

TEXAS REALTOR®

Succeed in Texas Real Estate

November 2018 \$3.50

YOU HAVE LEADS --- NOW WHAT? ■ p.19

What the new tax
law means for
your business p.28



MEET 5 REALTORS® TO WATCH p. 22 ■ How consumers can boost their credit scores p. 27



My
Why?

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TEXAS REALTOR

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by Lee Nelson
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COVER: Frannyanne/Shutterstock.com

22 FEATURE MEET 5 REALTORS® TO WATCH

These five members under 40 are making an impact on their industry and communities.

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INSIGHTS



Chairman

“ One of my favorite things this time of year is taking a getaway and spending time with my family.

We often travel to Arkansas to stay in the home our family has owned since the '40s.

Like all of us, I stay busy working on business and wrapped up in my day-to-day routine. My phone is on whether I'm in the foothills of the Ozarks or driving the streets of Denton. But heading north

is a good opportunity for me to clear my mind and get in a game of golf.

I'm grateful for that opportunity and the many others I've been given throughout the year. There is nothing that makes me prouder than representing Texas REALTORS®. Your passion for your work is inspiring, and your commitment to excellence is evident.

**YOUR PASSION
FOR YOUR WORK
IS INSPIRING,
AND YOUR
COMMITMENT
TO EXCELLENCE
IS EVIDENT.**

community, taking classes to enhance your skills, or getting involved in your local association. Whatever it is you choose to do, make sure your passion is driving your efforts.

I think you'll be inspired by the 2018 REALTORS® to Watch featured on page 22. These five members under 40 are doing incredible things in their businesses, the REALTOR® organization, and their communities.

During this time of the year, I hope you take time with family or friends. (Don't worry; you don't have to turn off your phone!) I hope you reflect on what you've accomplished—whether in business or your personal life. I also want you to challenge yourself to give back to something other than you.

Maybe that's volunteering more in your

**NEED YOUR
INPUT ON TAR'S
LEGISLATIVE
AGENDA**

TAR's Public Policy Oversight Committee has recommended a slate of positions for the association to incorporate into our priorities for the 86th Texas Legislature, which convenes January 8, 2019.

Texas REALTORS® can visit texasrealestate.com/publicpolicy by November 23 to view and comment on TAR's proposed public policy positions.

Your input in this member-driven process ensures our legislative priorities are responsive to issues facing Texas real estate.

Commercial

Commercial professionals now have the option to include traffic counts in RPR Commercial Property and Trade Area Reports. The data will display actual historical counts and projected counts. Projected counts are based on the last published traffic count, local area trend data, and updated demographic information.

Commercial real estate professionals can use the new data to:

- Identify and understand traffic patterns and historical trends
- Analyze and forecast potential customer traffic to detect high-demand opportunities
- Evaluate locations for retail facilities, restaurants, real estate developments, cell phone towers, billboard advertising, and more.

Learn more about how RPR can work for commercial members at blog.narrpr.com/commercial.

**FIND WHAT
YOU NEED IN
RPR FASTER
THAN EVER**

There's no other tool that offers as much accurate data as REALTORS® Property Resource (RPR), a free member benefit. The next Texas-specific RPR webinar on December 12 at 10 a.m. will teach you how to take advantage of the many search options within RPR, so you can give clients and prospects more of the data they want. You'll learn about searching for neighborhoods, schools, and by recent market activity. The webinar will also show you how to use mapping tools to home in on an area of interest and use advanced search options to give your clients exactly what they need. Register for this webinar and view recordings of previous webinars at blog.narrpr.com/tar.

Did you know there might be new deductions available for your business under the new tax law? (Turn to page 28 for info from Dave Gourley, president of TaxBot, a TAR member benefits partner, about what you should know.) TaxBot makes it easy to take advantage of these deductions by keeping records of receipts and mileage logs. As a member of the association, you have access to a free 14-day trial to see if TaxBot will work for you. Visit tar.taxbot.com to learn more. And for more helpful educational resources, check out Taxbot University courses at taxbotuniversity.com.

SET SAIL FOR THE CARIBBEAN

The 8th annual Texas REALTORS® International Cruise is set for April 10 to 15, 2019. Reserve your cabin now on the Royal Caribbean *Vision of the Seas*. You'll sail from Galveston to the Mexican ports of Progreso and Cozumel. This five-day cruise offers property tours in the ports, CE classes at sea, and fun and networking all five days. Learn more at texasrealestate.com/cruise.



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WHERE YOU'LL HEAR EXPERT INSIGHT INTO THE TEXAS, NATIONAL, AND GLOBAL MARKETS

Attend the 2019 Texas REALTORS® Winter Meeting from February 8 to 12 in Austin



Feb. 8-12 ★ AUSTIN, TEXAS

Three well-known economists will give their perspectives on the current state and future of the Texas, U.S., and global economies during a panel on February 8 at the 2019 Texas REALTORS® Winter Meeting.

Come hear from NAR Chief Economist Lawrence Yun, Real Estate Center at Texas A&M University Chief Economist Jim Gaines, and University of North Texas Professor of Real Estate John Baen as they discuss trends in the market and what to watch for in 2019.

Next year's Texas REALTORS® Winter Meeting will also recognize outstanding REALTORS® with several awards that will highlight their work accomplishments and roles in their communities. And since it's a Texas legislative year, expect plenty of discussion about what's happening at the Capitol.

Registration for the 2019 Texas REALTORS® Winter Meeting will open in early December. Get more details about the event at texasrealestate.com/wintermeeting.

ENHANCE YOUR BUSINESS AND PERSONAL LEADERSHIP SKILLS

Discover and develop your leadership strengths and talents through the Texas REALTORS® Leadership Program. You'll learn the confidence and skills to help you execute your business strategies, nurture others, and make a difference in your community.

The Texas REALTORS® Leadership Program consists of eight modules that are presented at your local association about once a month. Call your local association to find out when the next class starts. For more information, contact Director of Professional Development Deb Hernandez at dhernandez@texasrealtors.com or 800-873-9155.



Texas REALTORS® Leadership Program

REALTOR® feedback

YOUR COMMENTS ON WHETHER A REAL ESTATE LICENSE IS REQUIRED, CONTENT MARKETING, AND LENDER-REQUIRED REPAIRS

Did you know that selling or leasing mineral rights in Texas does not require a real estate license? That was just one question from our recent quiz in *Texas REALTOR®* magazine and also posted on the *Advice for REALTORS®* blog. “Good questions,” **Jacki Pauley** said about the quiz, and **Rashonda Smith** agreed: “Good information. Thanks!”

“These tips are great,” wrote **Bobbie Jackson** about a list of 16 ideas to jump-start your content marketing we posted on the *Advice for REALTORS®* blog. “I’ve wanted to write a newsletter but was wondering what to talk about.”

Another post that received kudos was about lender-required repairs. “Good information,” **James Gordon** wrote. “Keep them coming.” **Camille Ulmann** asked for examples of lender-required repairs, and a number of members offered rotten wood, unpainted exterior wood, and issues related to water heaters as ones they’ve run into in the past.

