

# Real Estate Digest

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## Tomorrow's Success Pinned to Today's Smart Technology Choices

Successful real estate companies of the future may not have any offices at all. They may simply provide access to meeting rooms and services. What they will provide is a central point of integration for agents, an all-important brand, and lots and lots of technology.

Technology will be the “new glue” of the real estate industry and it will occur because the needs are real:

- ✦ **Integration** — Brokers and agents need to have data flow across their entire business. Your Web data needs to work with customer relationship management (CRM) systems, and CRM systems need to feed marketing and customer interaction products.
- ✦ **Connectivity** — Many real estate companies today work in multiple MLSs. That might mean multiple MLS systems, interfaces and data formats. This creates more expense and overhead and can restrict efforts to provide services companywide. You need connectivity to all, and the more seamless, the better.
- ✦ **Data** — Today, brokers and agents need data well beyond MLS information. You need tax data, REO data, foreclosure data and marketing list data. You need demographic information and statistical information, and the list goes on.
- ✦ **Control** — Brokers need control over their technology solutions to train their agents consistently and deliver to consumers a common service experience through





each of their agents. With control you can deliver services efficiently and can truly differentiate yourself in the marketplace at every brand touchpoint.

✳ **Ease of use** — If systems aren't easy, agents won't use them. It's that simple.

Whatever technology solutions you ultimately choose, the rules remain the same: they must save you both time and money and help you deliver a higher level of service to your prospects and customers.

### Where to start?

Decide on the must-haves. You must have certain types of equipment and tools, but think about investing in solutions that can multitask and serve multiple purposes.

And when planning a new technology purchase, instead of looking at what's available, switch gears and ask this question instead, "What tools and services would best serve my customers' needs?" This will help you narrow down your choices and give you a competitive edge by delivering the types of services your customers really want.

Bottom line: The future is all about technology, but just like that treadmill in your den, it won't get you any results unless you actually use it with a plan and a strategy in mind.

## TRENDS

### Housing Economy Mixed, But Appears to be Strengthening



HUD has released its most recent scorecard of U.S. housing activity, and the data show "mixed signals" about the recovery.

The federal agency said home prices have risen slight-

ly but are still hampered by foreclosures. It added, however, that fewer homes appear to be entering the foreclosure process.

Data showed that 4.4 percent of prime mortgages were at least 30 days late, compared to last year when 5.9 percent of mortgages were late. Moreover, seriously delinquent prime mortgages — those at least 90 days late or in foreclosure — remained approximately 22 percent below a high of 1.9 million recorded last year.

Confirming that trend, RealtyTrac's recent Foreclosure Market Report shows that foreclosure activity has decreased on a year-over-year basis in 178 out of the nation's 211 metropolitan areas.

"Foreclosure activity slowed in 2011, especially in the most foreclosure-saturated markets," said James J. Saccacio, RealtyTrac CEO.

"These dramatic decreases indicate the foreclosure pipeline continues to be clogged in many local markets across the country, sometimes by a glut of already-foreclosed properties that are not selling quickly, sometimes by a mountain of improperly filed foreclosures that are blocking the inflow of new foreclosure filings — and sometimes by both."

Las Vegas continued to post the nation's highest metro foreclosure rate, with one in every 19 housing units receiving a foreclosure filing during the first half of the year.

## MARKETS

### Rental Market Strengthens



Apartment building owners continue to enjoy the benefits of the struggling homeownership industry, seeing occupancy rates at consistently high levels over the last year and a half, according to the National Multi Housing Council.

NMHC Chief Economist Mark Obrinsky said that for the fifth time in the last six quarters, its four key in-



dices — market tightness, financing, sales volume and equity financing — are all showing improvement over the prior three months.

“All four indexes were at or above 70,” he said. (Any reading above 50 indicates improving conditions.) “This is only the fourth time since the survey began in 1999 that has happened, and three have been since July 2010, a sign of the breadth of this recovery.”

