

A publication of Michigan REALTORS®



MICHIGAN REALTOR®



A NEW VANTAGE POINT!

PLUS: Time for YouTube **True Market Value** Get Listings Sold **Primary Election Recap** Building a Neighborhood Strategy





open your eyes

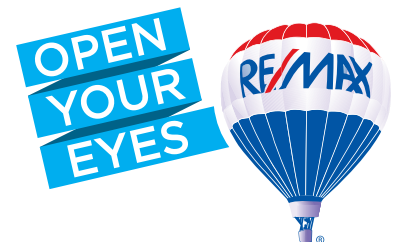
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Centennial Hashtag Contest

In March 2015, Michigan Realtors® will celebrate 100 years in the real estate industry. Thank you to all members who have entered their hashtag ideas into the contest. The contest is now closed and the top 5 entries will be chosen in September. The top 5 will be featured in an online voting poll with the winner announced during the Convention & Expo this October in Grand Rapids. *To learn more, visit www.mirealtors.com/Education/Centennial*

Centennial Saturdays

Join us each Saturday on www.facebook.com/mirealtors as we share a photo from our association's great history. Do you have a picture you would like to submit for consideration on Centennial Saturdays? Email us at centennial@mirealtors.com to enter. Please include a year or timeframe, photo description and keep images under 2MB in size. Check back each weekend for a new photo and memory.

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There's a lot more value to Michigan Realtors® than meets the eye

"You don't get paid for the hour. You get paid for the value you bring to the hour." – Jim Rohn

Sometimes we take our profession for granted until questions arise in which we must explain our organization, benefits and value. In July, I welcomed the fourth generation, my son, to our industry.

Over the course of his real estate (online) class, many questions were asked of me regarding the mechanics of the real estate industry. My son, James asked specific questions regarding title, subdividing, mortgages, liens, acreage, fair housing and a multitude of important subjects anticipated to be featured on the state real estate exam. The answers that I shared were not too difficult, as I had passed the exam many years ago and I currently use much of the classroom information routinely while listing and selling real estate.

The real surprise to my new licensee was not the classroom information and intense exam but the realization that once you become a licensee you must join our association, and that costs money! Suddenly I found myself defending our profession and explaining the value of the three-way agreement and the annual dues we all contribute to our association.

I was asked, "what is the three-way agreement?" In plain language, it means that when you become a Realtor® you join three levels of the association: local, state and national. When the founders of the Realtor® association created our existence, they created a foundation of support to our members designed to endure throughout the years: the three-way agreement. This agreement provides a framework for effective communication, delivery of products and services and enforcement of the Code of Ethics. It also provides the most effective grassroots lobbying organizations of any kind. No single-level organization is strong enough to do what we can do collectively. I proudly described how our association defends homeownership at local, state and federal levels. For instance, when the federal government proposes to threaten mortgage interest deduction, making homeownership more difficult for families, we rally and contact the decision makers in Congress. It's all about strength in numbers and conviction. It takes a three-level organization, each with special collective strengths and skills to react as a response team fighting for private property rights and for our business interests.

Seasoned Realtors® have witnessed the benefits of advocacy amongst the most valuable benefits of membership, but there are truly hundreds of the association's value-adding services that put money in member pocket and shape the environment. Here are just a few that I highlighted for my son:

Advocacy:

- Protecting private property rights
- Advancing sound and reasonable lending standards and access to credit
- Advancing sound environmental policies
- Assisting in improving communities and enhancing home values

Business Advantage:

- Promoting the trademark and Realtor® adherence to a Code of Ethics
- Managing the top-level Realtor® domains
- Identifiable brand identity

Research:

- Monthly existing real estate sales data
- Housing affordability index
- Buyer profiles
- Seller profiles
- Market buying trends

Member Education:

- Efficiently and effectively facilitating cooperation between Realtors®
- Increase professionalism through designations, certifications and continued education credits
- Providing mediation and advanced professional standards training

This list continues, as does the value of our association. After subscribing to the three-way agreement the evidence becomes clear.

Where else can you begin your own business, be in control of your destiny and receive such great benefits for a nominal membership fee?

For example: 2013 Annual dues allocation for the National Association of Realtors® membership:

\$35 - Consumer Advertising Campaign (2013 held 2000 television/ 5000 radio spots advocating for home ownership)

\$40 - Realtor® Party Advancement Initiative (targeted state & local real estate homeownership advocacy)

\$28 - Government Affairs, Political Affairs, Economics & Research, Regulatory Affairs, RPAC, Public Affairs

\$18 - Second Century Initiatives: Realtors® Property Resource, HouseLogic, Real Estate Today Radio, new real estate domain, Commercial (eProperty Data)

\$34 - Remaining NAR'S Services (Legal, Communications, International Policy, Commercial, Education, Marketing, Affinity Partners, Business Specialties, Wholly Owned Subsidiaries, Center for Realtor® Technology)

Total: - \$155 Impressive; not one penny of member dues is allocated to the leadership and governance of NAR. (information as published by National Association of Realtors®)

As I told my son, "Price is what you pay-value is what you get."

As a new comer or a seasoned professional, I encourage any and all to recognize the incredible business benefits and value of Michigan Realtors® membership. There are over 1,000,000 member professionals and world-class staff focused on YOUR success. ●

02

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COMING EVENTS

September 3, 2014

Michigan Realtors® District Director Elections

Online voting polls open

Realtors® (based on home address) in Congressional Districts 1, 4, 6, 9, 11 and 14 have the opportunity to vote for their director, who will serve as a representative on the Michigan Realtors® board of directors. This is a One Realtor® One Vote election. Plurality wins.

www.mirealtors.com/District-Director-Elections

October 2, 2014

Michigan Realtors® District Director Elections

Online voting polls close

October 1-3, 2014

Convention & Expo

Amway Grand Plaza Hotel & DeVos Place, Grand Rapids

November 7-10, 2014

REALTORS® Conference & Expo

New Orleans, LA

June 7-9, 2015

Michigan Realtors® Centennial Celebration

Grand Hotel, Mackinac Island

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NAR REALTOR® Action Center App

Get the latest political news and headlines on issues affecting REALTORS® and take action on a Call for Action right from your phone.

Go to www.realtoractioncenter.com/realtor-party for details, or scan the QR Code.

And that was just the Primary...