An *Advice for REALTORS®* blog post about ways a broker can create an agency relationship with a buyer garnered several comments. The post says the best way to create an agency relationship is to put the rights and obligations of a broker and his or her client in a signed written agreement. But **Tom Allen** said he gets pushback from buyers about signing a form and asked how others overcome such objections. **Bonnie Butler** suggested providing buyers with the *Information About Brokerage Services* form and make buyer representation agreements for specific properties. “That way they are only tied to you for the homes you showed to them,” she says. “Most of the time, they understand that you are taking the time to help them and protect their best interest.” **Laura Bolieu** agreed. “You are being an excellent agent and following Texas law. You are offering your prospect a consumer protection form by explaining the IABS and letting them know who represents who in a real estate transaction,” she said.

LESLIE ROUDA SMITH RUNNING FOR NATIONAL REALTORS® POSITION



Leslie Rouda Smith announced her candidacy for National Association of REALTORS® 2020 first vice president, and the Texas Association of REALTORS® is proud to support her. Smith, who lives in Plano, served as 2016 chairman of the Texas Association of REALTORS®. Her vast experience includes leadership positions at all levels of the REALTOR® organization as well as large and small real estate firms. Her dedication and passion—along with her ability to connect with members—make her a true asset for the REALTORS® organization.

“This is a pivotal time for real estate, and as members, we have many challenges ahead of us,” she says. “We must insist on being in the driver’s seat to enact change in our organization. After decades of involvement, I’ve seen firsthand that together, we’re unstoppable.”

Leslie’s vision for NAR includes:

- Engaging local associations and regions to harness the strength we draw from additional points of view and experiences
- Identifying ways to operate with agility and innovate in the profession
- Prioritizing communication between the local, state, and national levels to stay connected and maximize the impact of REALTORS®.

Learn more about Leslie Rouda Smith’s campaign at lesliefornar.com.

ATTENDEES CREATE THEIR OWN CONFERENCE AT REBARCAMP TEXAS



For the first time in nearly a decade, Austin hosted REBarCamp Texas, a real estate conference where the session schedule is created on site by attendees. The structure is based on the BarCamp model popular in the technology sector.

The Texas Young Professionals Network hosted the day-long event at the end of September. Around 100 attendees from all real estate specialties, experience levels, ages, and backgrounds created and led sessions tailored to their interests. Some even flew from out of state to participate in this nontraditional conference.

The day started with an explanation of how the event works, and those who were interested in leading a small-group discussion selected a time slot in one of four separate rooms—including a movie theater with a stage and screen. Then, keynote speaker Bill Lublin—CEO of Century 21 Advantage Gold and CEO of the Social Media Marketing Institute in Philadelphia—took the stage to talk social media trends and tips.

More than 20 simultaneous sessions lasted 30 minutes each, giving participants the ultimate flexibility in building their schedule. Sessions included:

- Apps for living your best life
- Independent broker challenges and opportunities
- Leadership progression and volunteering
- Starting a local YPN
- Investment real estate
- Content marketing.

After attending a session, participants could vote for the topics they most enjoyed. The day ended with a recap of those popular topics, which included real estate investing, safety, and technology.

Attendees wrapped up the day with a happy hour featuring yard games, drinks, and more opportunities to network and learn from each other.

See a few more photos from the event at facebook.com/texasrealtors > Photos > Albums > REBarCamp Texas.

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BUSINESS



TUNE IN TO MORE NETWORKING CHANNELS

Take a fresh look at your existing groups and some you may have overlooked to build your lead-generation pipeline.

by **Ron Hunt**

YOUR SPHERE OF INFLUENCE IS THE FOUNDATION OF YOUR GROWTH AS A REAL ESTATE PROFESSIONAL. Your sphere of influence—which can also be thought of as your database for leads—should be increasing all the time, too. If you're a secret agent who hides from meeting people, your business will be significantly hampered. In fact, it could wither away as past clients and friends get wooed by agents who are putting in face time.

A monthly email or postcard alone will not grow your business. Instead, be purposeful in developing meaningful relationships in the multiple channels of your existing network. Here are some examples of where to start.

Community organizations. Join one or more local organizations that have a mission you genuinely connect with.

Alumni association. Engage in your local college alumni chapter, and if you were a member of a Greek organization, join and get involved in that as well. You have something in common already, so this is a fast track to building influence in these circles.

If there isn't an association near you, start it yourself! Your college or national fraternity or sorority will welcome your passion to launch an alumni-networking group in your area.

Board of directors. Take your skills and background and serve on a board of directors or advisors for your HOA, a local nonprofit organization, a business, the Chamber of Commerce, school board, city council, your church, and so forth. There are many opportunities if you will simply inquire and volunteer your time.

As you develop these channels of your network, remember to:

- Give before getting. Come to the group with a contribution.
- Take time to nurture these relationships.
- Make attendance a priority. Absenteeism severs the trust that others have in you.
- Get together with each member for coffee, lunch, and so forth outside of regularly scheduled group events. Don't use this time to sell; this is about building relationships.
- Identify your most influential relationship opportunities using the 80/20 Rule: Who composes the 20% of each group who will be true life-changers?

The multichannel network is your go-to resource when your sphere of influence asks you for a referral. It also can be your lifeline in a slow or recessed market when your livelihood may ultimately depend on it. The day you need your network is too late to begin assembling it.

RON HUNT has led *The Hunt Team* in Collin County for more than 16 years. He launched the *McKinney Business Alliance* more than five years ago and currently serves as the new member advisor. Contact him at ron@ronhunt.com or 214-228-1784.

KEEP YOUR AND YOUR CLIENTS' DATA SAFE WHEN YOU UPGRADE DEVICES

When you buy a new phone or tablet, you want all the data and settings transferred from your old device to your new one. But don't forget to properly delete the data on the old device before you give it to your child, donate it, or sell it.

For example, it's not enough to remove the SIM card from your iPhone, delete your contacts, and log out of zipForm Mobile. You should erase the phone's data and reset it to factory specs using the Apple-recommended process through iTunes.

The same advice applies to devices on other operating systems and computers: Use the processes detailed in the manufacturer's support materials to remove all data. You can also contact a technical professional to assist you.

Farm, ranch, and land

The U.S. Department of Agriculture's *Land Values 2018 Summary* was released in August and shows gains in the value of Texas land.



AVERAGE TEXAS FARM REAL ESTATE VALUE

\$2,280 per acre

9.1% increase from 2017

The USDA defines *farm real estate value* as the value of all land and buildings used for agricultural production—including dwellings—that could be sold under current market conditions.

The Southern Plains Region, defined as Texas and Oklahoma, reported the highest increase in farm real estate value for the year.

AVERAGE TEXAS CROPLAND VALUE

\$2,100 per acre

4.5% increase from 2017

The USDA defines *cropland value* as the value of land used to grow field crops, vegetables, or land harvested for hay.

AVERAGE TEXAS PASTURE VALUE

\$1,750 per acre

9.1% increase from 2017

The USDA defines *pasture, grazing, and grassland value* as the value of land that is normally grazed by livestock, but doesn't need to have livestock grazing on it at the time of assessment to be valued as such land.

