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TAKE NOTES ON THIS ONE

p.23

- Big win in a square-footage case p. 16
- GET MORE LEADS FROM OPEN HOUSES p. 18

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by John Asher

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INSIGHTS

Chairman

“ This has been an incredible year for Texas REALTORS®.

We're only at the halfway mark, and yet REALTORS® have already achieved several incredible successes advocating for private property rights at the local, state, and national levels.

Your efforts produced several incredible victories at the Texas Capitol, including reforms to the property tax system, much-needed funding increases to public schools, and allowing more Texans to access the hard-earned equity in their homes.

None of these successes would have been possible without you.

Your voice was heard loud and clear in March during REALTOR® Day at the Texas Capitol, when close to 3,000 Texas REALTORS® met with lawmakers to advocate for these and other bills to protect private property rights and the real estate industry.

Then, you continued to speak up in April by responding to a critical REALTOR® call for action urging the Texas House of Representatives to support property tax reform. More than 6,100 Texas REALTORS® sent messages to Texas House members, who passed the legislation to increase transparency for taxpayers and voter engagement in the property tax process.

In May, hundreds of Texas REALTORS® filled the hall of the U.S. Capitol in Washington, D.C., to meet with Congress members from our state and discuss federal issues, including flood insurance, opportunity zones, and fair housing.

During the D.C. Hill Visits, Texas REALTORS® were honored to hear from Sen. John Cornyn and Sen. Ted Cruz, who shared their support of priority issues for REALTORS®.

But our power didn't stop there.

Your voice went all the way to the White House, as the National Association of REALTORS® hosted President Donald Trump during NAR's Legislative Meetings. NAR invites every sitting president to address our group every year, reinforcing the importance of real estate and REALTORS®' role in helping more people become property owners.

As strong as we are federally, many of our greatest successes are achieved locally.

REALTORS® are dedicated to protecting private property rights at the local level—this year, REALTORS® successfully fought to end forced annexation in multiple Texas counties in the May elections, which paved the way for REALTOR®-supported legislation ending forced annexation statewide.

This time of year is often busiest for real estate professionals, so it speaks volumes that REALTORS® dedicate time to advocate for real estate consumers.

Our industry and our association remain strong because of you.



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ESTATE CONSUMERS.

 **Tray Bates**

TALK TO A TEXAS
REALTOR®

 TEXAS REALTORS



Statewide Ad Campaign

Texas REALTORS® is once again spreading the message that anyone with real estate needs should “Talk to a Texas REALTOR®.”

The campaign, now in its second year, includes online ads, over-the-air and online radio, social media, and video ads. Several new ads in the campaign incorporate NAR's “That's Who We R” slogan, while other ads are available in Spanish.

The campaign targets consumers interested in residential, commercial, property management, and farm and land transactions.

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Quicken Loans, 1050 Woodward Ave., Detroit, MI 48226-1906

VOTERS END FORCED ANNEXATION IN 2 MORE TEXAS COUNTIES, SET STAGE FOR STATEWIDE BAN

During the May 4 local elections, voters in Ellis and Montague counties in North Texas overwhelmingly approved REALTOR®-supported propositions to end forced municipal annexation in those counties.

- Ellis County Prop A passed with 86.89% approval.
- Montague County Prop A passed with 91% approval.

By voting for these propositions, voters changed their counties from Tier 1 to Tier 2 counties. In Tier 2 counties, municipalities wishing to annex property must seek voter approval in the area to be annexed. Municipalities in Tier 1 counties are not required to seek such voter approval before annexing property; however, residents of Tier 1 counties may petition to vote to become Tier 2.

REALTOR® and Montague County property owner Melody Gillespie helped lead her county's successful campaign.

"Protecting private property rights and our right to vote goes straight to our hearts as REALTORS® to advocate for property owners. We were on the right side of the issue encouraging people not to give up their vote—it's simply un-Texan," she said.

In Ellis County, property owner Louis Ponder also coordinated campaign efforts in partnership with local REALTORS® to end forced annexation in their county.

"Voters agree that we deserve a say in whether our property is annexed," Ponder said. "No one should lose the opportunity to have their voice heard through their vote."

Last year, Texas REALTORS® successfully engaged in "Vote For Tier 2" campaigns on the ballot in six Tier 1 counties (Atascosa, Freestone, Johnson, Parker, Palo Pinto, and Wise), ending the ability for municipalities in these counties to annex property without voter approval.

During this year's legislative session, the Texas Legislature agreed that property owners in all counties should have a say in whether their property is annexed.

Thanks to you, REALTOR®-supported legislation to end forced annexation statewide overwhelmingly passed the Texas House and Senate.

And on May 24, less than three weeks after voter mandates, Gov. Abbott signed House Bill 347 into law effective immediately to end forced municipal annexation statewide by requiring municipalities to seek voter approval in the area they seek to annex.



Photo: © mastersky - stock.adobe.com

In May, Texas REALTORS® celebrated Asian American Pacific Islander Heritage Month during the Asian Real Estate Association of America's (AREAA) visit to the Texas Capitol. The day started with a House resolution delivered by state Rep. Gene Wu recognizing Texas REALTORS® for being a supporter of the Asian American Pacific Islander community. AREAA National leaders and members of AREAA chapters from Austin, Dallas/Fort Worth, Houston, and San Antonio ended their day at the association's office, where they learned about the Texas REALTORS® advocacy efforts and how AREAA members can get more involved.



LESLIE ROUDA SMITH ELECTED FIRST VICE PRESIDENT OF NAR

Former Texas REALTORS® Chairman Leslie Rouda Smith, ABR, AHWD, CIPS, CRB, CRS, PMN, ePRO, was elected 2020 first vice president of the National Association of REALTORS®. The election took place during NAR's board of directors meeting in Washington, DC, in May. Rouda Smith, from Plano, will serve as NAR president in 2022.

Rouda Smith says she is grateful for the support of her fellow REALTORS® in Texas. "I am honored to have been elected," says Rouda Smith. "It's my mission to bring together the thousands of smart minds throughout our REALTOR® family to find new ways to connect NAR to its members."

A broker-associate at Dave Perry-Miller & Associates, Rouda Smith was an NAR regional vice president in 2017 and chairman of Texas REALTORS® in 2016. She also served as an appointed vice president of NAR in 2013.

Rouda Smith is the daughter of the late Harley Rouda of Columbus, Ohio, who served as NAR president in 1991. She'll be the fifth NAR leader from Texas.



WHY TEXAS REALTORS® WERE ON CAPITOL HILL

Hundreds of Texas REALTORS® were in Washington, D.C., last month to advocate for real estate consumers during the 2019 REALTOR® Legislative Meetings.

Texas REALTORS® discussed federal real estate issues with all 36 members of the Texas Congressional delegation or their offices. REALTORS® also heard from U.S. Senators John Cornyn and Ted Cruz, highlighting federal priorities important to property owners.