## Population of Rural America Declines Again



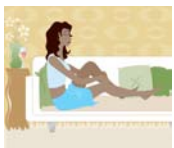
Only 16 percent of America’s population now lives in rural areas, and in the next few decades many small communities will shrink to ghost towns, according to an analysis of Census Bureau data.

Arkansas, Mississippi and north Texas could face significant population declines as young people leave for greater opportunities in urban and suburban areas.

In the 2000 Census, the number of Americans living in rural parts of the country was 20 percent. In the 1910 Census, 72 percent of Americans lived in rural areas.

### MORTGAGES

## NAREB Announces \$800 Million Minority Initiative



The National Association of Real Estate Brokers is joining with Wall Street investors to launch an \$800 million Homeowner’s Assurance Program (HAP) to address the effects of the mortgage crisis on minority families and their communities.

Through the program, NAREB’s partners will provide an infrastructure to acquire, manage, market and dispose of non-performing loans and REOs in urban and rural communities across America.

NAREB said the investors have committed to providing the initial capital for the purchase of non-performing loans and REO assets up to \$200 million per quarter beginning in third quarter 2011.

The program was created in part to address a disturbing trend: the median wealth of white households is 20 times that of black households and 18 times that of Hispanic households, the largest gap reported since the government began keeping wealth statistics 25 years ago.

The study by the Pew Research Center found that the collapse of the housing market and subsequent economic decline took a far greater toll on the wealth of minorities than whites.

It found that from 2005 to 2009, inflation-adjusted median wealth fell by 66 percent among Hispanic households and 53 percent among black households, compared with just 16 percent among white households.

As a result of these declines, the typical black household had just \$5,677 in wealth (assets minus debts) in 2009, the typical Hispanic household had \$6,325 in wealth and the typical white household had \$113,149.

### INDUSTRY

## FSBO Founder Uses Agent to Sell NY Condo



Colby Sambrotto, founder of the [ForSaleByOwner.com](http://ForSaleByOwner.com) Web site, was forced to resort to a real estate agent to sell his New York condo, according to an article in *The Wall Street Journal*.

The broker, Jesse Buckler, sold the unit for \$2.15 million and, the Journal said, received a six percent commission.



The newspaper said Sambrotto attempted to sell the condo himself for six months using the Web and online listing services.

When he turned the listing over to Buckler, the agent increased the list price by \$150,000 — saying the condo had been too cheap to attract the right buyer.

## TECHNOLOGY

### Beware When Connecting To Public Wi-Fi Hot Spots



Cyber criminals can conduct electronic eavesdropping, known as “sniffing,” by tapping into your information via public Wi-Fi hotspots and downloading or storing it for review later, security experts warn.

Many Web sites, such as banking sites, are encrypted. But the information you transmit from your laptop over a public Wi-Fi network to access that information may not be, says Kelly Davis-Felner, marketing director for the Wi-Fi Alliance, a global nonprofit industry association.

Another danger that security experts warn about is logging into a public hot spot home page that can be a phishing scam. The page may trick you to reveal your credit card number, birth date or other personal information that could put you at risk for identity theft.

“You should always assume the worst and that you don’t have security protection and conduct yourself accordingly,” says Davis-Felner.

Some road warrior professionals use a virtual private network (VPN), which is software that protects data transmissions when accessing any work data. Others are also using a MiFi, a secure mobile Wi-Fi hotspot over a cellular network, to keep their data safe from attacks.

If at all possible, wait until you’re on a password-secure private network

before hitting the send button on any email containing sensitive data.

### Four Ways to Keep Your Phone Safe From Hackers



Your smartphone likely contains a lot of personal and business information. But if you’re not careful, you can easily open up your smartphone to attacks from hackers.