REALTORS® AND THEIR ASSISTANTS

Sixteen percent of Texas REALTORS® surveyed by NAR for the *2018 Profile of Texas REALTORS®* reported having at least one personal assistant. The survey also revealed the following characteristics of REALTORS® personal assistants:

46% are licensed

49% work part-time

40% assist more than one REALTOR®

57% are classified as employees

33% are paid hourly; 21% are paid a salary; 17% are paid by the task

Find the full *2018 Profile of Texas REALTORS®* in the Research section of texasrealestate.com.



GET DAILY UPDATES RELEVANT TO YOUR BUSINESS

Stay current on legal, marketing, and real estate industry trends by subscribing to the *Advice for REALTORS®* blog.

Visit texasrealestate.com/email to sign up for daily emails providing you quick, actionable information specifically written for Texas REALTORS®. Recent topics include proper use of the seller's disclosure, questions about agent compensation, and tech tools to help with brokerage tasks.

There's no easier way to keep up to date on issues that affect your business.



TRY THIS APPROACH TO COMPLETE YOUR MOST IMPORTANT TASKS

by David Burkus

WE NEED TO TALK ABOUT YOUR TO-DO LIST.

Specifically, we need to talk about how many items are on your to-do list. There are the important things, like reminders about work projects or can't-afford-to-forget personal or family tasks. But there are also due dates for bills, family events, and even random tasks like picking up the dry cleaning.

A lot of us treat our to-do list as more of what David Allen of *Getting Things Done* would call the "someday/maybe" list—things we'd love to get done someday if maybe we ever find the time. The problem with this catchall approach to tasks is that there is no way to convey any sense of importance. All tasks look equal. So how do you fix it?

The solution is a little counter-intuitive: Take the really important stuff *off* your to-do list. Put the most important stuff where it'll be seen, remembered, and accomplished—put it on your calendar.

Once a day or once a week, look at your to-do list, decide what's important, and schedule those tasks. We know from research in behavioral economics that just thinking about the time and location you will work on something makes it much more likely you'll accomplish it. So, by putting your important tasks on your calendar, you are one step closer to completing them.

DAVID BURKUS is a best-selling author, speaker, and associate professor of leadership and innovation at Oral Roberts University. Learn more at davidburkus.com.

30 IDEAS FOR YOUR NEWSLETTER, BLOG, AND SOCIAL MEDIA POSTS

Promoting your expertise with shareable content relevant to real estate or your community is a great marketing technique. Here are 30 topics to try, and some may be a springboard for other ideas.

1. Explanations of steps of the buying, selling, or leasing process
2. Insider tips on listing photography (best time of day or weather for taking photos, home features that are the most popular to highlight)
3. Staging and decorating tips
4. Local market statistics
5. Types of mortgages
6. Homebuyer assistance programs
7. Ways to boost a credit score (see page 27 for help)
8. Common seller mistakes
9. Common buyer mistakes
10. Tips for sellers while their home is on the market (flexibility about showings, hiring or scheduling for regular house cleaning, storing extra furniture to open the space)
11. Seasonal tips on locals' favorite nearby destinations, like pumpkin patches, tree farms, or holiday light displays
12. List of locals' favorite photo spots (park for family photos, graffiti wall for Instagram shots)
13. Tips for buyers on staying organized and focused during their home search
14. Where your market data comes from and what makes it accurate
15. Basics of home inspections
16. Explanation of title insurance
17. Resources for new residents (contact information for the electric and gas companies)
18. List of community recreation centers in your farm area
19. List of dog parks in your community
20. List of hiking/biking trails in your community
21. What to expect at closing
22. Simple repairs that will give sellers the best return
23. Tips from a local company about how to maintain HVAC systems
24. The difference between a REALTOR® and a license holder who is not a member
25. Interesting historical facts about your city
26. Restaurant and business openings in the area
27. Where to take out-of-town visitors to best showcase your community
28. Information on local sports leagues for kids and adults (kickball leagues, soccer leagues)
29. Upcoming events in your community (high school sports and farmers markets)
30. School information from the local district (first and last days of school)

BUSINESS

HAVE YOU PURCHASED YOUR .REALESTATE WEB ADDRESS?



The new top-level web domain *.realestate* is launching November 27. But REALTORS® with an active *.realtor* domain can claim their *.realestate* address before the general public.

The *.realestate* web addresses are free of restrictions from NAR affiliation and will allow real estate entities and professionals to creatively market properties, geographic areas served, or their personal brands and specialties. The domain leverages real estate as a descriptive and internationally known term.

Visit get.realestate now to claim your web address.

CAN WHERE YOU LIVE AFFECT YOUR LIFE EXPECTANCY? MAYBE

The Centers for Disease Control and Prevention's data show the average life expectancy in the United States is 78.8 years. But the National Center for Health Statistics, the Robert Wood Johnson Foundation, and the National Association of Public Health Statistics and Information Systems have analyzed the data further to assess life expectancy at the neighborhood level. The findings show life expectancy rates can vary greatly, even from block to block. Enter a specific address or ZIP code at rwjf.org/lifeexpectancy to see life expectancies in a specific census tract, county, state, and the U.S.

THE INTERNATIONAL APPEAL OF TEXAS

Texas ranked third in the nation for number of homes purchased by international buyers between April 2017 and March 2018, according to the latest *Texas International Homebuyers Report* published by the Texas Association of REALTORS®. Find the full report at texasrealestate.com/research.

- \$10.89 billion worth of homes were purchased by foreign buyers in Texas, accounting for 9% of all international dollar volume in the U.S.
- 6 Texas metropolitan statistical areas were in the top 50 nationwide for immigration.
- 38% of foreign buyers from Mexico who purchased homes in the U.S. chose Texas.

FRISCO TOPS MONEY MAGAZINE'S 2018 BEST PLACES TO LIVE RANKING



In its 2018 Best Places to Live ranking, *Money* magazine found that the leading cities were all places where the cost of living matched incomes, including in top-ranked Frisco.

The Dallas-Fort Worth metro city of over 160,000 residents led the list of *Money's* assessment of schools, local economies, and other community traits to find the most desirable places to live in the U.S.

Part of the city's appeal, according to *Money*, is its relatively low cost of living compared with high incomes and booming job growth. "A typical Frisco family could pay off a new home in less than half the time it would take a Bostonian one to do so," *Money* writes.

Find the full list at time.com/money/collection/2018-best-places-to-live.



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LEGAL & ETHICS

TAX FACTS ON IMPROVEMENTS BEFORE A 1031 EXCHANGE

by **Greg Lehrmann**
and **Cindy Pham**

Many Texas real estate investors make repairs, updates, and improvements to enhance a property in preparation for listing it with a real estate broker. Investors relinquishing the property in a 1031 like-kind exchange often ask if they can be reimbursed from the 1031 exchange for the costs associated with improving or repairing the property immediately before the sale.

The answer is no—not without generating a tax consequence. The reason is that any proceeds—whether money or benefits of any kind or property that is not “like-kind” that an investor receives from a 1031 exchange—are known as “boot” and are generally taxable to the extent the investor has a capital gain tax consequence.

However, improvements an investor makes to a relinquished property can be added to the cost basis of the property. In simple terms, the cost basis is the amount a property is worth for tax purposes. The cost basis changes over time and becomes known as the adjusted basis. The adjusted basis can be increased by adding capital improvements made to the property. The adjusted basis also can be reduced by factors such as depreciation deductions taken annually on tax returns during the ownership period.