Sen. John Cornyn (top) and Sen. Ted Cruz (bottom) address Texas REALTORS® in Washington D.C.

Photos courtesy of Ward Remick

2 MORE TEXANS ELECTED TO NAR EXECUTIVE BOARD

At its May 18 meeting, the National Association of REALTORS® Board of Directors elected these Texans to the 2020 NAR Executive Board:

- Kaki Lybbert (Denton): Region 10 Vice President
- Shad Bogany (Houston): MLS and Data Management Liaison



BUSINESS



REAL ESTATE CAREER CHECKLIST: WERE YOU BORN FOR THIS?

by **Bubba Mills**

A career in real estate isn't for everyone. It takes a certain character to really thrive in the business. Even agents who have been around for decades find themselves questioning whether they are really cut out for real estate. This sort of contemplation is natural. No matter what stage you are in your career, use the list here to assess whether you have the qualities to make it in the real estate business.

Are You Genuine?

Some agents believe their job is simply to sell homes. They attempt to win over clients by showing off their knowledge and experience. In most cases, they come across as scary, pushy salespeople. Effective agents must believe they are selling more than homes. They must show a true interest in their clients' needs and problems to better understand the solution. Consumers want someone to trust, someone to listen, and someone to discover their needs.

Selling homes starts with building relationships. Building relationships starts with being genuine.

Do You Enjoy Real Estate?

While this may seem like a silly question, it's one you must ask yourself. Are

you pursuing a career that you actually enjoy? If you have to drag yourself to the office every day, chances are you either don't have a passion for real estate or need to work on establishing a healthier work-life balance. Remember, if you're not having fun at work, you will not be any fun to work with.

Those who have aligned their core values with their work are truly living.

Are You Organized?

From keeping appointments to following up on leads, organization is a skill that can't be overstated. If you are not organized in your personal life, how difficult will it be to implement organization processes in your professional life?

A plan helps you take charge as a proactive agent, not a reactive one.

Are You a People Person?

Being a social butterfly is one way to keep your leads from running dry. If you don't particularly like meeting new people, then you'll have a hard time meeting new clients. Consider your sphere of influence, which includes friends, family, and acquaintances. Acquaintances should include everyone you've ever met. Are you able to interact with individuals you meet casu-

ally? Are you comfortable delivering an effective 10-second elevator pitch?

Demonstrate your skill and professionalism with everyone you meet.

Do You Have a Positive Outlook?

Sometimes the market is up, sometimes the market is down. As a real estate professional, it's vitally important to never get discouraged. Remember this: The universe reflects back to you the most dominant thoughts you have.

When business is not doing well, you must accept the present and change the aspects of your business that you can.

Focus on solutions and persist without exception.

If you answered no to any of the items above, you need to re-examine how you manage your business and your life. The solution may be to change your mindset. It may be as simple as implementing new processes to streamline certain tasks.

BUBBA MILLS is the CEO and owner of Corcoran Consulting and Coaching, Inc. (corcorancoaching.com/programs, 800-957-8353), an international real estate, mortgage, and small-business coaching company committed to helping clients balance success in business while building value in life.



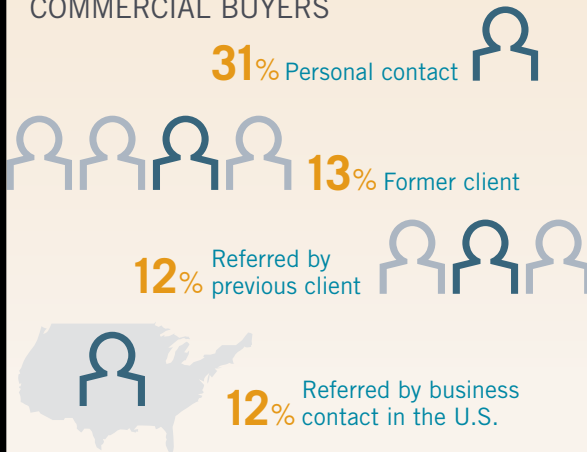
INTERNATIONAL BUYERS LIKE TEXAS COMMERCIAL REAL ESTATE

Texas was the third most popular state for international commercial buyers who worked with REALTORS®, according to a survey by the National Association of REALTORS®. Texas garnered 11% of those buyers in the U.S., ranking behind Florida (20%) and Illinois (13%) but ahead of California (9%).

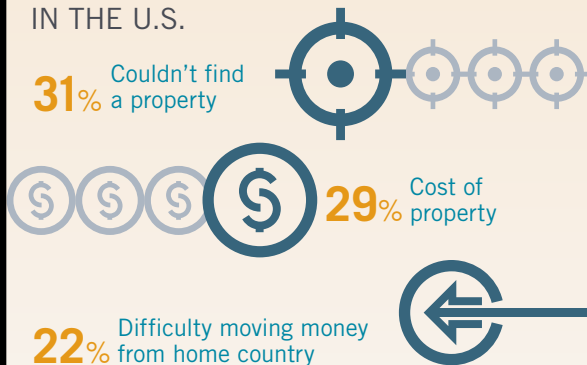


NATIONWIDE, JUST OVER HALF OF INTERNATIONAL BUYERS PAID CASH, WHILE ONE THIRD USED FINANCING FROM A U.S. SOURCE.

TOP REFERRAL SOURCES FOR INTERNATIONAL COMMERCIAL BUYERS



3 BIGGEST REASONS INTERNATIONAL BUYERS DID NOT PURCHASE COMMERCIAL PROPERTY IN THE U.S.



16 TEXAS CITIES RANKED BEST FOR HISPANIC ENTREPRENEURS

Research from WalletHub, a personal-finance website, ranked Laredo, Corpus Christi, and San Antonio among its top-five best cities for Hispanic entrepreneurs. WalletHub compared more than 180 U.S. cities using 24 key metrics to create the ranking. Metrics were scored in two primary categories—Hispanic business-friendliness and Hispanic purchasing power.

Laredo, Brownsville, and El Paso have the highest share of Hispanic-owned businesses among the 180 cities compared, and they also have the highest percentage of Hispanic residents. Search “Hispanic entrepreneurs” on wallethub.com to find the research.

WalletHub’s Rankings of Texas Cities Best for Hispanic Entrepreneurs

- | | | | |
|-------------------|-------------------|-------------|---------------|
| 1: Laredo | 11: Grand Prairie | 17: Austin | 28: Dallas |
| 3: Corpus Christi | 12: Amarillo | 20: Irving | 40: Arlington |
| 5: San Antonio | 13: Brownsville | 21: Plano | 51: Lubbock |
| 9: El Paso | 14: Fort Worth | 27: Houston | 57: Garland |

TEXAS UNEMPLOYMENT RATE FALLS TO 3.7%

The Texas Workforce Commission announced in May that growth in the Texas economy continues, with 28,900 seasonally adjusted nonfarm positions added over the month of April.