Last month's whirlwind primary election had all of the dramatics of a general election. August 4th saw its share of upsets, mudslinging and come-from-behind victories. Campaign volunteers were out in full force to make sure their candidate made it across the finish line. If this is how the primary turned out, just wait until the General election.

Candidate Elections

Based on RPAC endorsements, this was a very good election for Realtor®-friendly candidates across the state. The Michigan RPAC Trustees made endorsements in 122 of 148 state legislative races (110 seats in the Michigan House, 38 seats in the Michigan Senate). RPAC-endorsed candidates were successful in 113 of those races. That's over a 92% success rate for our endorsed candidates. For many seats in Michigan, because of the partisan break down, the primary election is "the election" as far as making it through the general. Which means that many of these endorsed candidates will be your next State Representative and State Senator.

There were some thrilling RPAC victories like Realtor® Dave Maturen (R- Portage) in the Michigan House 63rd district. There were also some unfortunate losses like incumbent Representative Frank Foster (R- Petoskey) in the Michigan House 107th district. As you may recall, Representative Foster is the lead sponsor of House Bill 4135, to expand the Michigan Principal Residence Exemption.

The next step in the process is for local interview committees to regroup in those seats where an RPAC endorsed candidate was unsuccessful in the primary, and determine if there is another candidate deserving of the endorsement, or if the best decision is to stay out. Additionally, a few local interview committees decided not to conduct interviews or make endorsements based on extraordinarily crowded primary fields; those decisions will also be revisited.

Proposal 1 Passes

One of the aforementioned come-from-behind victories was Proposal 1. The ballot initiative, supported by the Michigan Realtors®, fully implements the elimination of the state's Personal Property Tax (PPT). The ballot question was the lynch pin in the phase-out of the PPT. While the PPT

elimination was signed into law and many small business already started taking advantage of it, constitutional limitations required Michigan voters to approve the rededication of a portion of the state's Use Tax through a new authority in order to reimburse local governments for lost PPT revenue.

Getting people to vote "Yes" on a ballot initiative is no small task. It's been proven time and again that the general reaction to ballot initiatives is negative. It's made especially difficult when it relates to the subject of property and taxes. Indeed, going into the final weeks of the campaign, many polls showed Prop 1 below 50% support, which is generally a bad sign. The low support rate combined with late opposition from some local officials caused many political pundits to peg its chances as "tenuous at best". On Election Day, early returns painted a much different picture and by approximately 10pm, its success became all but certain. The proposal passed with nearly 70% approval.

The passage of Proposal 1 is a significant victory for small business and manufacturers alike. Currently, small business PPT payers (\$80,000 in personal property) are enjoying an exemption from the tax. Now, the vote begins to phase the tax out for the large manufactures over several years. This is important to Michigan's continued recovery because it provides businesses with an incentive to invest and puts our state on competitive footing with neighboring states that have already removed this onerous tax.

However, it may be a little early to do a victory lap. Within days of the election, Warren Mayor Jim Fouts issued a statement that he plans to file a suit with the Court of Claims to invalidate the vote. According to the statement, the main challenge in court is over the ballot language, which Mayor Fouts calls "confusing" and "blatantly unlawful and fraudulent." I will predict that the suit will only be a minor speed bump on the road to full implementation, but it is always important to be vigilant.

Don't forget about legislation

Though the only news out of Lansing over the last few months has been election-related, there is still a fair amount of legislating behind the scenes. Michigan Realtors® staff is participating in a number of work groups on several issues that will take center stage when session starts back up.





**Based on RPAC endorsements,
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Realtor®-friendly candidates
across the state.**



Additional legislation to fully implement the continuing education changes signed into law in May will be forthcoming. The transition to the new system is going well and discussions with the department, technology consultants, and continuing education are beginning to create a plan for a smooth transition. The follow-up bill will make clear the role that the association will play in the tracking and approval of courses.

Association staff has also been working on House Bill 5202, sponsored by Representative Mike McCready (R- Birmingham). This bill would allow special assessments to be collected in the same manner as property taxes, meaning that no longer would there be a lien on the property required to be paid off in full at the time of closing. Instead, the special assessment would run with the property, allowing the owner to pay only for the years they enjoy the assessment. Rep. McCready believes that this bill would provide an incentive for property owners to support special assessments for road improvements.

Speaking of roads, the legislature will again revisit legislation to devise a long-term road funding source. Before breaking in June, the House and Senate both tried their hand at funding solutions that ultimately ended without compromise. This is still a top priority for the Governor and an issue that candidates are sure to hear about on the campaign trail. Throughout

the road funding discussions, Michigan Realtors® continues to protect against expanding taxes affecting property and to make sure that a sales tax on services remains off the table.

November and beyond

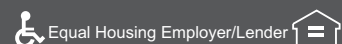
Enjoy the brief reprieve from the political ads, mailers, and phone calls. It won't be long before November rolls around and they start up again. I would also like to give the sincerest "thank you" to all of the volunteer members that serve on the local interview panels. The strong advocacy of this association begins with you. ●



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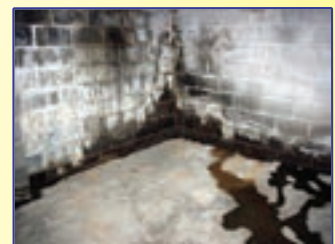
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Are **You** on
You Tube
Yet?
If not now,
when?

BY JUANITA MCDOWELL

Are you ready for some “get real” marketing advice? If video marketing was not part of your digital footprint in 2013 (dubbed the *Year of Video*), it's time to rethink your marketing plan. More than any other social network, YouTube is the web site upon which consumers rely to learn about products and services. The statistics are mind-boggling:

- More than 1 billion unique users visit YouTube each month
- Over 4 billion hours of video are watched each month on YouTube
- YouTube is localized in 53 countries and across 61 languages

Intrinsically, we understand the value of YouTube. We know that 85% of Internet users watch online video (Source: Comscore.com). More often than not, if we search Google on a topic, we are bound to see a YouTube video in our search results. Even knowing this, most agents have not taken steps to engage in online video marketing. According to NAR, less than 15% of real estate agents use YouTube.

I believe that one reason is the fact that most agent marketers mistakenly see YouTube as only a video sharing site. If you feel this

way, you have underestimated YouTube's power and reach. While there is some debate over its position as the #2 search engine, one fact stands firm; people around the globe heavily depend on YouTube videos for information, advice, and expert guidance. By not leveraging the popularity of this platform as a search engine, you are failing to understand its potential and its ability to generate new leads for your real estate business.