Generally, the cost of making capital improvements with a useful life of more than one year is added to the adjusted cost basis. This is referred to as a capital expense and must be capitalized and depreciated over multiple years. An improvement includes enhancements that add value to the property, increases its useful life, or



adapts the property to a new use. Capital improvements can include room additions, new bathrooms, new roofs, decks, fencing, wiring upgrades, driveways, walkways, plumbing upgrades, and kitchen upgrades. The IRS uses the following categories to define a capital expense, which must be depreciated:

- **Improvements:** A taxpayer must capitalize any expense made to improve an investment property. An expense is for an improvement if it results in a betterment to the property, restores the property, or adapts the property to a new or different use.
- **Betterments:** Expenses for fixing a pre-existing defect or condition, enlarging or expanding the property, or increasing the capacity, strength, or quality of the property.
- **Restoration:** Expenses for replacing a substantial structural part of a property, repairing damage to a property as a result of a casualty loss, or rebuilding the property to a like-new condition.
- **Adaptation:** Expenses for altering the property to a use that is not consistent with the intended ordinary use of the property when initially purchased or held for investment.

Conversely, costs that can be deducted as current expenses are amounts paid for incidental repairs and routine main-

tenance. These costs are not added to the adjusted cost basis. Repairs are usually one-off fixes or repairs that help keep the property in good working condition and habitable. A real estate investor can deduct the cost of minor repairs from the current year’s tax liability. However, the cost of minor repairs does not reduce the investor’s capital gain tax liability to the extent they have a capital gain. The IRS clarifies in the 1040 Schedule E Instructions that “repairs in most cases do not add significant value to the property or extend its life.” Real estate investors in Texas can find more information on basis and adjusted cost basis in IRS Publication 551, *Basis of Assets*.

A 1031 exchange is an excellent tax deferral option for Texas real estate investors who want to dispose of one property held for investment and invest in another like-kind replacement property also held for investment. Knowing how improvement costs factor into the transaction and whether those costs will be taxed is essential when assessing the merits of a real estate transaction. As always, investors should seek the advice of a tax advisor regarding the unique facts and circumstances of their specific transaction.

GREG LEHRMANN is the N. Texas Division Manager and **CINDY PHAM** is the S. Texas Division Manager at Asset Preservation, Inc., a leading national 1031 exchange qualified intermediary. Contact them at 800-282-1031 or greg@apiexchange.com or cindy@apiexchange.com.

Your Forms

Designed to be used in connection with commercial sales or commercial leases (improved or unimproved), the *Commercial Property Condition Statement* (TAR 1408) may be used by a seller or landlord to disclose knowledge of the condition of the property to potential buyers or tenants. It's a good idea to ask the seller or landlord to complete the notice at the time of the listing.

Legal Q&A

Do I have to report my client's sales price to the MLS?

YES. MLS rules state that sales of listed property, including sales prices, shall be reported promptly to the MLS by listing brokers. As such, the *Residential Real Estate Listing Agreement Exclusive Right to Sell* (TAR 1101) includes a notice in Paragraph 6A that goes over this requirement so that the client is aware of his broker's obligations.

It is a misconception that Texas's status as a "non-disclosure" state means that a listing broker does not have to disclose sales data to her MLS. That is not true. Rather, it means that the state government, including local appraisal districts, cannot force anyone to provide the sales price to it.

Legal Hotline

800-873-9155

Listing brokers and agents ask the best way for the seller to terminate a contract. The Texas Real Estate Commission recently approved *Notice of Seller's Termination of Contract* (TAR 1950, TREC 50-0) for mandatory use by license holders if the seller has the right to terminate. The form gives notice to the buyer that the seller is terminating because the buyer failed to deliver earnest money within the time required or another reason identified in the contract or addendum. And remember to send any notices using the information provided in the Notices paragraph of the contract (Paragraph 20 or 21).

—Iman Ali,
associate counsel



**\$2.65 MILLION
PER DAY STOLEN
FROM REAL ESTATE
TRANSACTIONS**



That was the average daily cybercrime theft in 2017, according to the FBI. Real estate buyers lost \$969 million to wire fraud in 2017, up from \$19 million in 2016.

Help your clients stay safe by warning them about wire fraud and recommending these tips:

- Be suspicious of any message with money-wiring instructions. Red flags include changes or updates to wire details you previously received. However, a first message with wiring instructions or a message to "resend" or "verify" instructions could be fraudulent as well.
- Before you send any funds, call your settlement or closing agent at a phone number you know is correct. Do not call any number

from the message you received.

- After you wire funds with instructions you have independently verified, call your settlement agent to confirm the funds were received.
- If you suspect fraud, contact your bank and the FBI immediately. The sooner you take action, the better the chances of recovering funds.

The Texas Association of REALTORS® has provided the *Wire Fraud Warning* form (TAR 2517) to inform parties to a real estate transaction about the risks of wire fraud and what to do if they believe they are being targeted. This form is one of 136 forms exclusively available to Texas REALTORS®. You can see them all at texasrealestate.com/realtorforms.

WHAT YOU SHOULD KNOW ABOUT CODE OF ETHICS TRAINING



The National Association of REALTORS® requires members to complete 2.5 hours of ethics training every two years. The current two-year cycle began on January 1, 2017, and ends on December 31, 2018.

Training must be completed during NAR's established two-year cycle, and your membership can be suspended and terminated if you don't comply.

How do you meet the training requirement?

Completing "TREC Legal Update II" during the two-year cycle satisfies your Code of Ethics-training requirement. You can also search "Code of Ethics Training" at nar.realtor or contact your local association.

When are the future cycles? The next two sets of two-year cycles are:

- January 1, 2019 to December 31, 2020
- January 1, 2021 to December 31, 2022

Check your education records by logging in to your account at texasrealestate.com/account/user-dashboard.

Contract close-up

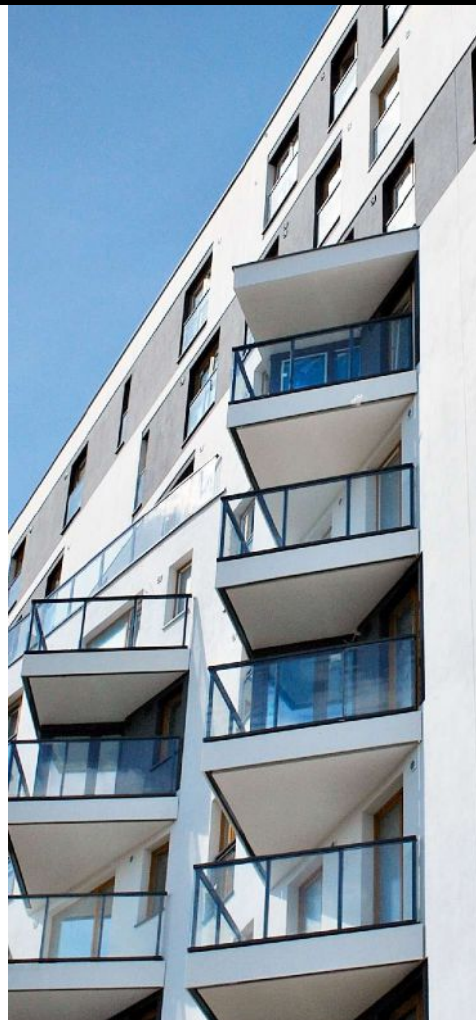
Paragraph 2C of the *Residential Condominium Contract (Resale)* (TREC 30-13, TAR 1605) provides three options regarding the condominium's resale certificate, which the Texas Property Code requires the seller to provide in most condo sales.