The state’s seasonally adjusted unemployment rate fell once more to 3.7%, returning to an all-time record low last held in December 2018. “Our state’s ongoing success is linked to the innovation and competitiveness of employers in a range of industries providing Texans more opportunities to demonstrate their world-class skills,” says TWC Chair and Commissioner Representing Employers Ruth R. Hughes. “In fact, *Chief Executive Magazine* has named Texas the Best State for Business for the 15th year in a row.”



Professional and business services led all major industries in April, adding 8,400 jobs. Construction added 5,800, while education and health services employment grew by 4,300 jobs.

The Midland Metropolitan Statistical Area (MSA) recorded April’s lowest unemployment rate among Texas MSAs, with a non-seasonally adjusted rate of 1.7%, followed by the Odessa MSA with the second lowest rate at 2%. The Amarillo MSA had the third lowest rate of 2.1%.

Demographics

TEXAS AND SOUTH SEE MIGRATION GAINS

More people are moving to the South than leaving, resulting in a net population gain for the region and Texas, according to the U.S. Census Bureau.

Texas saw an estimated 524,500 people move to the state, according to 2017 American Community Survey estimates, second to Florida for domestic in-migration. The state also is second in out-migration with 467,300 people estimated to have moved away, trailing California's 661,000 departures.

Harris and Dallas counties are among the counties with the highest immigration inflows in the nation, according to five-year U.S. Census Bureau estimates.

Find more about state demographic trends in the *Texas Relocation Report* available at texasrealestate.com/market-research/relocation-report.

Top 3 States for People Moving to Texas

- 1. California
- 2. Florida
- 3. Louisiana



Top 3 States for People Leaving Texas

- 1. California
- 2. Oklahoma
- 3. Florida

HOW TO GET YOUR TIME BACK

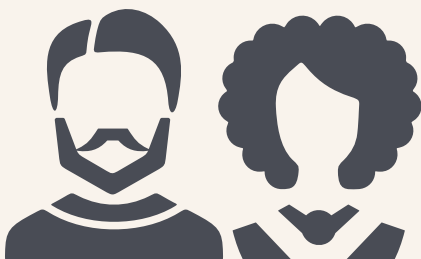
If most of your to-do list planning focuses on what you need to do, it's time to try thinking about what you won't. You'll never be able to do it all, so being realistic about what you can't accomplish will free up time that you can devote on the more important things. This may mean you need to outsource professionally or personally, but strategically considering what you won't invest your time on is one way to get it back.



Research

BANK OF AMERICA REPORT LOOKS AT YOUNGEST HOMEBUYERS

More than half of prospective homebuyers aged 18 to 23, also known as Gen Z, are already saving for a home, according to the spring 2019 *Bank of America Homebuyer Insights Report*.



The report looks at the attitudes, preferences, and behaviors of homebuyers, and for the first time, it highlights Gen Z:



59% of prospective Gen Z homebuyers are planning to buy in the next five years



55% say they want to own a home in order to start a family and 47% want to build wealth



52% say they lack knowledge about where to start the buying process

Prospective Gen Z homebuyers say they would make sacrifices to buy a home:



51% say they'd cut back on extracurricular activities

48% say they'd get a second job

34% say they'd attend a university that would leave them with less student debt

32% say they'd move in with parents or in-laws

RECENT LAWSUIT TARGETS COLD CALLING BY REAL ESTATE COMPANIES

A homeowner in California has filed a class-action lawsuit against NRT and Coldwell Banker Real Estate, subsidiaries of Realty, alleging they violated the Telephone Consumer Protection Act by making unsolicited, automatically dialed calls to consumers on the National Do Not Call Registry.

The homeowner listed a property on the MLS but had it removed after it did not sell. In the complaint, the homeowner states he received unwanted, autodialed calls from Coldwell Banker and NRT agents to his cellphone, which was not associated with the publicly listed property information. His cellphone is on the National Do Not Call Registry.

The complaint alleges the real estate companies instruct agents to cold call consumers and provide the agents with numbers, analytics, scripts, and preferred pricing on technology services, including autodialers. The class-action lawsuit stretches to anyone who has received unsolicited calls from the companies in the past four years. It seeks a jury trial and from \$500 to \$1,500 in damages for each violation.

Texas REALTORS® members can access model cold calling policies by searching *manuals and guides* at texasrealestate.com. Resources from NAR about telemarketing and cold calling are available at nar.realtor/telemarketing-cold-calling.

CALLING EXPIRED LISTINGS

You should check the National Do Not Call Registry before soliciting expired listings or homes for sale by owner.

National Do Not Call Registry rules allow for calls to individuals you have had a prior business relationship with that ended in the past 18 months. For example, you can call the owner of one of your own listings that expired 10 months ago even if the owner is listed on the National Do Not Call Registry. However, if the owner asks to be put on your own company's do-not-call list, you may not call him.

In addition to the National Do Not Call Registry, Texas real estate agents should also be aware that Texas has two types of "Do Not Call" lists which are sponsored by the Texas Public Utility Commission: the Statewide "Do Not Call" List and the "Electric No Call" List. The Statewide List is for residential numbers and the Electric List is for business numbers. Texas telemarketers are prohibited from contacting listed numbers via calls and/or text messages. However, there are several exceptions, one of which applies to state license holders, including real estate agents. Real estate license holders may contact consumers on the lists if: calls are not made by an automated device; the transaction cannot be completed without face-to-face contact; and the consumer has not informed the license holder that he or she does not wish to be called.



LEGAL & ETHICS

Legal Hotline 800-873-9155

I've been getting calls from members asking whether a residential sales contract automatically terminates when a party to that contract dies. Generally, the contract will survive. The executor can usually execute any documents related to the transaction during the probate process, as well. However, the parties should consult private attorneys for further guidance.

—Traci Jackson, associate counsel



FREE GUIDE OUTLINES LEGAL ISSUES FOR TEXAS LANDOWNERS

There's a lot more to know about owning land in Texas than just oil and gas law. Fence laws, agricultural leases, water law, and renewable-energy leases are just a few examples of topics Texas landowners should learn about.

Owning Your Piece of Texas: Key Laws Texas Landowners Need to Know, a free handbook from Tiffany Dowell Lashmet, assistant professor and extension specialist for Texas A&M AgriLife Extension, is a resource for current and prospective landowners to get up to speed on Texas law. You can download the 137-page document by searching *owning your piece of Texas* at agrilife.org/texasaglaw.

Dowell Lashmet is also holding free, full-day landowner educational programs around the state where attendees will learn more about Texas agricultural law. Find upcoming sessions and register at agriliferegister.tamu.edu/organizationListings/178. Note this registration URL is case-sensitive.

DID YOU KNOW?

Someone licensed as an inspector and licensed as a real estate broker or sales agent cannot perform both professional duties in the same transaction. Section 1102.303 of the Texas Occupations Code says, "An inspector may not act in any transaction in the dual capacity of inspector and undisclosed principal or broker or salesperson."

