

To Tell the Truth- A Napa Valley Realtor Tells It Like It Is (Blog)

By Katie Somple August 2009

In 2008 my personal real estate income was less than \$75,000. Compared to 2006 and 2007 when I had a combined income of three quarters of a million dollars, let's just say, like everyone else, I've made a few adjustments. 2009 is looking to follow the 2008 income trend, or may be even less.

How does an established and successful real estate brokerage go from making \$750,000 to 75,000? What's more, how do I survive- and thrive? The answers are quite simple:

- A) My definition of success has always been based on the satisfaction and loyalty of my clients, and the integrity of my advice and knowledge, which are at an all-time high.
- B) When I started 10 years ago I committed to building a foundation of bricks, so that when financial storms rattle the windows and doors the structure would remain solid. In other words, it's business as usual as far as my advice, my attitude, and hard efforts; all remain intact, as if the good financial times are still rolling.
- C) Over the past year and a half I have spent more time advising my clients out of real estate transactions (and me out of commissions) than into them, because the market has been so unfavorable for sellers, and values may still be declining for buyers.
- D) Having been an entrepreneur of various businesses over the last 25 years I've learned to save during the good times.

Financial security allows a person with personal discipline the freedom and flexibility to give the most objective and honest advice at all times, no matter the personal consequences. I'm not looking for a gold star for telling the truth. I'm simply stating that need is need, and when you don't have need (or greed) the human condition of survival is less influential. Don't get me wrong. I like money and security. No successes have just dropped in my lap.

Like delayed gratification, personal discipline is a learned wisdom that results from making the wrong choices. Eventually you develop a strong sense of blind faith once you've cycled a few times both ways. When all is right with the world again, and I feel confident advising clients to pull the trigger on a listing or sale, I have faith that once again financial success will follow my current disciplines.

Currently I am one of the strongest broker proponents of sellers either getting real in this market, or getting out. Because of this I have not accepted many listing opportunities, except those with sellers who are more interested in getting sold than being "right" about the value of their property. My attitude about listing prices was much more bullish a few years back in the seller's market environment we experienced pretty much solidly from 2002 through the beginning of 2007. I pushed the envelope on several properties and set neighborhood records- when it was possible and made sense to try.

I may be entirely off the mark with this decision, but rather than take on unrealistically priced listings strictly for the advertising benefits of snagging buyers, I altered my marketing and advertising strategies toward being a buyer's agent. Like a great poker hand, buyer's are holding all the good cards. A broker with a solid portfolio of ace buyers has the upper hand, more so than an agent holding a near straight of listings with one missing number (a listing price that will sell). Plus, there is valuable currency for me personally in avoiding those uncomfortable arm-wrestling conversations with sellers about lowering the price of their house, or trying to come up with reasons (other than price) as to why their house hasn't sold.

This strategy may be entirely incorrect, but for better or worse, these bullet points are my road map for surviving the large gap between the earning curves of real estate :

Advice to your clients like you don't need the money.

The advice you give should be advice you'd employ yourself in the current economic environment.

Don't sugar coat. Tell it like it is and let intelligent people make the best choices for themselves based on solid and real facts and trends.

Focus on buyers during a buyer's market

Only take listings with clients whose motivations and expectations are in sync with the current market conditions

Work as hard as ever, as if income was directly and presently correlating with effort. It eventually will.

Hold steady to the belief that long-term financial success lives in the shadow of hard work and strong ethics.

Don't compare your efforts or income with anyone else in your field.

The integrity of my advice is the most valuable, long-term asset I possess.