“BUT I'M NOT READY YET. I'M WAITING ON THE RIGHT TIME.”

I can hear the chorus of “Buts” as I type these words. I've heard several reasons from students and business clients on why they refuse to embrace YouTube as a marketing tool. Let's identify and address the most common reasons.

“HEY, I MAINTAIN A BLOG. ISN'T THAT ENOUGH? WHEN AM I SUPPOSED TO SELL REAL ESTATE?”

Blogging is indeed an important part of your marketing mix, but for most consumers video is easier to consume and digest than the printed word. If given the choice to read a blog post or watch a video on the same topic, most people would opt for the video.

It's also important to note that YouTube makes it easy for you to share links or embed your videos on your blog, as well as other social media websites. Now you have a clever content

strategy in motion. You have a blog with a balanced combination of written and video content and you have extended your reach to the world. I may never find your blog post, but I might find your video while searching Google or YouTube.

“I NEED TRAINING AND INSTRUCTION ON HOW TO DO THIS.”

Fair enough. Consider starting with YouTube's Help Section. It provides excellent “How-to” instructions on getting started. Here you'll find everything from how to create an account, how to upload and edit videos, and more.

Link: <http://bit.ly/XBX3Xh>
OR Code:



“WHERE DO I START WITH CREATING VIDEO CONTENT?”

Take a hint from several top agent YouTubers. If you type in Summit, NJ you will find a video of REALTOR® Sue Adler giving a neighborhood tour. In fact she has several tours on her channel with thousands of views. Sam Cooper from Columbus, Ohio has 761 views on a video testimony from happy customers in their kitchen speaking about how pleased they were with his services. Hillary Caston gives me a chuckle every time I watch her day-in-the life story of an agent that includes a mishap while out showing property. This video has received over 24,500 views; I imagine others feel the same way.

Some agents use their channel to educate consumers on anything from short sales to the process of buying a home. Others interview their mortgage professional when a



Fiverr.com – For contractors who will edit short clips or create customizable video intros for your channel. Only \$5.

Soundbakery.com and Pond5 - For royalty-free music. Expect to pay \$0-\$100+

Eyejot.com – For quick “video” emails. Free and Paid options available.

major change occurs that affects consumers. I advise you to mix it up. It's hard to argue this fact - video is a valuable and powerful tool for educating your prospects and existing clients about your services.

"I FEEL A YOUTUBE VIDEO REPRESENTS MY COMPANY. I REFUSE TO POST UP A HOMEMADE VIDEO. I'D RATHER HAVE A PROFESSIONAL CREATE AND PRODUCE MY VIDEOS."

The culture of YouTube is anchored in "good" (not perfect) homemade videos. I agree that your video represents your company but like other You-Tubers who are profiting from their "homemade" videos, you can produce a good video without hiring a professional. You should also focus on content as well as the quality of production.

"I'M SHORT ON FUNDS. WHAT EQUIPMENT WILL I NEED TO GET STARTED?"

There's no need to purchase expensive equipment to get started. You can use your Flip, Kodak zi8, Play-touch, or your smartphone. Begin by filming outdoors where sunlight is plentiful or use a well-lit room. Most smartphones also have reasonably priced camera kits that allow you to inexpensively add lenses and tripods to enhance your video quality. There is also a free app called Luma Video that stabilizes your videos so there is no shaking while recording. Since the key to good video is audio and lighting, you can later invest in a microphone and a lighting kit for more professional videos. If you have an iPhone, you may want to bookmark <http://hdhat.com> for a mobile movie studio, complete with video lights, wide angle lens, and more.

"OK, I CAN CREATE THE VIDEO BUT I KNOW NOTHING ABOUT EDITING."

You have a few options here. If you have no desire to learn video editing, consider visiting www.oDesk.com or www.elance.com and create a proposal for video editing. These sites allow you to receive bids from contractors across the world with varying levels of experience. Review their portfolios, ratings, and fees.

If you want to keep the editing simple, try out a few apps for your smartphone:

- iMovie (\$5)
- Camera Plus Pro (\$2)
- Social Cam (FREE)

If you have a burning desire to learn how to edit videos, buckle up your seat belt and try Sony Vegas, Adobe Premiere or Final Cut Pro. There's a learning curve on these but it's worth the investment in time for a life-time of knowledge on this topic. ●

A Few Reasons to Add Video to your Online Marketing Strategy

"Never put off tomorrow what you can do today," said Thomas Jefferson. No truer words have ever been spoken if you aspire to lead and not follow in your marketplace. Don't delay. Get your YouTube Channel up and running. Need a shot of motivation? Here are four quick reasons to get started today:

- YouTube Marketing **considers the mobile client.** Most people enjoy consuming video content on their smartphone or tablet. Did you know there will be 73.3 million mobile viewers during 2013, up 20% from 2012? (Source: eMarketer)
- Video is an awesome way to **humanize your real estate business** and is a great substitute when face-to-face interaction is not possible.
- The key to marketing is your ability to **measure your success.** YouTube has detailed analytics that let you know how much of our content is being consumed and by what demographic.
- YouTube videos often rank at the **top of the Google search results** if properly tagged, giving you a much larger audience.

Now it's time for you to get ahead of the competition.

Become an early adopter, start today and dominate your market.



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IN SEARCH OF **MARKET VALUE** IN *(Voluntary)* GOVERNMENT **TRANSACTIONS**

Appraisers and Brokers **Add Value**

BY VALERIE LAFFERTY

It is well known that the purpose of an appraisal is to develop an opinion of some type of value.¹ However, in the case of government transactions, it may be less well known that the value almost always sought is *Market Value*.² Market Value is also the *go-to value* used by the overwhelming majority of the private sector when real property is at issue. It is a standard for doing business in the US.

The reason Market Value is helpful as a valuation standard is because the determination of value is made in an impersonal³ market where private relationships⁴ should have no leverage. With Market Value as a target, the goal is to identify that point where the tensions of supply and demand intersect to make a sale in the marketplace. Ironically, the *impersonality* of the market engenders a feeling of trust by the market participants. Clearly the buyer and seller are at diametrically opposed positions from the start (one wants to pay the least while the other wants to receive the most). It is only an unbiased set of facts and opinions that can bring the divergent parties into a meeting of the minds to actually effectuate a new market transaction. Perhaps this is the same reason, despite reams of real estate data now available on line for free, that real estate agents continue to add value for their clients in real estate

transactions -- a proxy helps buyers and sellers keep the personal out of negotiations to get to commitment.