Contract Closeup UNESCORTED ACCESS TO A PROPERTY

The form *Owner's Authorization Concerning Unescorted Access to Property* (TXR 2223) was created for members of Texas REALTORS® to comply with TREC rules that allow a license holder to permit unescorted access to a prospective tenant in certain circumstances.

The form helps satisfy the TREC requirement for written consent from the owner. TREC rules also call for documentation for whether the owner or broker will be responsible for damage that occurs due to unescorted access. This form specifies that the owner will assume that responsibility.

Note that in keeping with the rule, this form is only intended for use in residential or commercial rental properties—not for properties being listed for sale. Also be aware that an MLS may have rules regarding whether brokers can share keybox access codes with prospective tenants.

Use of this form also helps REALTORS® comply with Standards of Practice 1-16 and 3-9 of the Code of Ethics.



Your Forms

When you provide a client with a list of inspectors, you can use *Inspector Information* (TXR 2506). The form states that while your brokerage recommends hiring an inspector to evaluate a property's condition, it does not recommend any particular inspector and does not guarantee the quality of any inspection.

This form is one of the more than 130 available only to members of Texas REALTORS®. Access all your forms at texasrealestate.com/realtorforms.



EASY REMINDERS THAT HELP YOU FOLLOW THE CODE OF ETHICS



The REALTOR® Code of Ethics distinguishes you from other license holders because you pledge to meet certain obligations to clients, colleagues, and the general public. Find the complete REALTOR® Code of Ethics at texasrealestate.com/code. Here are a few tips to comply with the articles commonly cited in ethics complaints.

Be honest and truthful in your communications. Review Article 12 and make sure your advertising, marketing, and other representations present a true picture and that your status as a real estate professional is readily apparent. These materials can include business cards, signs, marketing pieces, websites, and even social media profiles like Facebook and Twitter.

Be aware of existing brokerage relationships. Be cautious when contacting someone who already has an exclusive representation agreement with another REALTOR®, because you could violate Article 16.

Be kind. Article 15 says REALTORS® will not knowingly or recklessly make false or misleading statements about other real estate professionals, their businesses, or their business practices.

Be cooperative. Article 3 says REALTORS® will cooperate with other brokers except when cooperation is not in the client's best interest.

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4 HIGHLIGHTS FROM TREC'S MAY MEETING



The Texas Real Estate Commission takes action on agent competency, instructor approval, and payments between settlement service providers.

The May 6 Texas Real Estate Commission meeting covered 47 agenda items. For the full agenda and materials, search “meetings” at trec.texas.gov.

COMPETENCY

One proposal to amend TREC rule Section 531.3 would make clear that license holders must be knowledgeable about local market issues in the geographic area in which they work and the characteristics involved in the specific type of property being sold or leased. Per TREC: “The proposed amendments clarify the definition of competency to conform with recent changes to Section 535.2, Broker Responsibility, which requires brokers to ensure their sponsored agents have geographic and property-type competence.”

INSTRUCTOR APPROVAL

As a result of a recommendation by the Sunset Advisory Commission, the Texas Legislature passed a bill that would eliminate TREC’s authority to approve instructors. Accordingly, the commission proposed amendments to the rules to reflect this change. TREC will still determine qualifications that an instructor of a TREC-approved course must meet, but the instructor will be approved by the education provider. In terms of those instructor qualifications, TREC has proposed eliminating the 8-hour adult education instructor training course required within four years of an application to teach qualifying or non-elective continuing education courses.

PAYMENTS BETWEEN SETTLEMENT SERVICE PROVIDERS

The proposed amendments to Section 535.148 would provide clarity about federal law prohibiting the paying or receiving of funds to other settlement service providers defined by the Real Estate Settlement Procedures Act. TREC currently has a rule that includes these provisions for inspectors, but not explicitly for other real estate license holders.

CONSUMER COMPLAINTS

The commission adopted a new rule that places the process for consumer complaints in one place: Section 535.142. This action does not change how consumer complaints are handled. It makes it easier to access that information.



THREE NEW TREC COMMISSIONERS CONFIRMED

Nine commissioners lead the Texas Real Estate Commission, each appointed by the governor for a six-year term. Six of the nine must be licensed real estate brokers, and the other three must be members of the general public. It’s their job to safeguard Texas consumers in matters of real property transactions and valuation services.

The Texas Senate confirmed three new members who had been appointed by Gov. Abbott to replace outgoing commissioners:

SCOTT KESNER [1]. Kesner was appointed as chairman of TREC. He’s broker/owner of Century 21 The Edge in El Paso and served as chairman of Texas REALTORS® in 2015.

BARBARA RUSSELL [2]. Russell, appointed as a commissioner, is broker/owner of Barbara Russell, REALTORS® in Denton where she works primarily in property management.

JASON HARTGRAVES [3]. Hartgraves of Frisco is chief deputy for the Dallas County Sheriff’s Department and joins the commission as a member of the general public.

NEW TREC GENERAL COUNSEL

CHELSEA BUCHHOLTZ [4] in March took over as general counsel at the Texas Real Estate Commission. She attended Abilene Christian University and the Pepperdine University School of Law. Prior to joining TREC, Buchholtz worked at the Texas General Land Office, the Texas Juvenile Justice Department, and as assistant general counsel and policy advisor to Gov. Rick Perry.



The Listing's Square Footage The Buyer Sued And Won.

Fortunately, that wasn't the last word on this court case that affects REALTORS®.

When you enter listings into the MLS, have you ever used a dropdown menu that automatically inserts the square footage from appraisal district records? A Dallas-area agent and her brokerage, Ebby Halliday, REALTORS®, faced a lawsuit for doing just that. And they lost.

The brokerage appealed the decision. They didn't believe the jury's conclusion was correct. Neither did Texas REALTORS®, which filed a friend-of-the-court brief supporting the brokerage's assertion that the agent and firm had done nothing wrong.

The Texas Fifth District Court of Appeals in Dallas reviewed the case and reversed the jury's findings.

How This Transaction Wound Up in Court

This case stems from a condo sale in 2015 in which the MLS listing included square footage information from Dallas Central Appraisal District data. The square footage was autopopulated with the appraisal district's data when the listing agent selected "tax" from the dropdown menu in the MLS. The listing description displayed the square footage as "1,178/Tax."

Since the buyer purchased

the condo with cash, there was no lender-required appraisal, nor did the buyer choose to have an appraisal performed. The buyer assumed the livable area of the condo to be 1,178 square feet, based on the appraisal district's information. However, after the transaction closed and the buyer measured the condo, he found the livable square footage totaled only 885 square feet.

The buyer sued the agent and brokerage, asserting claims for violations of the Deceptive Trade Practices Act (DTPA), statutory fraud, and negligent misrepresentation. The buyer also claimed that the brokerage was negligent in its supervision and training of the agent.