The first check box indicates that the buyer has already received the certificate.

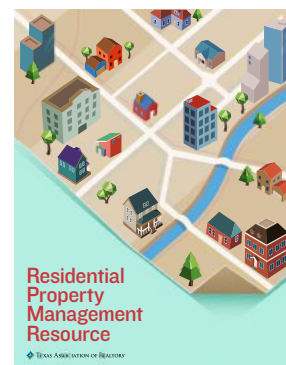
The second check box indicates that the buyer has not received the certificate and provides a blank to fill with how many days after the effective date the seller has to provide it. Under this option, the buyer may cancel the contract before the sixth day after receiving the certificate by hand-delivering or mailing written notice of cancellation to the seller by certified mail, return receipt requested. The earnest money will then be refunded to the buyer.

The third check box allows for the buyer and seller to agree to waive the resale certificate requirement if the seller provides an affidavit that the information was requested from the association and the association failed to provide the certificate.

The *Request for Information from an Owners' Association* (TAR 1405) can be used by the seller to request documents from the association, and the association can use the *Condominium Resale Certificate* form (TREC 32-3, TAR 1921) to provide the information.



BE A BETTER PROPERTY MANAGER WITH THIS REFERENCE TOOL



Are you a full-time property manager or just getting started? Regardless of your experience, the *Residential Property Management Resource*

is a handy reference tool for all Texas REALTORS®. The resource is divided into eight chapters and covers important aspects of leasing and property management, including tenant applications, repairs, and evictions. Members can purchase and download the electronic copy of the resource for \$149.99 plus tax at texasrealestate.com/rpmr.

WHAT KIND OF DOCUMENTATION CAN PROVE THE NEED FOR AN ASSISTANCE ANIMAL?

If a tenant requests a reasonable accommodation for an assistance animal, but the disability or the disability-related need isn't obvious, a landlord can ask for additional documentation verifying the disability or the disability-related need for the animal. But what is considered reliable documentation?

Chalisa Warren, housing investigations supervisor in the Texas Workforce Commission's Civil Rights Division, said during a recent TAR property management webinar that reasonable documentation could be anything as long as it is from a reliable third party.

"It can be from a peer support group; it can be from a caseworker—someone who has knowledge of the disability and the need for the disability-related accommodation," she explained. "Usually it comes from a doctor, but it can be from a therapist or a marriage counselor."

Get more insights into how to handle requests for assistance animals from the recording of the webinar available under the Events section of texasrealestate.com.



I manage a property with a no-pets policy and am in the process of leasing it. The landlord decided to lease to a hearing-impaired tenant who is requesting her dog, a pit bull, be allowed as her assistance animal. The owner of the property has a homeowners insurance policy that prohibits "vicious" breeds, including pit bulls. What can the landlord do?

Generally speaking, the landlord must grant a reasonable accommodation, unless an exception applies. An accommodation is unreasonable if it imposes an undue financial or administrative burden on a housing provider's operations. According to a 2006 memo from the U.S. Department

of Housing and Urban Development, if a housing provider's insurance carrier would cancel the insurance policy, substantially increase the costs of the insurance policy, or adversely change the policy terms because of the presence of a certain breed of dog or a certain animal, HUD will find that this imposes an undue financial and administrative burden.

Therefore, it is possible that the landlord may be able to deny this request for the assistance animal if there is the existence of such a restriction in the owner's insurance policy. This situation may be perceived as an undue financial or administrative burden if the insurance carrier would cancel, substantially increase the costs, or adversely change the terms of the insurance policy if the landlord allowed the pit bull to reside with the tenant. However, because the HUD investigator will research this if a complaint is filed, the landlord may want to ascertain whether comparable insurance is available without the restriction before denying the request.

E&O tip



Is your agent-owned rental property covered? Barney Schwartz, president and CEO of Preferred Guardian Group, an errors and omissions risk management partner of the association, says agent-owned properties serving as rentals are generally excluded from E&O insurance.

"Agent ownership is defined as 10% or greater ownership, which means if you are in partnership with nine other people in equal ownership, it's considered agent-owned. Most

companies will not provide E&O coverage for this," Schwartz says.

Why not? Schwartz says it's because most E&O claims related to property management are between the landlord and the agent. "In the case where you own the property, you'd be suing yourself, and insurance companies don't provide a policy where you can do that."

If your rental property is agent-owned, look for general liability insurance that could provide coverage for an injury or damage to property.

How can
I access
my own



LANDLOCKED PROPERTY?

In Texas, private landowners with landlocked property do not have the automatic right to access their property if they have to cross private land, but there are a number of options to consider to obtain access.

by **Tiffany Dowell Lashmet**



Some landowners in Texas cannot access their landlocked property from a public road without crossing over private property owned by someone else. Contrary to popular belief, there is no automatic right of access, although there are a number of methods to consider in obtaining a legal right to access landlocked property. Establishing a permanent, enforceable right of access—rather than relying on friendly permission of a third party—will reduce headaches for landowners and their visitors.

Why legal access is important

If a Texas landowner has landlocked property, it's a good idea to try and gain legal access to the property for both convenience and legal reasons. Title companies are usually unwilling to insure title to a property that lacks legal access, so without access, the property will likely be difficult to sell to any party desiring title insurance. Further, without insurable title, a lender is unlikely to issue a loan. Obtaining some sort of easement will likely be in the best interest of the landowner, whether the landowner wants to use the property or sell it. Here are some options to pursue.

Obtain an express easement from a neighbor. The easiest way to gain access to a landlocked property is to obtain an express easement from the neighboring landowner. This easement should be in writing, signed by the grantor, specifically identify the property and details of the allowed easement use, and filed in the county deed records.

Some neighboring landowners may grant this type of easement without requiring compensation, while others may seek some sort of payment for the right to cross their land. If a neighbor refuses to grant this type of express easement, a landlocked owner will likely be forced to look elsewhere for access.

Determine if there may be an "easement by necessity." Texas law recognizes an implied "easement by necessity" in certain situations when it's necessary to cross another landowner's private property. To obtain an easement by necessity, a land-

locked owner must prove all of the following:

- The same person must have at one time owned the landlocked property and tract across which access is sought (unity of ownership of the alleged dominant and servient estates prior to severance).
- The claimed access is a necessity, not a mere convenience.
- The necessity existed at the time the two estates were severed.

If a landlocked property owner is able to prove all three, he or she can seek a declaration of an easement by necessity from the court, which may then be filed in the county deed records. If a landlocked owner cannot demonstrate these three elements, an easement by necessity will not be recognized.

Determine if there may be a prescriptive easement. Prescriptive easements are essentially obtaining an easement through adverse possession and are disfavored by law. To obtain this type of easement, the person claiming the easement must prove he or she has used the easement for at least 10 years and the use was open and notorious, continuous, exclusive, and adverse.