It follows that legislators chose to use **Market Value** or **Fair Market Value**⁵ in representing their constituents and the public when government transactions occur. The Public (meaning distinctly one side of the government transaction) needs representation just as the private side of the transaction does. Clearly the public is an interested party to government transactions -- using a Market Value litmus test protects public interests.

The Uniform Appraisal Standards for Federal Land Acquisitions (UAS-FLA) are staunchly supportive of using Market Value as the standard. Federal standards specifically exclude consideration being given to any special value of the property to the owner that is not reflected in Market Value.⁶ In fact, Market Value has always been the standard as established by the Supreme Court over 100 years ago.⁷

In practice however, with

appraising of government transactions, sometimes a strict adherence to the Market Value definition waivers and definitions of **Use Value** or **Public Use Value** sneak into the analysis.

*"In stark contrast to market value... use value is the value a specific property has for a specific use. In estimating use value, an appraiser focuses on the value the real estate contributes to the enterprise of which it is a part or the use to which it is devoted, without regard to the highest and best use of the property or the monetary amount that might be realized from its [market] sale."... "The analysis of public interest value tends to be driven by social, political, and public policy goals rather than economic principles."*⁸



Neither Use Value nor Public Use Value is focused exclusively on the market, so both are clearly inappropriate as a substitute for Market Value. The lack of clear standards and the potential for bias present major difficulties for using either definition. Use Value or Public Use valuation is highly subjective, could be arbitrary and can be easily influenced by relationships; by contrast, market value is theoretically able to be repeated by others in future analyses.

For all of these reasons, an unwavering commitment to seeking true Market Value needs to be foundational to the formulation of a credible appraisal from beginning to completion. As such, an appraisal offers great utility to many -- to sell a house, buy a commercial building, settle an estate, separate joint assets, or any number of purposes we encounter during the course of living our personal and professional lives. Being appraisers, we are trained to be unbiased market professionals⁹ who strive to produce credible appraisals. Using Market Value as the guide does that.

Back to the role of brokers in government transactions, it appears there may be an inchoate need in the marketplace for real estate professionals to assist local units of government (cities, townships, counties) in acquiring rights in land through various available grants during all or part of the continuum between acquisition and closing. For example, the Michigan Natural Resources Trust Fund (MNRTF) in 2013 approved funding for up to 75% of the value for the acquisition of land for 32 projects around the State estimated at \$19 million. In fact, the MNRTF has awarded more than 1 billion dollars in total since 1976.

The requirements for proposed land for MNRTF funding, for example, include a covenant that the land be kept available for public outdoor recreation, in perpetuity. Usually the land is bought in fee; the seller must be willing to sell. Often the property is identified well before the

specific project team assembles. However, the cities or townships that apply for these grants may not have staff to spare to work on the project or may not have the requisite skills, especially considering the once-in-a-lifetime nature of most of the projects.

Professional services could be beneficial from negotiation to marshaling the real estate transaction through to closing. Well-trained licensed professional brokers and real estate personnel would have a great deal to offer -- whether as a consultant, transaction coordinator or negotiator. This could be done via a flat fee or perhaps an hourly, consultancy type of arrangement. Certainly the more one knows about various grants, the processes and the relationships, the more helpful a licensed real estate broker or salesperson can be to the grant applicant -- and the more successful they can be to supplement their income or build a niche practice. The MNRTF will not reimburse typical brokerage fees but the municipality could pay for the professional services or fees could be paid for via project donations. Donations are often used to supplement (or match) MNRTF projects.

Finally, given what we now know about placemaking¹⁰ and its *importance to quality of life* and, keeping Michigan grads in Michigan, etc., it is reasonable to expect some indirect benefit evolving through perhaps a new water access or signature park for your local community. The beautiful downtown Detroit

riverfront state park system eventually extending to the new Belle Isle park or the Governor's proposed trail from Detroit through the UP to Wisconsin are worthy contenders to Central Park in New York, for example. Your efforts to assist new and better public recreation projects could be the impetus to boost the local real estate community through increased home sales or increased commercial development -- all of it under the umbrella of a licensed Realtor's expertise and professional guidance. ●



Valerie Lafferty is an appraiser and attorney. She has provided appraisal review services for state and local government, A/E firms, attorneys and utilities. Ms. Lafferty was past President of the Michigan Chapter of the International Right of Way Association (IRWA). She is currently completing work on a Review Designation newly offered through the Appraisal Institute.

<http://michigan.gov/dnr/0,4570,7-153-10368-00.html> -- Doing Business with DNR

http://michigan.gov/dnr/0,4570,7-153-58225_58301-00.html -- Michigan Natural Resources Trust Fund Grants



1 *The Appraisal of Real Estate*, 14th ed.
Chicago, IL: Appraisal Institute, 2013. p.8

2 USPAP does not specify a definition for market value. At Michigan Department of Natural Resources, where transactions are voluntary, the definition used is:

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

The Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book) definition:

Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.

3 The definition of Market Value used at Michigan DNR is the most probable price, as of a specified date, in cash for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

4 Comparable data used in appraisals must be "arm's length." See definitions of market value in foot notes.

5 Market Value and Fair Market Value are reasoned synonymous in this article.

6 Uniform Appraisal Standards for Federal Land Acquisitions quoting *United States v. 50 Acres of Land*, 469 U.S. 24, 35 (1984).

7 Uniform Appraisal Standards for Federal Land Acquisitions quoting *United States v. 564.54 Acres of Land*, 441 U.S. 506, 511 (1979) and *Boom Company v. Patterson*, 98 U.S. 403, 408 (1878).

8 *The Appraisal of Real Estate*, p.62.

9 All licensed appraisers must follow USPAP (Uniform Standards of Professional Appraisal Practice) and being unbiased is one of several tenets of the Ethics Rule in USPAP.