In a 2017 trial, the jury found in favor of the buyer, awarding him \$32,335. That was the amount he claimed he overpaid based on the difference between the appraisal district's reported square footage and the actual livable square footage of the condo. The judge added attorney's fees and other costs on top of the jury's award.

Although the jury had agreed with most of the buyer's claims, the jury did find in favor of Ebby

Halliday, REALTORS® in its DTPA-claim defense that the brokerage and its agent were unaware and could not have reasonably known that the appraisal district's square footage was incorrect. The judge, however, disregarded that portion of the jury's finding.

What Happened on Appeal

Ebby Halliday, REALTORS® appealed the jury's findings on several grounds. In the appellate judges' written opinion of the case, it was established that "the term 'Tax' is understood within the real estate industry to mean the source of the square footage information, which in this case was DCAD." The opinion also recognized that "a home's square footage is understood in the industry to mean its 'livable' square feet."

The judges also noted that the listing contained a remark that the source of information about square footage was "Deemed Reliable But Not Guaranteed."

The opinion affirmed that there was no evidence that Ebby Halliday, REALTORS® actually knew that the condo measured less than 1,178 livable square feet. The appellate judges noted that the trial

Was Wrong.

court jury found “that Ebby did not know and could not reasonably have known that the records or sources on which it relied were false.”

The judges reversed the judgment of the trial court, concluding: “Based upon our review of the evidence, we conclude that no reasonable or fair-minded juror could have found that Ebby made a misrepresentation or that it was aware at the time that DCAD’s records were incorrect. Accordingly, the evidence is legally insufficient to support the jury’s verdict. Given this holding, we need not consider Ebby’s remaining issues. We reverse the court’s judgment and render judgment that [the buyer] take nothing.”


“This legal victory for Ebby Halliday, REALTORS® at the appellate level is also a big win for all our members and MLSs,” says Texas REALTORS® General Counsel Lori Levy. “The amicus brief we filed laid out a strong legal argument why agents and brokerages shouldn’t be held liable when appraisal-district information is incorrect. That Ebby Halliday, REALTORS® fought this issue in court is huge ... it provides legal precedent for future square-footage disputes based on appraisal-district data.”

The Texas REALTORS® form *Notice of Information from Other Sources* (TXR 2502) can be used by members when providing information from sources like appraisal districts.




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How to Get Leads From Your Next Open House

This open house guide from REALTORS® Property Resource has strategies to help you plan for, host, and gain leads from open houses.



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It may seem old school, but open houses are a proven way for agents to meet potential clients, break the ice, and gain business. It's a perfect setting to start a conversation about real estate without seeming intrusive or pushy.

A fine-tuned open house strategy, along with plenty of help from REALTORS' Property Resource (RPR), a free NAR member benefit, can help you engage, capture, and retain leads.

When to Host an Open House

Before you set a date, your clients have to declutter and deep clean. You might even stage the home. Once the property is ready for guests, you need to nail down a date.

Conventional wisdom says Saturday and Sunday afternoons are optimal to host an open house, but don't be afraid to try a different approach. Think about your ideal buyers' lives and what times and dates work best. For example, a happy hour open house on a Thursday from 5 to 7 p.m. might attract busy young professionals. Make sure to have beverages and snacks on hand; some agents even hire food trucks.

How to Promote the Open House

You can maximize traffic to the open house by getting the message out digitally and by word of mouth. Make sure your open house is listed in the MLS, as well as on all the major real estate portals. Post and share open house information on Nextdoor and neighborhood Facebook groups. Share the information with contacts and colleagues via email and social media. If you really want to make an impression, create a video email message about your open house using BombBomb. It's easy to use, you can try it for free, and it integrates with RPR.

Then get out in the real world to pound the pavement and knock on doors. Personally invite all the neighbors in a 10 to 20 house radius. Send out postcard mailers that drop a few days before the event.

Finally, use RPR to gain knowledge of the neighborhood,

schools, amenities, and quality of life surrounding your listing. And make sure to create an RPR Property Flyer as a handout for the day of your showing. You can easily create a headline, upload photos and property details, and include your professional headshot and contact information in this client-friendly marketing tool.

What to do During an Open House

It's smart to place outdoor directional signage in high-traffic corners of the neighborhood. Then set up shop in a central or high traffic area of the home and position yourself to greet guests as they arrive. Have some bottled water in the fridge and put out candy or light snacks. Offering them to guests can be an ice breaker. Introduce yourself and the property, and encourage guests to sign in on your digital platform.

Getting visitors to sign in on your tablet is key to gaining and managing leads. Open house products and apps provide a digital sign-in sheet. They are a great tool that allows you to record notes, such as when buyers don't already have an agent.

You can also leverage social media while the event is going on. Ask your sellers if they are comfortable with you doing a Facebook Live Stream at your open house. Live events can create real-time buzz, and better yet, you can repurpose and post the recorded version on your Facebook page afterwards.

RPR Tools to Use for Your Open House

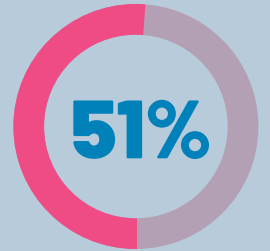
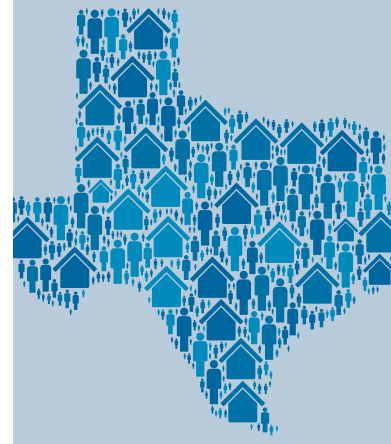
Having RPR reports ready during your open house goes a long way in positioning you as a local real estate expert. Here are the most popular RPR reports used by REALTORS® at open houses.

Market Activity Report

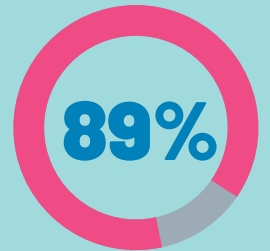
Educates clients on what the local market has to offer by presenting recent price changes and active, pending, sold, expired, and distressed properties.

Neighborhood Report Shares information about the people, economy, quality of life, and housing market and solidifies your niche as a local expert.

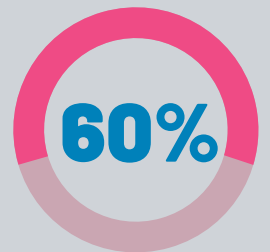
School Report Provides stu-



of Texas homebuyers visit open houses during their home search.



of Texas homebuyers who visit open houses considered them very or somewhat useful.



of Texas homesellers say their agent used an open house to market their home.

SOURCES: 2018 Profile of Texas Homebuyers and Sellers; 2018 Profile of Texas REALTORS®

dent populations, testing outcomes, reviews, and ratings. Compare schools within a district or a specified radius and include up to 20 nearby listings.