Exclusive means only the person seeking the easement has made this use. For example, if any other person used the road, this element is not satisfied. For the use to be adverse or hostile, the landlocked property owner, or the prior owners utilizing the easement for the required 10-year period, must prove they did not have permission and made some affirmative act to indicate their hostile use of the property. If permission to cross the land was granted, an easement by prescription will not be recognized.

If a landlocked property owner can prove the 10 years of use was open and notorious, continuous, exclusive, and adverse in court, he or she may be able to obtain a legal prescriptive easement to file in the deed records.

Determine if there could be an easement by estoppel. An easement by estoppel arises when one person acts in reliance on being told an easement exists.

For example, a buyer purchases a land-

locked property and starts building a house based upon a promise from the neighbor that the buyer can cross his private land to access the property. Later, the neighbor denies the promised access. This could potentially create an easement by estoppel. To enforce this type of easement, the landlocked owner would be forced to file a court action, prove each element, and get an order from a judge.

The three required elements for easement by estoppel are:

- A representation
- Belief in the representation
- Reliance on the representation.

Seek a statutory easement from the commissioners' court. A statute in the Texas Transportation Code allows a landlocked property owner to seek a public road from the commissioners' court. The landlocked owner must file a sworn application with the commissioners' court and provide notice to each property owner who would be affected. A hearing on the application will be held, and if the commissioners' court determines the landowner has no access to their land, the court may issue an order creating a public road.

Note that in the statute, if the factors are met, the commissioner's court *may* issue an order creating a public road—it is *not required*, and it's within the commissioners' discretion whether to do so.

Damages to affected property owners will be provided in the same manner as for other public roads, and the county pays all costs in connection with proceedings to open a road. The county is required to make the road initially suitable for use as a public access road, but is not required to subsequently maintain the road.

Although there is no automatic right to access property, there are numerous options landowners can consider to obtain legal access to their landlocked property.

TIFFANY DOWELL LASHMET is assistant professor and extension specialist with the Texas A&M AgriLife Extension. She specializes in agricultural law and blogs about legal issues related to Texas land at agriflife.org/texasaglaw.



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You have LEADS

by Lee Nelson

NOW WHAT?

Learn ways to sort and organize your leads to maximize your return on investment.

Mickie Cioccia likes to spoil her past clients. With 85% of her business coming from referrals, Cioccia, broker for Mickie C. and Company Realty in Katy, wants to keep past clients happy and recommending her to their friends and family.

Because she has found leads from past-client referrals to be so valuable, any client who has bought or sold a home with her or her team gets an invite to be a member of the Mickie House Club.

“We give them something of value every month in the mail,” Cioccia says. That could be lottery tickets, flowers, event tickets, or edible treats. What arrives at the doors of Mickie House Club members changes with the season and holidays, with Cioccia tracking it all through online customer relationship management (CRM) software.

“We always tell them we appreciate their business, even if it was many years ago, and that we love referrals,” she says.

While Cioccia chooses to focus her energy on referrals from past clients, you may get leads from many different sources, such as your website, advertisements, social media, and paid lead generation services. But how do you organize your leads for the best return on your time and resources?

Give VIP treatment to referrals

“Your past clients are your diamonds,” says Dave Lawrence, head of growth at Follow Up Boss, a real estate-specific CRM company. They’ve already trusted you enough to do business with you or give you a referral, Lawrence says, so they’re the most impor-



Get to know your leads, then choose your technology

Real estate is about people. Get to know who your leads are, what makes them tick, and what their needs are. Then, you'll be ready to choose the right customer relationship management software or technology solution for you, such as Follow Up Boss, Salesforce.com, RealtyJuggler, Zoho, another CRM tool, or a system you create for yourself. Find one that works the way you want it to work.

tant contacts in your database and should be treated as such.

Echoing Cioccia's strategy, Lawrence says that more effort and investment with these leads typically produces a higher return on investment.

"And that means a phone call on their birthday, not an automated generic happy birthday email with animated candles on it," he says. "From there, simply focus on how far out they are from making a move and following up accordingly."

Your online leads need love, too

Anyone who visits your company or personal website, checks out your listings, and ultimately sends you contact information is valuable in some capacity, Lawrence says. Even

if that person has a good experience on your website but never talks to you, there's a chance she will tell someone else in the market to buy or sell property to check out your website.

These types of leads can also come from people checking out your personal or company Facebook page, LinkedIn profile, or other social media platforms.

"Almost all of these leads are real people who live in your local market and who have friends and families that buy, sell, and rent homes," Lawrence says. "Every interaction is a chance to build your brand and goodwill with another person in your market."

Base your response on urgency

The rise of the internet has created an abundance of leads for agents, and that can be overwhelming, says Brian Icenhower, founder of Icenhower Coaching and Consulting and therealestatetrainer.com.

A good, promising lead is anyone willing and ready to look for a home and anyone who wants to move or sell in a month to a year-and-a-half, according to Icenhower. Organizing leads by how soon they are buying or selling can save you time and effort, plus catch the people who need your help now. Most internet leads are buyers, Icenhower says (about three-quarters of agents agree in a recent Inman report).

If your website asks prospective clients to register and provide some information before viewing listings, you might already have a field for when they're looking to buy or sell. If you don't, make a quick call or send an email to the prospect to ask follow-up questions.

Icenhower uses the mnemonic LP MAMA to remember what to ask prospective clients

when following up:

- Location: Where do they want to move?
- Price: What can they afford?
- Motivation: What is prompting them to move?
- Agent: Have they signed a buyer agency agreement with another brokerage?
- Mortgage: Are they paying cash or will they need a mortgage?
- Appointment: When can you meet them face to face?

Icenhower breaks down how to allocate your attention based on urgency into four categories:

Within 30 days: Whether it's buying a home or selling, this person wants to move quickly. Put her in your CRM and email-marketing system and set up a plan to follow up and take actions immediately. That should involve emails, mailers, texts, two phone calls a week, and getting her prequalified with a lender, Icenhower says.

30 to 90 days: This group isn't quite as urgent. Your phone calls can be less frequent with maybe one every week or two. You may also send them a mailer or occasional text message.

90 days to six months: Give them a phone call every three to four weeks. Find out their motivation, exact time frame, location they are looking in, price range, and potential mortgage options.

6 months to a year-and-a-half: They aren't in a hurry. Put them on an automated drip marketing campaign (see sidebar on right) with a phone call every two months and text messages once in a while.

CRM systems today offer many options rather than just a database for names and email addresses, Lawrence says. His company focuses on simplicity and speed, which makes it easier to use for busy agents, he says. "You can get really crazy with the tools available for scoring your leads or sending automated campaigns to them," Lawrence says. "But until you've got a good foundation for how you'll run your personalized, human follow-up, it's not worth even looking at.

"Figure out how to connect and add value to five more people this week than you did last week rather than trying to talk to 1,000 people the same way all at once," he says. "The results will follow."

LEE NELSON is a freelance journalist from the Chicago area.

Good to know:

It's often best to first ask prospective clients whether they already have an agency relationship with another broker before moving on to other questions. When you present the *Information About Brokerage Services* form can be a good time to bring this up.

