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How to avoid real estate failure

Letters From the Home Front

BY KRIS BERG

I was first introduced to the term "cyclic failure" in college. The idea is pretty simple, even intuitive: Repeated tension and compression cause stress, and this type of stress, applied over a long enough period of time, can cause fatigue.

Enough fatigue and the result is failure, be it a slab of concrete, a bungee cord - or a real estate agent.

Most of us have spent the better part of the past five years feeling like underpaid test subjects in an engineering science lab. In fact, in the best of markets our work is defined by compression and tension. Find a client, serve the client, then go out and find another. Lather, rinse and repeat.

One minute, we are on top of the world, flush with listings or buyer clients, reveling in the ecstasy that is positive cash flow. The next, we are wondering how we will eat in 45 days. If you have been licensed for more than two closing cycles, you know this feeling too well. If you have lived through a couple hundred or more transactions, you know it can wear you thin.

Ten years ago, it was easier to bounce back. We were tested in a fairly controlled environment. We had our highs and lows, our successes and failures, but the laws of real estate assured us that hard work would pay off, commitment would triumph, and our down time and down moments would inevitably be followed by another opportunity.

The demand side used to be a given. People would move, after all, once every five years or so. Not so today. Oh, they would if they could, but they can't. Which isn't to say that this leaves the real estate agent curled up on the couch watching "Judge Judy."

Rather, we are just as busy as we were five years ago, the difference being we used to get paid for our efforts.

My husband and I have had four listing opportunities in as many weeks. Each one involved detailed market analyses, fancy presentations -- time and money. And each one involved us playing the role of evening anchor on a night when the news sucked:

- "No, your home is not worth more than it was in 2006. Yes, I know you added those ceiling fans, but still ..."
- "No, your home isn't worth what you paid in 2005. Well, sure, you could just wait until Thursday to list. Yes, more people generally start looking in the spring, but still..."

Buyers present their own challenges, unaware of the realities of today's lending environment or unwilling to accept that the rules apply to them:

- "Yes, I know you make a lot of money, but you started your new job yesterday and ..."
- "Yes, I know you can qualify for a loan, but you have a house to sell first, so short sales and bank-owned properties are not available to you and, by the way, your current home is not worth what it was in 2005 even though you painted the walls a pleasing shade of lilac and added those ceiling fans ..."

And then, if you are a listing agent, there is the standing inventory. Communication is easy when there is something to say. Finding new ways to tell a client that market times are longer, buyers are fewer, prices are flat at best, and patience is a virtue can tax the old thesaurus.

"I don't make the news; I just report it, and you need to reduce price" tends to lose its charm toward the end of a six-month listing.

Fatigue happens. How to overcome it and avoid all-out failure is the question for all the marbles. It's our marbles at stake, and I don't profess to have the answers, but I do know that stagnation is not one of them.

It's hard sometimes to clear the cobwebs, find humor where there seemingly is little, and to feel productive while you're knee-deep in a moss-covered market. It's harder yet to find professional satisfaction when your days are spent in an echo chamber, delivering the same unwelcome rhetoric.

I've been feeling a little fatigued lately and when this happens I give myself a little time off, followed by a swift kick in the britches. In a business where the meter is always running and all days are the same, I declare it a Monday and start by just doing something -- anything.

You can't win if your head's not in the game. Catch up on your industry reading, tinker with your website, retool your listing presentation, or rewrite your business plan. Preview homes, research and study market trends, write a blog post or comment on a post. Engage in a little group therapy at the office -- or here.

Rethink how the challenges you face now might be -- if not altogether avoided -- at least mitigated in the future. Dare to lose a listing opportunity by being brutally honest, knowing that the people who respect your honesty enough to hire you will be most likely to respect you throughout the transaction and find success.

Dare to decline an opportunity to represent a buyer who isn't realistic in his expectations, recognizing that this will give you more time to dazzle and delight the more serious clients.

This market is going to be with us for a while, and what that means is that the opportunities will be fewer and more difficult. But it doesn't mean that we can't each survive and thrive -- both professionally and personally.

We need to remember that our business has cycles, as do markets. We need to be ever aware of the warning signs of too much tension and compression, and we need to be prepared to deal with the occasional fatigue lest we are threatened with catastrophic failure.

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