Mini Property Report

Provides just enough data to give buyers a solid understanding of the property, including price, value, comps, home facts, taxes, photos, and neighborhood information.

With these reports and the RPR Mobile app at your side, you'll be able to answer any question thrown your way about the property, the neighborhood, and the community.

Share RPR Reports With Attendees

There are two ways to deliver RPR reports: You can instantly send guests a text or email that includes a PDF version, or you can print out the reports. Instant digital reports will impress open house visitors, but don't forget that hard copies may be preferable to some.

When the Open House is Over

Following up with all the leads you captured at the open house is the last and probably most crucial step. Personally contact guests that showed interest in the home. You can gather this type of information from your digital sign-in log and from your experience the day of the event.

Once you've exceeded your client's need for selling the property, it's time to put those other contacts that you collected to good use. Enter their sign-in information into your CRM app or software and start these fresh leads on an email drip campaign.

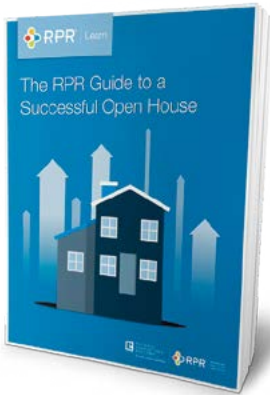
A drip email campaign is simply email messages that deliver on set intervals, such as once or twice a week. Find one that's right for you, and these CRM platforms will do all the heavy lifting, making lead-nurturing less painful and more fruitful.

What to Send Your Open House Leads

What will you send these prospects you met at the open house? If you did the Facebook Live event, you can download the video and send it directly to them via email. You can also upload it online and embed it on your website.

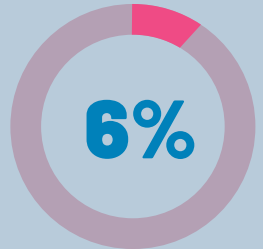
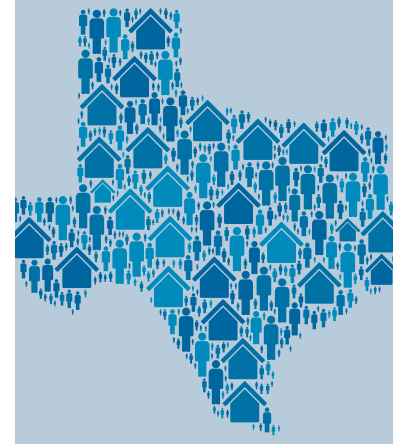
Did you meet the parents of a toddler who are very interested in the ratings of the local school district? Send them an RPR School Report. Or maybe a recently married couple who are avid hikers and eat out a lot? Send them an RPR Neighborhood Report.

Add a personal touch by printing out the RPR report and sending it to them in a large envelope with a handwritten note. Little details such as these, coupled with the wealth of data and information that the RPR reports deliver, will leave a good impression with potential clients.

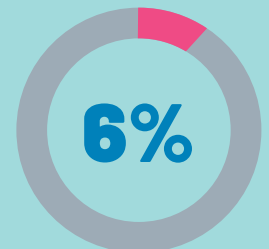


Learn how REALTORS® Property Resource, a free NAR member benefit, can help you host a successful open house. Visit blog.narrpr.com/video-learning/open-house for video tutorials and a quick start guide for creating reports mentioned in this article.

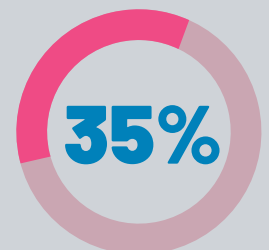
Here's a great tactic that one San Francisco Bay Area REALTOR® uses at all of her open houses: Nicole Nicolay displays one copy of a report in a high-traffic area. Then, when guests pick it up, she breaks the ice by saying, "It's great that you picked up that property report. Right now, it's the only copy I have left, but if you'll give me your contact information, I'm happy to send you a personalized version." This conversation-starter is a keen lead-generation tactic that helps her connect with prospects without coming on too strong.



of Texas homebuyers found their agent when visiting an open house.



of Texas homesellers found their agent when visiting an open house.



of Texas REALTORS® who specialize in residential real estate report getting some business from open houses.

SOURCES: 2018 Profile of Texas Homebuyers and Sellers, 2018 Profile of Texas REALTORS®

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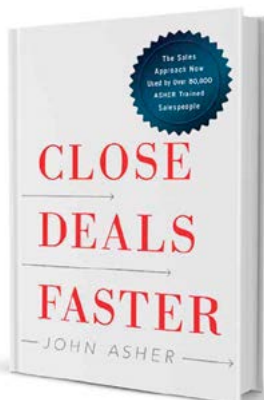


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The **SKILL** That Will **HELP YOU** CLOSE DEALS FASTER

by **John Asher**



EDITOR'S NOTE: *The following is an edited excerpt of the book Close Deals Faster by John Asher. Learn more about the author and the book at asherstrategies.com.*

When most elite salespeople meet a new buyer in person, they will follow a simple three-step process:

1. Build rapport.
2. Perform a robust, disciplined needs analysis to understand the customer needs.
3. Offer a solution that is a perfect fit.

Average salespeople without sufficient sales training take the opposite tact. They start talking about their solution first. In some cases, they'll start with a formal presentation.

The Dalai Lama puts it this way: "When you talk, you are only repeating what you already know. But if you listen, you may learn something new." As salespeople, we need to learn from prospects, and the only way to do that is by asking questions and listening. If you prefer data over the Dalai Lama's insights, studies show that three in four prospects would be much more likely to buy from a salesperson

who would simply listen. If you don't really listen, how would you know how to propose a "perfect" solution?

PERFECT LISTENING

After rapport-building is complete, the next step is to perform a needs analysis with the buyer. Elite salespeople use three keys to become the "perfect listener" in the needs-analysis process:

1. Totally focus on the prospect's point of view.
2. Ask permission to take notes—and take notes.
3. Summarize the prospect's needs and repeat back to get agreement.

PERFECT LISTENING KEY #1: TOTALLY FOCUS ON THE BUYER'S POINT OF VIEW

Most people do not listen with the intent to understand, as Stephen Covey observed in *The 7 Habits of Highly Effective People*. They listen with the intent to reply. That's the difference between passive and active listening. Passive listeners simply sit there, half-listening and thinking about responses. Their minds wander and their attention can easily drift. Active listeners, on the other hand, ask questions, keep their focus on the prospect, and retain what they hear. They listen with the intent to understand. Good salespeople are active listeners.

When prospects meet with a salesperson, they usually have a pain or need a gain. A pain is a problem that they're looking to solve; a gain is an opportunity from which they're looking to take advantage. The most effective way to uncover the pain or gain is to ask questions and listen carefully to the responses. Most elite salespeople have to first convince themselves that they can help the prospects. Once convinced that they can help, then they can offer a solution that fits.

