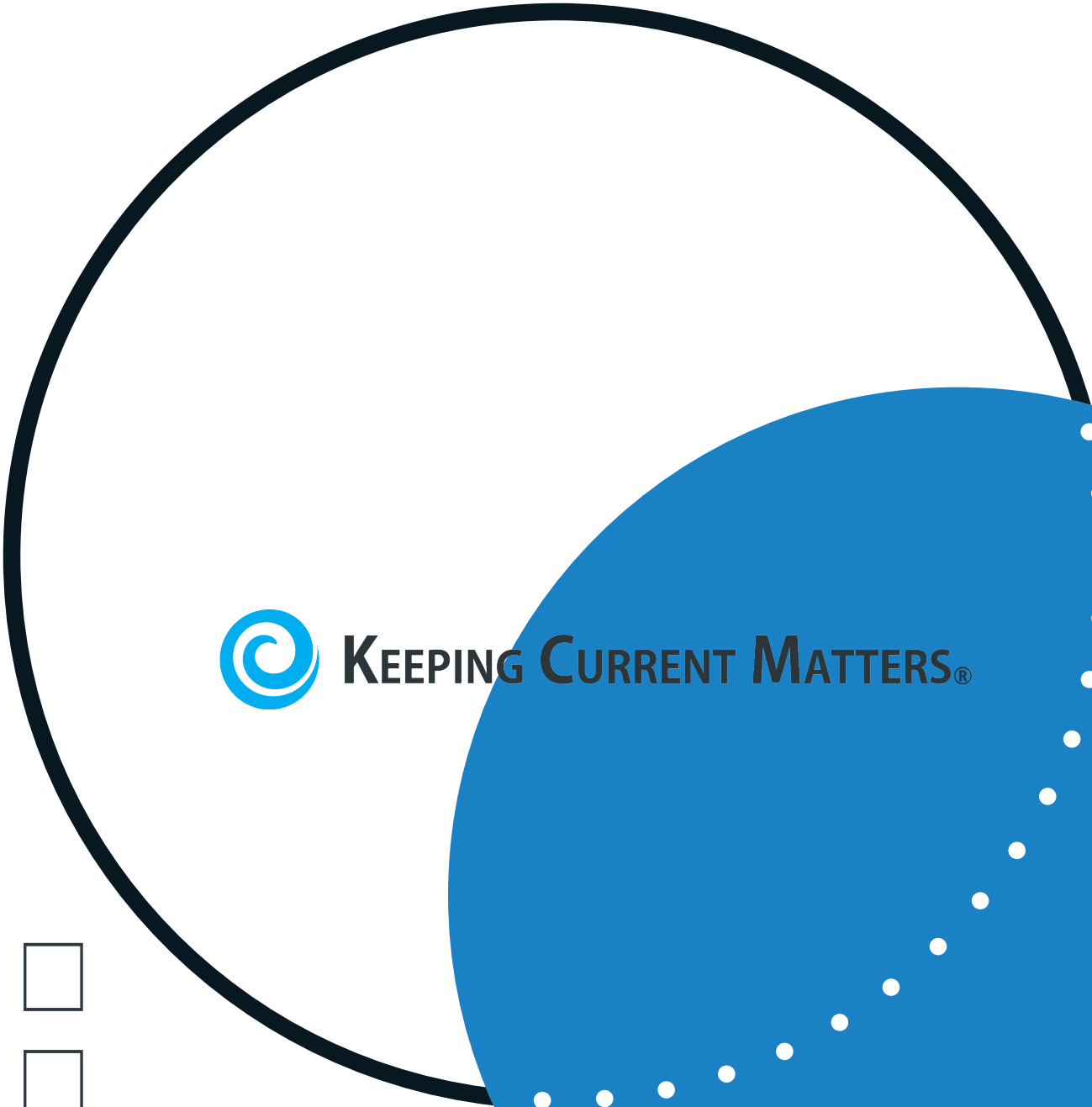
\$150,000



Equity Estimate

\$400,000

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KEEPING CURRENT MATTERS®