Advice for paid leads

Real estate coach Brian Icenhower emphasizes that if you've paid for a lead from services such as Zillow, Realtor.com, or Trulia—and many can cost \$50 to \$250 per lead—you need to impress those people immediately. Once that person puts her information online saying she's interested in a house, you need to quickly call her, he says.

"If you get back to those people in five minutes, then you will absolutely know if they want to have your call," Icenhower says. "They will either answer it or ignore it."

The Do's and Don'ts of Organizing Your Drip Campaign

A drip campaign is an effective tool to help build your business, according to Dave Lawrence, head of growth at Follow Up Boss.

Drip marketing, depending on the capabilities of your CRM, involves delivering content at specified intervals through automated emails, text messages, or messages through Facebook or other platforms. The intent is to keep your name and company top of mind through a steady drip of content. Details about how your audience interacts with the message or content—such as whether they opened certain messages or clicked a specific link—can help you better understand what type of message is most effective and how often to contact certain leads in the drip sequence. Automated drip campaigns help you start conversations with your leads, Lawrence says.

"This is not a time for hammering them about preapproval or other things like that unless they indicate they're ready to start getting serious," he says.

When deciding which leads get put into a drip campaign and what the first steps are, Lawrence follows a few rules:

- **Internet leads should be added automatically to your CRM.** The agent assigned that lead should get an immediate notification so he or she can call right away. If it's a lead from a portal like Zillow or Realtor.com, a simple text message with a personalized introduction asking what's the best time to call is all you need.
- **Referrals generally shouldn't be put in a stock drip campaign.** They're far too valuable for anything but personal communication, Lawrence says. You should honor the person who referred them by calling right away to introduce yourself and learn more about their timeline and what stage of the process they're in, then make your expert recommendations based on that.
- **Consider the source of the lead.** Someone who registers on your website who, for example, arrived there through a Google pay-per-click ad or a lead from a Facebook ad should get a softer message, since that person likely is earlier in the buying or selling process. Send a short message saying you received the notification that he or she signed up on your website and to feel free to browse available homes or contact you with questions about real estate or the tool available on your website. Then ask a simple question, like, "Do you already live in the area?"

Meet 5 Texas REALTORS® to Watch



*BACK TO FRONT, LEFT TO RIGHT:
Cameron Willmann, Vanessa Dirks,
Benjamin Rodriguez, Julie Reupke,
Kathy Wade Turner*



The Texas Association of REALTORS® Young Professionals Network (YPN) named five REALTORS® to Watch award recipients earlier this year. These Texas REALTORS® under the age of 40 demonstrate excellence in leadership and community involvement and are making their mark in the real estate industry. Read on to see what makes each one stand out.



Cameron Willmann, Permian Basin

Licensed since ... 2007

Specialties:

Residential; property management; commercial; development

Designations and certifications:

Texas REALTORS® Leadership Program graduate

Leadership positions:

2011-2013 Chair of Young Professionals Network of the Permian Basin Board of REALTORS®; 2015 President of the PBBOR; 2010-2013 Director for PBBOR; Chaired Education Committee and New Member Orientation at PBBOR; 2019 Chair of TAR Member Benefits Committee; 2011-2013 Agent Leadership Council at Keller Williams Realty Midland; 2014-present Region 6 TREPAC Trustee.

Fun facts: I am the proud father of a 2-year-old, Poppy, and Lincoln, who was born in August. I've been married for 10 years to Jessi, and father to fur-babies Stewie and Layla. I love music, traveling, and Netflix.

Why did you decide to become a real estate professional?

I have always been interested in real estate, construction, and design. When I realized selling advertising for a Fox affiliate was not going to move my life forward, a mentor and a friend suggested I get my real estate license and come work for his brokerage so I could work for myself and build a business. Building a business sounded like something I could get behind. I loved the idea of being able to grow as much as I wanted to, and grow my business and income as big as I could.

What sets you apart from other Texas REALTORS®?

I have a department for everything inside of a single team. We service residential, commercial, property management, and development. We handle sales and leasing, including condos. We represent multiple builders and developers, too. I'm definitely not a jack-of-all-trades, because I seek out

specialists who can focus on their area of the business and give clients high-quality service. And we have a dinosaur. REALTOR® Rex has become our mascot and purveyor of our message, sense of humor, and information. He is the spokedino of the Haus Property Group.

“I'm definitely not a jack-of-all-trades, because I seek out specialists who can focus on their area of the business and give clients high-quality service.”

– Cameron

How do you grow your skills?

I am a huge fan of school. I am a huge fan of learning from those who “do” at a high level. I

regularly attend educational classes and training through my brokerage, Keller Williams Realty, as well as with many of its associates. I've also started classes for my CCIM, and I search out opportunities for more knowledge about best practices for property managers.

Outside of all of that, I read. I want to be a better, more-effective leader and human. My team has a book club, and I use Audible on my own. Different perspectives make me think and grow. There are a lot of books in the world with valuable knowledge and tactics to employ in this field and in business ownership and leadership.



Vanessa Dirks, Lubbock

Licensed since ... 2005

Specialties: Property management

Designations and certifications:

Texas REALTORS® Leadership Program graduate; Texas Residential Leasing Specialist (TRLS); Texas Residential Property Manager (TRPM)

Leadership roles:

2018 President-Elect for Lubbock Association of

“I would love to see more people get involved with the association and view the local association as more than a key service or an MLS. For me, the association has become a great way to network and have a community.”

– Vanessa

REALTORS®; past chair for Lubbock Association of REALTORS® YPN/NextGen Committee, Property Managers Committee, Investors and Finance Committee, and current chair of the TREPAC Committee; TAR YPN Committee member; TAR Property Management Committee member

Fun facts: I treat my dogs like they are my children, and they even have their own Instagram account (@doodlesofdirks). I also have a T-Rex collection that would rival most any 6-year-old boy's collection.

What sets you apart from other real estate professionals?

I specialize in property management, and I don't even dabble in sales. I believe in specializing, so much so that I have another broker represent me in selling and purchasing properties. And in my market, I am one of the first property managers to offer management services for short-term rentals.

What is something you would change about the industry?

I would like to see more people get involved with the association and view the local association as more than just a key service or an MLS. For me, the association has become a great way to network and have a community, and I think others are missing out on that.

What else are you passionate about?

I am passionate about real estate, especially property management. I have been a Major Investor in TREPAC since 2014, and I am currently chairing my local association's TREPAC Committee.

It has been great to see new agents becoming more involved with TREPAC, but even more rewarding in getting agents who have been in the business for years becoming investors in TREPAC. I'm also proud that our local association had a 72% participation rate and invested \$124,738 in TREPAC for this year.

...continued on page 24



Benjamin Rodriguez, Beaumont

Licensed since ...

2005

Specialties:

Residential

Designations and certifications:

Graduate, REALTORS®

Institute (GRI);

Accredited Buyer's

Representative (ABR);

Seniors Real Estate

Specialist (SRES)

Leadership positions:

Broker/

Owner of Triangle Real Estate; 2018

Beaumont Board of REALTORS® President;

2016-2018 TREPAC Trustee; 2014-

2016 PIC; 2017 Beaumont Board of

REALTORS® Vice President; 2016 Beaumont

Board of REALTORS® 2nd Vice President;

2015 Beaumont Board of REALTORS®

Secretary; 2014 Beaumont Board of

REALTORS® Treasurer; 2013 Beaumont Board

of REALTORS® Director

Fun facts:

I've been very involved in my daughter's soccer team since she was 6-years-old (she's 16 now), and I recently helped found a new soccer club—REAL Texas FC—and serve as the president.