What if you already know the prospect's problem? Ask great questions and listen anyway. Even if you already understand the prospect's issue, it won't be helpful to demonstrate it immediately. Prospects don't believe salespeople who describe their problem; they believe themselves when they describe their problem. It's much easier to get agreement on the problem when you repeat back what the prospect said than transmit the results of your research. And you build better rapport and develop a more collaborative environment. Plus, you may learn other important keys to the sale.

It is vital to totally focus on the prospect's point of view. For example, if you were selling drills, your questions should be about holes. If you were selling pens, your questions should be about writing requirements. Your service must be a solution to their problem, so you must address that problem from the prospects' perspective.

ASKING GOOD QUESTIONS

Here are a few example questions that will get you in the right mindset to learn prospects' highest-level needs:

- **In your opinion, what is the problem? Or, in your opinion, what is behind this opportunity?** Keep asking questions until you understand their need, the need behind the need, and the root cause of the issue. The answers give you information to present the prospect with alternative solutions. When prospects have a choice of offerings from the salesperson, it gives

them a sense of having more control over the decision. This ability to offer alternative solutions can cause their confidence in you to increase.

- **Could you tell me about your time frame for this project?** This question also reminds prospects of the urgency of the situation. It encourages them to act quickly, which can shorten the sales cycle time for you.
- **Could you tell me about the process you use for this type of decision?** This question gives you insight into how to prepare for others who are involved in the decision-making process and what types of politics you might encounter.
- **Could you tell me what you look for when choosing a real estate agent?** This question will help you focus on the points of differentiation that are most important to the prospects. This question can also lead to some information about your competition. Again, prospects believe what they say way before they believe what a salesperson says.

PERFECT LISTENING KEY #2: ASK PERMISSION TO TAKE NOTES— AND TAKE NOTES

There are several reasons to take notes. Some are based on neuroscience, which is how the brain works (marked with NS):

- It makes it much easier to focus on what the prospect is saying and not get distracted. To listen, process the information, and write it down engages 80% of our brain (NS) as opposed to 20% when you are not taking notes.
- It lets the prospects know their words and thoughts are valuable enough to write down. Taking notes communicates you are actively listening.
- It makes you appear like you care and are an interested, engaged professional. In turn, your engagement will cause the prospects to take you more seriously.
- It gives you the information to put into your CRM.
- It slows down the needs-analysis process (NS). It gives the prospects more time to think and share more information. And it gives you more time to process the information and devise more follow-up questions.
- It increases information retention by 40% to 70%. Note-taking gives you much greater recall, so you'll remember what is discussed more accurately than if you simply listened without taking notes.

Elite salespeople will ask permission to take notes. There are several reasons to ask permission to take notes. Some are based on neuroscience as well:

- It is polite and shows respect.
- It gives control of the conversation to the prospects (NS). The benefit to you is that if the prospects see you struggling to keep up, the prospects will slow down.
- It's a timesaver. No prospect wants to spend 30 minutes in a needs analysis with a salesperson who does not take notes and offers a solution that is not targeted at the right issue.

No matter how much or how little a buyer has shared with you, it's important to make sure you have not overlooked any aspects of their needs. It always pays to ask, after you've exhausted all your other questions, "Is there anything else

I need to know?” There are a number of variations on this question, including: “What other concerns do you have?” “Have we covered every detail that is important to you?” and “What questions should I have asked that I haven’t asked you yet?” After one or two of these open-ended questions, you’ll know if the prospects are finished sharing all the details associated with their issues.

PERFECT LISTENING KEY #3: SUMMARIZE THE PROSPECTS’ NEEDS AND REPEAT BACK TO GET AGREEMENT

To further enhance prospects’ comfort level, summarize their requirements back to them. There are only two potential outcomes, and both are terrific:

- The first potential outcome is that you have their needs exactly right. If you do, it will have a great impact on the buyer as they not only know you’ve listened, but you really understand.
- The second potential outcome is you don’t have their needs exactly right. The prospects will then correct you. This correction prevents you from offering a solution that doesn’t respond to their needs.

LISTENERS ARE IN CONTROL

Directive drivers and expressive communicators—73% percent of salespeople—are weak listeners. When salespeople with these personality styles talk too much and interrupt, they’re following their natural impulse to try to control the conversation and, by

extension, the sales process. This tendency can be counterproductive because you don’t gain anything when you’re talking. Listening is what helps them control the conversation.

One of my current customers, a vice president at a midwestern distribution company, was concerned about slumping sales in one of his regions. He asked me to reach out to the regional sales manager and see if I could help him. I immediately began constructing a long email about our offerings.


Luckily, before hitting *send*, I remembered the old sales adage, “Don’t show up and throw up!” Don’t use the “spray and pray” approach. My training quickly kicked in and I remembered the importance of asking questions and listening. I deleted my email except for the introductory rapport-building sentence. I asked him two simple questions:

1. How are sales in your region?
2. What sales challenges are you currently having?

Within a few hours, I received a two-page response listing his current challenges and requesting a call to discuss them. Since I started with questions instead of answers, he felt that I cared about his situation and wanted to explore a solution with me.

The moral of the story: Don’t work too hard for the sale by talking too much. In sales, when it comes to talking, less is more.

JOHN ASHER is chairman, CEO, and master facilitator of *Asher Strategies*. He is an experienced international speaker on sales, sales management, and marketing for *Vistage*, a worldwide network of CEOs. He is the author of numerous sales training manuals. Learn more at asherstrategies.com.



It always pays to ask, after you’ve exhausted all your other questions, “Is there anything else I need to know?”

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WHAT TO DO IF SCHOOLS ARE IMPORTANT IN YOUR HOME SEARCH

Whether you're moving to a new city or a new neighborhood, you might be wondering about the quality of the schools. Fair housing laws prohibit agents from steering clients, whether toward a particular area or away from that area, based upon the buyer's race, color, religion, gender, disability, familial status, or national origin. That means your REALTOR® will avoid giving opinions on school districts, because a comment could be construed as influencing your housing choice based on demographic information.

However, your REALTOR® can advise you on how to make an informed decision. Here are a few tips for researching schools during your home search.

KNOW WHAT "GOOD" MEANS FOR YOU

What is your definition of a good school or a good school district? Do they offer AP courses or special education programs? Is there a variety of sports teams or clubs? Having an idea of what you think makes for a good school can help you narrow down your choices.