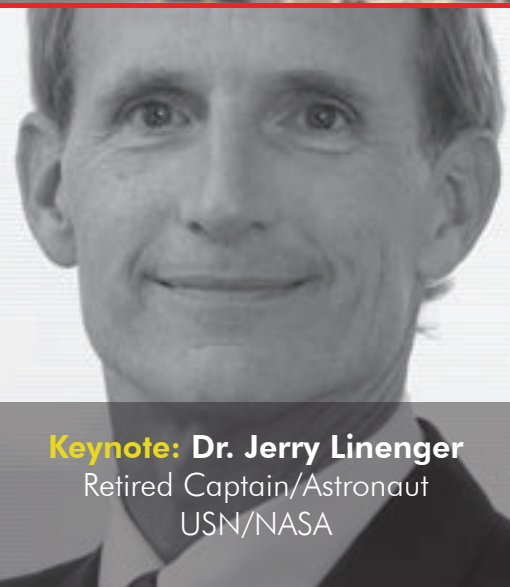
10 Placemaking is a multi-faceted approach to the planning, design and management of public spaces. Placemaking capitalizes on a local community's assets, inspiration, and potential, with the intention of creating public spaces that promote people's health, happiness, and well-being. Wikipedia.



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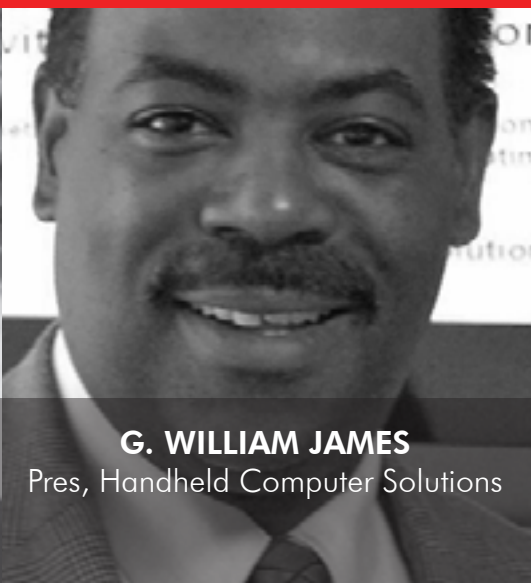


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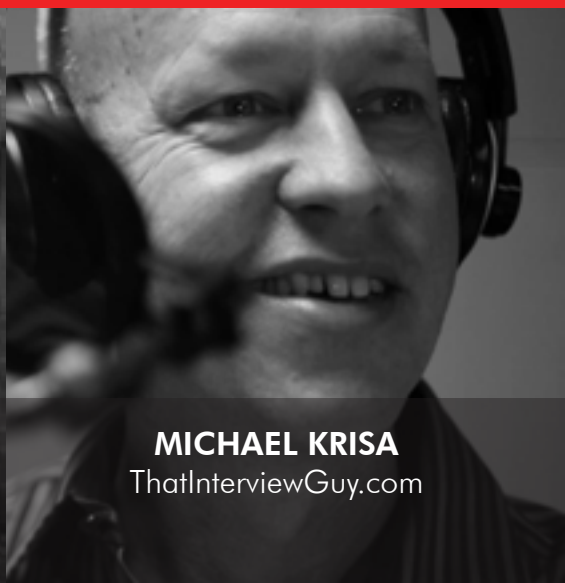
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KEY INGREDIENTS FOR A NEIGHBORHOOD STRATEGY

Let's talk about the **best strategies** for structuring your **hyper-local website**.

BY TRAVIS SAXTON,
REAL TRENDS MANAGER OF
TECHNOLOGY AND MARKETING





With so many brokers and agents fighting for competitive ranking and position on the search engines, the landscape has become very complex. I recently left a client who was seeing me for the second time in three years for a refresher visit. This client took my direction the first time we met and implemented all of the strategies from our REAL Trends Technology Consulting team. One of those strategies was to develop local neighborhood community pages on their website. We put a big emphasis into the structure, content, promotion and more. This client grew over a three-year period from about 40,000 visits a month to over 100,000 visits a month over matching time periods. A dive into their analytics discovered that, of the top 25 landing pages on their website (where a consumer would enter), almost half of them were the new community pages (contributing nearly 20,000 visits total per month). That was powerful, and proof that the strategy had paid off.

Let's take a look at some of the key ingredients into a well-structured hyper-local neighborhood strategy. Imagine a blank page, then follow along as we go from top to bottom discussing potential features:

1. BUILD THE FOUNDATION. All great houses are built on a sound foundation. Develop the proper page titles, URLs and Page descriptions. I will use my neighborhood as an example.

- **Page Title.** Indigo Hill—Highlands Ranch, Colorado Real Estate and Neighborhood Information
- **Page Description** (can get a little more descriptive). Welcome to Indigo Hill, a residential real estate neighborhood in Highlands Ranch, Colorado. Let (insert company or agent name) take you on a tour of all the homes for sale and nearby amenities of your Highlands Ranch dream community.

2. DON'T OVERLOOK THE URLS.

Make sure to have something like www.brokeragewebsite/Indigo-Hill-Real-Estate-highlands-ranch-co

3. CREATE AN INTRODUCTION. Include high quality photos of the entrance to the community or key features of the neighborhood. Two to three photos laid out nicely at the top of the page will work well.

4. SECTION THE PAGES. Have sections on the page (ideally using header tags for those tech-savvy folks). Section headers should be like the next few bolded bullets:

- **Welcome to Indigo Hills Real Estate Page and Community Information.** Write two to three paragraphs about the community.
- **Schools Nearby Indigo Hills.** Pull in content from numerous sources such as education.com, city-data.com, or other sources. Be very careful when taking the easy route. Many data providers package their product so that the content is linked out or resides in an iframe or on their server, essentially rendering it useless for your SEO value.
- **Homes Sales in Indigo Hill—Highlands Ranch CO.** This section offers an opportunity for you to interpret the market data for this area. If you can't go as detailed as the neighborhood, it doesn't mean you can't go the next level up and interpret the zip code level for the consumer. Don't just copy and paste paragraphs and charts in a mindless fashion. Interpret this for the consumer. You may even want to include a video that tells the consumer what's happening in the market. Be sure to name your video and upload it to YouTube.com, or better yet, use [Welcome Mat](http://WelcomeMat.com), a video-hosting platform.
- **Recent home sales in Highlands Ranch, CO.** This could be a lead generating opportunity, but be smart about this. If you need to collect contact information to display sold data, then do so, but offer something more of value. Perhaps you can tie this to an e-mail strategy, such as a neighborhood market report.
- **Current homes for sale in Indigo Hill, Highlands Ranch, CO.** Notice how I am using variations of keywords and included a local neighborhood and community (city) in my headers? This

will attract what we call long-tail and short-tail traffic to your pages, increasing your coverage for both the consumers who know what they want and for those who may not know what they want. You should map this section in as much detail as you can. Some systems allow you to conduct a particular search and draw your own search with a tool. Do this, and then place that search on the page. It's ideal if the map with the boundaries drawn and home icons present so the consumer can visually see these 12 homes are in that neighborhood and not on a generic page.