- 1 Lock your phone.** Most people keep their phone unlocked for ease of use, but if your phone was ever misplaced or stolen, you’d give thieves an open ticket to access everything on your phone. Use a password-protected screen lock to keep your phone secure. Also, if your phone has a SIM card, set a PIN code for the card—if the phone is ever lost, nobody can use the card.
- 2 Be cautious of apps that ask for too much extra information.** Use common sense: If an app that you are downloading is for a calculator, for example, and it requests Internet and contacts permissions, you’ll want to avoid it. Cyber-thieves often exploit smart phones by creating a good app with some extra code and overreaching permissions.
- 3 Be sure to log out of all Web services once you’re finished.** By staying logged in on Web sites, you could open up your sensitive information to cyber-attacks from sites you visit, such as your banking or e-mail. While desktops tend to have a timeout period after you remain inactive for some time on a Web site, many devices granting mobile access do not.
- 4 Check reviews of apps.** Before you download a new app, be sure to read reviews. Be skeptical about any apps that don’t have many reviews yet and new ones recently added, which may have privacy and security problems.



## AGENTS' CORNER

### Keys to Winning Landing Page Conversions



Think of the work it takes converting a visitor on your website to a client as similar to baking a batch of perfect, award-winning chocolate chip cookies. For your award-winning cookies, you need to first identify all of the right ingredients, then gather, measure and mix those high-quality ingredients in just the right quantity and order. Poorly measure the flour or settle for a lower-quality grade of chocolate and you're headed straight down the path to mediocrity.

Here are two key successful conversion ingredients:

**1 Create a clear vision and singular purpose.** Effective landing pages are designed with a singular goal in mind. There are many landing pages that either never had a clear mission in the first place or, through poor execution, fail to deliver on that mission. They often try to sell the product of interest to visitors, but then dilute marketing efforts and disrupt the shopping experience by too prominently trying to cross-sell additional products before visitors are sold on the primary product. These landing pages simply distract with too many attention-grabbing elements and calls to action.

Don't fall into the trap of thinking, "Since we've worked so hard to drive this visitor to our site, we want to make sure we get something out of it." Most visitors to your website arrive with a specific problem to solve. It's your job to anticipate that problem and craft your page around convincing them you have the solution they need.

Ask yourself: What's the primary purpose of this landing page?

Then focus all your web elements around accomplishing that goal.

**2 Create compelling headlines and descriptive subheads.** Headlines and subheads are your opportunity to grab the visitor and say, "Yes, you're in the right place and we have exactly what you're looking for." Effective headlines are those that prominently and instantly tell visitors that it's worth investing their time to scan your page.

Crafting effective headlines and subheads can sometimes be the most challenging task of all of your web page ingredients. You must concisely tell your visitors what's on the page. More importantly, communicate the main benefit of your product or service to them.

Here's a tip: Be sure your headline and subheads answer the visitor's question, "What's on this page and is it right for me?"

And here are a few more tips for getting the most from your website:

- ✱ Feature peer, client or expert reviews and give users the opportunity to get feedback from friends.
- ✱ Apply the principles of scarcity, which includes noting why listings are expected to get snapped up soon.
- ✱ Maximize the power of faces, with photographs of clients looking directly at the camera to make them more relatable.
- ✱ Tell a story, by walking the entire journey with clients and using human language instead of clichés.
- ✱ Seek commitment from site visitors, asking them to enter their e-mail addresses to be contacted when a new property meets their criteria.



## Should You Add Rentals to Your Services?



A sluggish housing market may be biting into your revenue stream — that's why more real estate professionals are finding rentals can be one way to generate extra income for your business. Real estate professionals are also finding it an opportunity to help save some homeowners from foreclosure by helping them turn their at-risk homes into rentals. It also can lead to new

business: Other homeowners find turning their current property into a rental frees up money to go purchase another property, and renters may also turn into homeowners.

By 2015, an estimated 4.3 million more rental units will be added to the market, and 1.8 million fewer owned-homes, according to David Vivero, CEO of RentJuice, which provides online rental relationship management software to real estate professionals. In other words, 463,000 home sales may be lost by 2015, which could be worth \$2.4 billion in lost commissions. On the other hand, 150 million leases will be signed, worth \$6.8 billion in commissions.

"If you offer only sales, [a total of] \$11 billion in commissions [will be] out of your reach," Vivero told attendees.

While commissions from leasing rental properties are smaller than for selling homes, they can provide "a steady income stream" that "help keep frustrated agents afloat," Vivero added.

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