RESEARCH SCHOOL DISTRICT OPTIONS

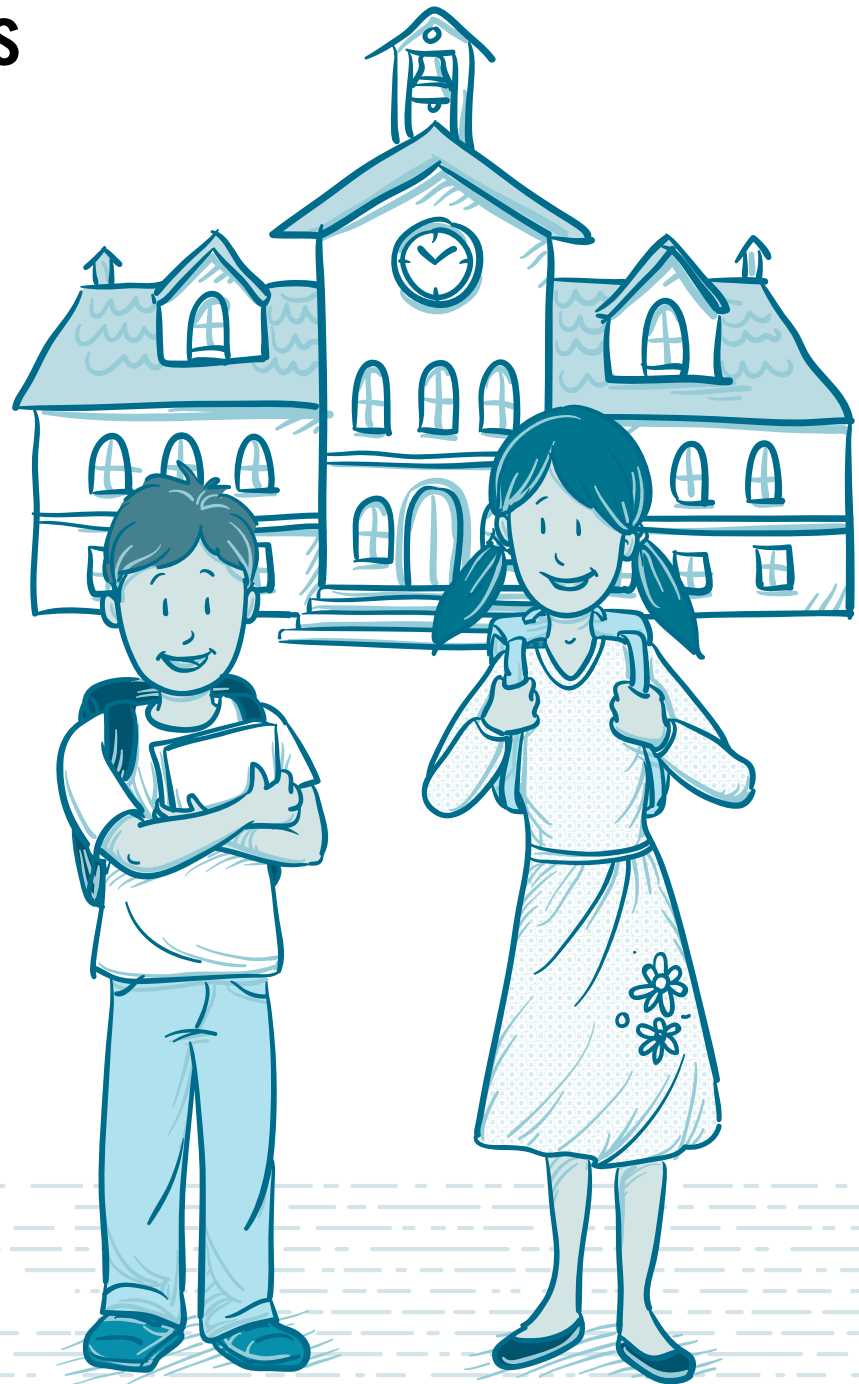
Some school districts allow students to attend schools they aren't zoned for, or there could be magnet schools that focus on certain disciplines. Also, publicly available data can give a better understanding of a district. For example, the Texas Education Agency posts district test scores and other school information.

STAY OPEN-MINDED

School quality is a subjective issue, and you'll inevitably hear negative feedback. While it's good to get anecdotal information, don't let it be the deciding factor in your school research. Visit schools and talk to administrators and take a well-rounded approach.

SHARE YOUR DIRECTION

Once you've done your research on schools and you have a particular direction in mind, it's OK to tell your REALTOR® you want to look for properties within that school district. But since it's your REALTOR®'s job to provide you with options, he or she may present other listings outside those boundaries. If the district zoning is a deal-breaker, just tell your REALTOR®.



Your REALTOR® can't tell you what to do, but your REALTOR® is committed to helping you make informed decisions.

TAKE 5

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5 EASY MARKETING TESTS YOU CAN RUN

By splitting your email list into an “A” control group and a “B” test group, there are simple tests you can run to improve the performance of your marketing. Keep the message sent to the control group consistent and only test one variable at a time to start. Keep records of open rates, click rates, and unsubscribes to improve your future messages.

BUTTONS OR IN-COPY LINKS

Test whether your contacts respond better when calls-to-action are presented as large, easy-to-spot buttons or links in copy with more context. Track click through rates.

DAY AND TIME

Learn when your contacts are most receptive to your messages by testing the time and day you send and tracking open rates. Is 7 a.m. Sunday more effective than 9 p.m. Thursday? Is the start of the month better than the end?

HARD SELL OR SOFT SELL

Write two different messages: one with a hard sell and one with a soft sell. Track open rates and what responses you get. Dig deeper into who responded to which tactic to find more insights into the best use for hard and soft sell messages.

IMAGES VERSUS TEXT

Big, beautiful images in emails can seem very appealing on large screens, but whether they translate to leads or sales depends on what your recipients do when they receive the emails. Test sending text-only emails and track the click through rate.

SUBJECT LINE PERSONALIZATION

Many email marketing tools allow you to insert a contact's name into a field using a variable. Test sending emails with your contacts' first names in the subject line—such as “Hey [contact name], have you seen the latest data for your neighborhood?”—and track the open rate.



FAIR HOUSING
MAKES U.S.
STRONGER

(From left to right): Jazmyn Rushing, REALTOR®; Nicole D. Woods, REALTOR®; Albert Allen, REALTOR®; Brian M. Paris, REALTOR®; Ashley Rathburn, Texas REALTORS®; Andrei Lubomudrov, Austin Board of REALTORS®, in front of the LBJ Presidential Library, Austin, TX



**We can't change history. The future is
our story to write.**

Be a catalyst for change. 2018 marked the 50th anniversary of the Fair Housing Act. While progress has been made, there's more work to be done. What can you do? Redouble your efforts to understand fair housing laws and how your actions, words and understanding of the issues impact housing choice. And when you see discrimination, challenge it. Report it. Engage in community dialogue about the issues tied to housing choices, like schools, healthy communities, residential displacement and economic opportunity. Be informed, and take action to expand protections to groups who continue to experience discrimination, such as the LGBTQ community. By protecting the rights to housing — free from discrimination for ALL people — the Fair Housing Act preserves and advances opportunities for everyone. As the REALTOR® community, let's take ownership of fair housing rights and uphold the promise of the Fair Housing Act.

Visit www.FairHousing.realtor to read more about what you can do and to join the commemoration.



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