5. DON'T FORGET THE RIGHT RAIL. In the right rail of the page, you have the opportunity to capture some leads and feature area partners. Consider a section such as, "What's my Highlands Ranch home worth?" and a Highlands Ranch mortgage section.

6. DON'T FORGET CONTACT FORMS. Don't be afraid to prompt a pop-up window after about two minutes welcoming the visitor to the Indigo Hill community page. Ask them to sign up for the neighborhood newsletter that features neighborhood property alerts, sold properties, trends, stats and home values.

Now that you've built these pages, it's time to start marketing. Search engine marketing (SEM) campaigns drive visitors to these pages and can help you pick up some less expensive traffic (remember your competitors are focused on the big terms like "real estate in Denver"). You can generate traffic for a much smaller cost. Additionally, construct a social media strategy around these neighborhoods where you feature one neighborhood a week in rotation to increase links to your page.

Increase your views and, ultimately, your sales with hyper-local neighborhood pages. ●



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The background of the page features a large, white wooden 'FOR SALE' sign. A bright yellow rectangular sticker with the word 'SOLD' in bold red letters is placed diagonally across the center of the sign. The sign is set against a backdrop of a blue sky and a green lawn. The entire image is framed by a red border.

HOW TO GET LISTINGS

IN TODAY'S MARKET

BY DARRYL DAVIS



Listings are the backbone of the real estate business. It's important to build your inventory of listed properties, and service and market them well. But most agents don't do enough with listings once they get them.

The following concepts will help you get your inventory sold, as well as help you service your sellers. What's important is that you put a system in place that helps you achieve these important goals.

Concept 1: Sellers want communication. Most agents think the only thing homeowners want when they list with an agent is to sell their house. Of course this is important, but from the time they list with you to the time it sells, the No. 1 thing they want is communication. A frequent complaint about agents is that they list homes and are never heard from again. So keep in touch with the seller through various means, such as phone calls, e-mails, notes, and face-to-face meetings. (Check out <http://www.darryldavisseminars.com/special>.)

Concept 2: Commitment counts. Some sellers are totally committed to price, and less committed to moving. There's nothing wrong with taking an overpriced listing as long as you communicate up front that it's overpriced. Make sure sellers know that by being more committed to price, they may not be able to sell.

Concept 3: Don't make promises you can't keep. Your job is not to out-promise your competition in order to get the listing. Keep the few promises you make rather than make many promises and break them.

Concept 4: Sell the agents, not the buyers. To boost your chances of selling, you need to have more agents through the door, which means more showings. Get agents excited so that of all the homes on the market in this particular price range, they remember your listing. Have the mindset that your job as a marketing agent is to motivate the other agents in your market – not just to sell a home.

Concept 5: Price it right. If your inventory isn't selling, either your price or the marketing is wrong. (Check out Bonus on www.GetMyListingsSold.com)

Here are tips and techniques to market your listings:

- **Hold brokers' open houses.** If selling the agents means getting more buyers, then a brokers' open house is one of the best tools to use. You should look at it as an opportunity to introduce the product. It ideally should be done in the first one to two weeks that a house goes to multiple listing. It might take some time to build the reputation and to get a good turnout, but eventually it will happen. Make the open house something special – more of a party or an event. Promote it by making fliers or sending faxes. It's also a great vehicle for promoting listings that are not getting a lot of activity.

At the open house, distribute opinion sheets. The most important question on the sheet is, "What price do you think the house is going to sell for?" After the open house, sit down with the seller and go through the sheets to find out what most agents think. Then, you can give the option to the sellers to adjust the price accordingly so that you'll get the activity that's needed, or leave the price as is and hope you'll get the activity.

Also, attend other agents' open houses as well, because you want the same support from them.

- **Public open houses.** These are time consuming, but the major plus is that it promotes you and highlights your listing. It shows the seller you're servicing them and most importantly, you'll get listing leads.
 - **Showcase your listings.** Run a larger-than-usual ad in a local paper, and instead of promoting a public open house on just one listing, promote four to six at a time. Put all the information about these houses into the ad and announce open houses that one weekend.
 - **"Just listed" letters.** These can be like "just sold" cards. They are highly effective and lot easier to do if you are computerized. If you're going to do these, don't do postcards.
 - **Call 100 surrounding neighbors of a house you just listed.** In addition to telling them about the listing, ask if
- they know anyone else who might be selling in the area. Also, ask them if they themselves might be thinking of selling, and find out if they know anyone who they'd like to make their new neighbor. If you include this as part of your servicing campaign for sellers, it won't seem like cold calls; it will seem like "just listed" calls.
 - **The 10-10-20 rule.** Since the general rule of "knocking on 100 doors" takes a lot of time and energy, it is more useful to knock on 10 doors to the left, 10 to the right and 20 doors across the street. People in these homes are the most likely to know the listing family personally, and therefore are most likely to want to help them find a buyer.
 - **Advertise in specialized papers.** For example, let's say you just listed a waterfront property. Then, advertise in boating magazines and other such publications.
 - **A gift to the selling agent.** Whenever an agent from another company sells one of your listings, give them a HUGE gift, like a color T.V. And make sure you deliver it to the office of the selling agent in the middle of their office meeting. Watch the next time you do a Broker's Open House how many agents attend your open house from that office.
 - **Fax your hot listings to other agents.** We have a form in our program we hire agents to use to showcase their hot listings.
 - **Use report cards.** This helps you track the activity of other agents calling on your listings. If you have a listing that's been on the market for 30 days and you've gotten very few calls from other agents inquiring about it, then you've got to communicate that with the seller. This helps you get either a price adjustment or terms adjustment.
 - **Hold periodic reviews.** Meet with the seller at the 30-day and 60-day mark to discuss price adjustment, terms adjustment or marketing.
 - **Have an individual folder for each listing.** Even if you're computerized, there are still papers and forms you must keep.

