

Here's Some of What I Learned at Last Week's NAR Convention

Every November, the National Association of Realtors holds its annual convention and expo. I'm writing this column from my hotel room on Monday night at the end of this year's convention, which was held in San Francisco's Moscone Center, Nov. 8-11.

One of my broker associates, **Kristi Brunel**, also attended. For the most part, Kristi and I attended different sessions and

toured the hundreds of expo booths separately too, so I can't speak for what Kristi learned, but we'll compare notes back in Golden and be happy to share and discuss implementation with our team of associates.

Two big trends bowled me over. The first was the surge in purchases of American real estate by Chinese

and other foreign nationals. There are both individual purchases by high net worth individuals, and block purchases by investors — primarily large corporations and REITs (Real Estate Investment Trusts), which prior to now were investing in commercial properties and apartment complexes, but are now buying single family homes by the hundreds, sight unseen, as rentals, using local brokerages. Golden Real Estate will be one of their Colorado companies helping these large institutional buyers acquire homes.

Also at this week's convention I signed up to list our brokerage's listings on China's largest domestic real estate website, www.Juwai.com, which carries real estate listings from across the United States and around

the world. All listings are translated into Chinese, and the website operates its own call center inside China to receive inquiries and forward them to us in English. This is the only way to reach China's high net worth buyers of American real estate because China blocks American real estate websites such as realtor.com and search engines such as Google.com

Since our agreement allows us to list up to 100 properties at a time, we are reaching out to other brokerages and agents about listing their high-end properties for them on this Chinese website.

What Kristi and I learned in the educational sessions we will be able to share with other broker associates who could not attend, because audio recordings of all 100+ sessions can be accessed online for free by us for the next 12 months.

Every time I go to a NAR convention, I spend more on products and

services than I do on registration, travel and lodging, and this year was no exception. Here are some of the purchases I made for Golden Real Estate at this year's expo:

- ◆ A device and software package to allow us to shoot better interior photos of listings, so that both the interior scene and views out the windows are perfectly exposed.
- ◆ A subscription to professional training videos and materials to use in sales meetings and one-on-one with broker associates to improve our collective skills
- ◆ An improved software package to provide email alerts to buyers and better monitor listings that they like
- ◆ A phone app that makes follow-up with clients easier and more effective
- ◆ A touch-screen kiosk we can install in public places to allow self-serve searching of active listings
- ◆ A creative advertising package.

REAL ESTATE TODAY



By **JIM SMITH**,
Realtor®

Why I'm Not Keen on Bonuses

As you probably know, the buyer's agent is usually compensated by the listing agent. It's called a "co-op" commission paid to the "cooperating agent."

Regardless of the commission the listing agent charges the seller, he or she typically offers 2.8% from that commission to the agent who produces the buyer. Back before the Justice Department said it constituted price fixing, there was a "standard" commission of 7%, and the "standard" co-op was 40% of that, which came to 2.8%. Although listing commissions are now competitive and therefore completely negotiable, the 2.8% co-op remained because brokers found that if they reduced that incentive, other agents wouldn't show their listings. I experimented one year with offering 2.5% and learned that very lesson myself. Now I offer 2.8% again — or more.

Sometimes under "broker remarks" (not visible to the general public), I'll see that a "bonus" of, say, \$2,000 is being offered "for a full-price offer" or for a contract by a specified date, but that practice has always made me uneasy for ethical reasons. Agents are required to act in their clients' best interest, and offering a bonus for producing a full-price offer constitutes an incentive to the buyer's agent for him or her to do the opposite — to act in his or her own best interest. And since the incentive is hidden from the buyer, there's the possibility that the agent won't disclose the incentive to the buyer.

This Week's Featured Foothills Listing

Huge Price Reduction in Conifer!

You'll see endless possibilities in this south facing 3,634-sq.-ft., 1-acre home at **31041 Haldimand Drive** in Conifer. It features a 3-BR, 2-bath main house as well as a mother-in-law apartment or guest suite above the garage that has 2 bedrooms and 1 bath. A very bright solarium which has a kitchenette and full bath was added in 1996, and is perfect for an office/studio/workshop or for entertaining. It is separated from the main home by the 2-car heated garage (it's at left in photo), providing a nice degree of quiet and privacy. The wrap-around decks showcase beautiful rock outcroppings. Originally offered for much more, the motivated seller has just reduced the price to **\$250,000**, which computes to only **\$69 per sq. ft.** — a fantastic deal! Take a video tour (on YouTube) at www.ConiferHome.info, then call broker associate Carrie Lovingier at 303-907-1278 for a showing!



Just Reduced to only \$69 per Sq. Ft.!



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