- **A list of your listings positioned by your phone with the price and expiration date.** This will act as a constant motivator to get your listings sold. It will also help you stay focused on increasing that list of sellers.
- **Get a higher commission.** One of your tasks is to sell other agents to help you sell this home. A higher commission will surely help you sell the agents (Check out <http://www.darryldavisseminars.com/special> to receive a special price on the Higher Commission program.)
- **Bi-monthly calls.** Stay in touch with the seller every two weeks. Discuss what the competition has sold or when you'll be running an ad about their house or about what kind of responses you're getting from agents.
- **Agent evaluation cards.** Send one of these to agents every time they show your home. This is based on the assumption that you've created a good reputation for yourself.
- **Farming agents.** Create a mailing list of successful agents in your area. Personalize any mailing you send to them. That way, they get the personal attention they deserve.
- **Common sense pricing.** Pricing of houses should be listed in such a way that they show up in more searches, meaning more exposure.

These are just some the items to get your listings sold. The most important one however is to have a communication system like we teach our students to validate the homeowner made the right decision when they hired you, and to show them you are doing everything you can to get their property sold. After that, it's up to them to lower the price. •



For over 20 years, **Darryl Davis** has traveled around the country coaching agents and brokers on how to achieve their Next Level of success. He is the creator of the nationally acclaimed www.ThePowerProgram.com, the only yearlong coaching and training course where Power Agents, on average, double their production over their previous year. Darryl is a best-selling author, one of the highest rated speakers at the NAR Convention each year, and has a career-curriculum that brings agents from "Rookies to Retirement". To find out about his training programs and/or speaking availability, please visit www.DarrylSpeaks.com or call 1-800-395-3905.

“ The following concepts will help you **get your inventory sold,** as well as help you service your sellers. ”





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THE **BENEFITS** OF REAL ESTATE TRANSACTION MANAGEMENT

Find out what valuable tips were shared by amazing real estate tech minds.

BY STEPHEN HOLLOWELL,
SOCIAL MEDIA SPECIALIST AT REALTY COMMANDER



For a busy real estate professional, there is no typical day in the life. With an ever-changing task list of responsibilities including administrative duties, open houses, lead generation, working with clients, meetings, tours and property closings, every day is different. With such a multitude of tasks and the never-ending stream of paperwork, how can you stay on top of it all? The key to achieving success in the real estate industry is by maintaining a balance between daily administrative duties and income-producing activities, and the key to realizing this balance is using the right transaction management platform.

SUCCESSFUL AGENTS USE TRANSACTION MANAGEMENT

Transaction management software will automate processes, manage leads, reduce paperwork and most importantly, free up your time so you can make more money. Many agents have not yet caught on to using real estate transaction management software in their business, but using a web-based platform to manage the transaction process can increase productivity, and help generate more business in less time.

EFFICIENCY & ORGANIZATION

"Usually you can't double your business unless you double the hours you work," said Erik Lovell, CEO of Realty Commander real estate transaction management software. "Using the right transaction management platform will help you increase closings, manage your leads better, and allow you to spend 20 percent less time on each transaction so you can focus on generating new leads and closing more properties."

Integrating a transaction management system will reduce a large amount of paperwork and speed up the processing of each transaction for all parties involved; brokers, buyers, sellers, appraisers



and insurers. It allows you to access all of your files and documents in digital form from any place, anytime. By automating the transaction process, you can receive deadlines and reminders automatically. This eliminates guesswork and allows you to complete more tasks efficiently by keeping you organized and focused. With transaction management, nothing falls through the cracks.

COMMUNICATION

Using a web-based platform for real estate transaction management can also improve communication between you and your clients, your broker and your team. It allows all parties involved in a transaction to manage, view and share information and documents in real time, keeping everyone updated every step of the way. Clients will be able to see what developments are being made, eliminating a large amount of paperwork and phone calls to keep them updated.

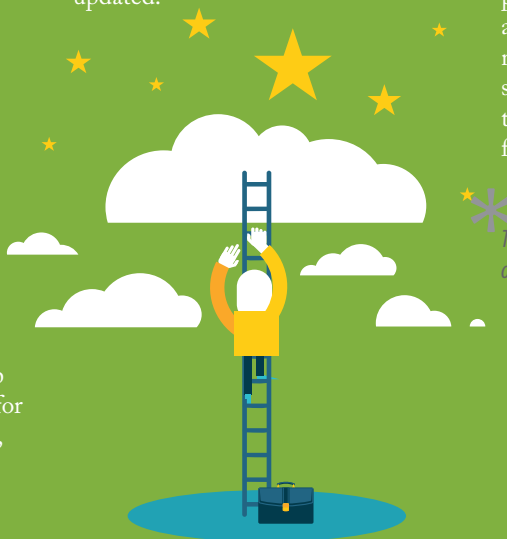
By keeping your clients informed of the processes of each transaction, you will greatly increase client satisfaction, which in turn will boost your reputation as an agent and help you get more referrals.

Ultimately, by reducing administrative duties and increasing client satisfaction, using transaction management will free up your time so you can get out in the field, generate more leads, and close on more houses.

COMPETITIVE EDGE

Real estate transaction management keeps your data readily accessible from any device (laptop, tablet, smartphone, etc.), and it helps you automate and grow your business by increasing efficiency, organization and communication. "It is an invaluable tool for me. I'm in it every day," says Troy Linn, real estate agent at Keller Williams in Bothell, Wash. "Whether it's a traditional, buyer, or short sale [client], we put them in [our lead management system] from the moment we make contact and identify someone as a potential lead all the way through closing. Having one place to go and put all of that data to keep it arranged is helpful."

By being more efficient, staying more organized and allowing guest access to your clients to see documents associated with each transaction, you will have a competitive edge over other real estate agents that do not use transaction management. You will be able to serve your existing customers better, and you will have more time to focus on gaining new customers. ●



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To Fly or Not To Fly

If calls to the Legal Hotline are any indicator, the issue of if and when Realtors® can use drones to market their listings has come to Michigan.

As Realtors® may be aware from stories in the press and information from NAR, the Federal Aviation Administration ("FAA") asserts that it has jurisdiction over the use of drones, a/k/a unmanned aircraft systems ("UAS"), and that persons cannot use UAS for commercial purposes without the proper certification from the FAA. Unfortunately, the situation is not so simple.

In 2007, the FAA issued a Policy Statement providing that a UAS may only be used in three circumstances: (1) governmental entities can apply for certificates of authorization; (2) civil operators must apply for airworthiness certificates; and (3) recreational hobbyists who need no authorization or certification.

The FAA currently believes that it can fine any person who operates a UAS for commercial purposes if the operator and his/her aircraft have not been certified. The bad news is that the FAA has apparently been unable or unwilling to certify commercial operators. In the civil operators category, the FAA has certified only two commercial operators, both of whom operate only in the Arctic. The FAA has taken the position that certificates for civil operators are currently unavailable except for experimental use. One of the few recent certifications was granted to a utility company in San Diego, California for research, testing and training flights to be conducted in sparsely populated areas.

Undoubtedly, there is at least one Realtor® who has for many years, been a model airplane enthusiast and who has a friend who knows how to mount a GoPro® camera on the Realtor®'s model airplane. Can the Realtor® use his or her mounted GoPro® camera to take aerial photographs of property he or she is marketing? The FAA says "no." The FAA has said that a Realtor® using a UAS to photograph a property he or she is trying to sell is not a "recreational hobbyist." Nor can Realtors® circumvent this FAA requirement by hiring a third party to take the photographs. The FAA has said that anyone who photographs the property and sells the photos to the Realtor® also does not qualify as a "recreational hobbyist."

Unfortunately for the FAA, questions have arisen as to whether the FAA has the authority to regulate and punish those who operate a UAS without the proper certification. Some have argued, for example, that the FAA has no authority to

regulate UAS flying below 400 feet. This position is most likely based upon a 1981 FAA "voluntary compliance" memorandum regarding the use of "model aircraft," which states that a model aircraft may not be flown higher than 400 feet above the surface. The FAA has said that this does not mean that the FAA cannot regulate below 400 feet.

It would appear that the federal government and the FAA are well aware of the fact that the FAA has no present rules in place to regulate the use of UAS. A recent federal law, the FAA Modernization and Reform Act of 2012, requires the FAA to adopt rules allowing UAS to be used for commercial purposes. The deadline for the proposed rules is September 2014. The FAA has announced that it will miss the September 2014 deadline, but that it expects to publish proposed rules by the end of 2014. This new federal law expressly provides that the FAA rules on UAS should not cover "model aircraft," which it defines as an unmanned aircraft flown for hobby or recreational purposes within the visual line of sight of the person operating the aircraft.

So where does that leave Michigan Realtors® who would like to immediately start using UAS to obtain aerial photographs of properties they are marketing? So far, there appears to be only one reported case in which the FAA attempted to fine a person, Raphael Pirker ("Pirker"), for commercial use of a UAS. The FAA claimed that Pirker had not only illegally flown a UAS (i.e., without certification or authorization), but also that he had operated the UAS in a careless and reckless manner in violation of federal regulation.

In this case, Pirker was alleged to have operated an unmanned aircraft with a wingspan of 56 inches, weighing 4 pounds 7 ounces, manufactured by Ritewing, with the model name "Zephyr II" (the "Model Airplane"). The Model Airplane was designed for use in a flying area no smaller than a football field and for operation by an intermediate or advanced pilot. The FAA alleged that on October 17, 2011, Pirker was the pilot of the Model Airplane in the vicinity of the University of Virginia ("UVA") in Charlottesville, Virginia. The FAA alleged that Pirker did not possess an FAA pilot's certificate when he operated the Model Airplane, which had a mounted camera that sent real time video to him on the ground. The FAA claimed that Pirker was being paid by Lewis Communications to supply aerial photographs and video of the UVA campus and medical center.



The FAA alleged that Pirker deliberately operated the Model Airplane at extremely low altitudes over cars, buildings, people, streets and structures at a height of approximately 10 to 400 feet.

The FAA cited Pirker with deliberately operating the Model Airplane in a careless or reckless manner so as to endanger life or property of another in the following ways, among others:

- (a) Directing the Model Airplane towards an individual standing on a UVA sidewalk, causing the individual to take immediate evasive measures;
- (b) Flying the Model Airplane through a UVA tunnel containing moving vehicles;
- (c) Flying the Model Airplane under a crane;
- (d) Flying the Model Airplane below tree top level over a tree-lined walkway;
- (e) Flying the Model Airplane within approximately 15 feet of a UVA statue;
- (f) Flying the Model Airplane within approximately 50 feet of numerous individuals;
- (g) Flying the Model Airplane within approximately 20 feet of a UVA active street containing numerous pedestrians and cars;
- (h) Flying the Model Airplane on at least three occasions under an elevated pedestrian walkway and above an active street; and
- (i) Flying the Model Airplane directly towards a two-story UVA building below rooftop level and making an abrupt climb in order to avoid hitting the building.

The case was heard by an Administrative Law Judge (“ALJ”). The ALJ referred to Pirker’s Model Airplane as a “model aircraft.” The ALJ determined that except for the 1981 “voluntarily compliance” memorandum mentioned above, historically, the FAA has not regulated “model aircraft.” He also noted that the statute enacted by Congress in 2012 requires the FAA to “develop a comprehensive plan to safely accelerate the integration of civil unmanned aircraft systems into the national airspace system.” The ALJ concluded that Congress would not have passed such a law, or at least worded it the way that it did, if it believed that there were already UAS regulations in place. The ALJ found that there was no basis for the FAA to claim that Pirker had operated the Model Airplane in a careless and reckless manner in violation of regulation and to assess a \$10,000 fine against him. The case was dismissed. The FAA has an appeal pending.

The NAR has recommended that Realtors® not employ the use of drones in photographing properties until the uncertainties with the FAA have been resolved through the establishment of rules or otherwise. If Realtors® in Michigan proceed forward with the use of a drone for the purpose of taking aerial photographs or videos of properties they are marketing or wish to market, they risk prosecution by the FAA. In the event of such a prosecution, a Realtor® may run into an administrative law judge who does not think that an unmanned aircraft with a 56-inch wingspan and a 770 square-inch wing area flown for commercial purposes is a “model airplane.” If that is the case, the Realtor® could get hit with a fine of \$10,000. ●

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It would appear that the federal government and the FAA are well aware of the fact that the FAA has no present rules in place to regulate the use of Unmanned Aircraft Systems (UAS).

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