Why did you decide to become a real estate professional?

Technically, I wanted to be a real estate investor. However, after obtaining my license and joining a local brokerage, I fell in love with helping people find their dream home and helping investors find deals that turned to profit.

How do you continue to further your education and improve your skills?

I read as much as I can on real estate and trends. Being the Beaumont Board of REALTORS® president for 2018 helps, but it's really when I'm getting out there and making deals.

What sets you apart from other Texas REALTORS®?

I have built my business on telling my clients what they need to hear and not what they want to hear. No fluff. Plus, I am great with technology. I was the first agent in Southeast Texas with

DocuSign, and then first using 3D virtual tour technology.

What is your career philosophy?

I have been in real estate for over 13 years now, and my business has grown every year that I have expanded my leadership roles.

I believe that disagreements and discussion from those disagreements is the only way to solve complex problems, and a room full of bodies that agree on everything solves nothing.

“
I've built my business on telling my clients what they need to hear and not what they want to hear.
No fluff.
– Ben



Julie Reupke, Corpus Christi

Licensed since ...

2003

Specialties:

Residential; second

home/vacation

properties

Designations and certifications:

Texas REALTORS®

Leadership Program

graduate

Leadership roles:

Corpus Christi Board

of REALTORS® Education

Committee; TREPAC

Committee; Corpus Christi

Association of REALTORS® Nominating

Committee for the 2019 Board of Directors

Fun facts:

I have worked with HGTV on three TV episodes featuring my beautiful community: two episodes of "Island Life" and one of "Beachfront Bargain Hunt: Renovation."

Why did you decide to become a real estate professional?

Prior to becoming a license holder, I studied interior design at Missouri State University. I later moved to South Texas and worked at a live music venue and bar in Port Aransas. Through interacting with my customers, I saw the excitement, joy, and quality of life that come with living on "island time."

“
Saying yes to experiences, saying yes to opportunity, and saying yes to something you are scared of will only result in the satisfaction of knowing you put yourself out there to grow as a professional and as a person.
– Julie

When my big 3-0 was approaching, I felt ready for a life change and gathered the courage to take a leap into a real estate career. I knew soon after I had made the right choice.

Do you have a mentor? How has your mentor influenced your career?

I am blessed with two mentors who offer me different perspectives.

Becky Corder, who started our brokerage in 1984, and Suzette Freeman, a broker since 1996, have shown me how to be a strong businesswoman and operate with professionalism.

From Day One, these women have been available and accessible to me at all hours of the day or night, whether they are home or out of the country, and still teach me how to address, diffuse, or avoid situations that have come up during my real estate transactions. They have

influenced me to take action and be an advocate and participate in organizations I feel strongly about.

What is your greatest challenge in real estate and how have you worked to overcome it?

When you are a new agent, it's easy to feel like a small fish in a big pond. The greatest challenge in real estate, and in life in general, is having the confidence to stand up for what you know is right and always live each day knowing you handled everything with professionalism and kindness.

I work to overcome that challenge by getting involved and getting education that helps me better serve my clients and fellow colleagues. Saying yes to experiences, saying yes to opportunity, and saying yes to something you are scared of will only result in the satisfaction of knowing you put yourself out there to grow as a professional and as a person.



Kathy Wade Turner, Bryan-College Station

Licensed since ... 2010

Specialties: Residential; relocation; commercial/industrial/office properties; development; new construction

Designations and certifications:

2014 Texas REALTORS®

Leadership Program graduate,

Military Relocation

Professional (MRP)

Leadership positions:

Women's Council of

REALTORS® National

Steering Committee;

Women's Council of

REALTORS® Texas

District Vice President

2018; Women's

Council of REALTORS®

Texas Governor 2018;

Women's Council of

REALTORS® Texas Secretary

Elect; Women's Council

of REALTORS® Texas Leadership

Identification Committee; Bryan-College

Station Association of REALTORS® TREPAC

Committee; One for all BISD Political Action

Committee Chair

Fun facts: I serve in several areas of the

Bryan Independent School District, such as

Johnson Elementary PTO Board for seven

years, Johnson Elementary PTO President for

two years, Bryan ISD Parent Leadership Team

for seven years, Safety Task Force for one

year, and Facilities Committee for four years.

Why did you decide to become a real estate professional?

I started my career in mortgage information systems, and my company was sold and went public, then things took a quick downturn and it filed for bankruptcy. I was a single mom of two, and I knew I had to find a career that would allow me the flexibility to raise my children while maintaining a steady income to sustain our family.

A friend suggested real estate, and I took a leap of faith and dove right in. From the moment I started my classes, I fell in love with the idea of being able to help people navigate through the process of homeownership. I knew that if I could play a role in helping people

purchase homes, find commercial spaces to start a business venture, or find land to farm and ranch on, my life would be fulfilled daily.

Do you have a mentor? How has your mentor influenced your career?

The most influential mentor in my real estate life is Sylvia Seabolt, who I met when she came to help us charter Women's Council of REALTORS® in the Brazos Valley. From the moment I met Sylvia, I was impressed with her ability to take the struggles in her life and capitalize on what the journey taught her. People like Sylvia have taught me that true servant leadership is identifying people and their gifts and encouraging them along the path of leadership and reaching their dreams.

“From the moment I started my classes, I fell in love with the idea of being able to help people navigate through the process of homeownership.”

– Kathy

What is your greatest challenge in real estate and how have you worked to overcome it?

The greatest challenge I have faced in real estate is the struggles that I have had in my personal life that have interfered with my focus on my career at times. I started to lose faith in my ability to run my own real estate business while being able to take care of a family. Through some amazing mentors and some internal motivation, I have overcome every obstacle and now use my story to help others going through struggles.

How were award winners selected?

Judges for the 2018 REALTORS® to Watch award had a tall order: They sorted through more than 80 nominees looking for individuals who embody excellence, leadership, and community involvement. The judges—a mix of regional vice presidents representing each of TAR's 16 regions and the 2017 REALTORS® to Watch honorees—also had to take into account applicants' strengths of their industry experience, education, and association and community involvement.

With so many high-caliber nominees, the finalists couldn't be hastily chosen. In fact, five different judges reviewed each nominee's application. Local association executives and the TAR Leadership Team reviewed the top 10. The final five on these pages stood out from the crowd and are individuals of ethical character who have proven they deserve to be distinguished from other young REALTORS®.

Are you a future REALTOR® to Watch?

Now that you've gotten an idea of award winners' involvement and achievements, it's time to find your own path of excellence. Applications for the 2019 award will open next summer, so in the meantime, get involved with the association, find ways to positively impact your local communities, and focus on reaching your business goals through effort and education.





FINALLY

say yes to success.

If you want to be productive, the right tools make the difference.

Impress your clients with our professional suite of marketing materials. Promote your personal brand and market your listings using our digital marketing resources. Win more listings and justify your commission with our unique listing presentation. Plus, manage your clients, your marketing and your transactions through our unique technology platform. Success just got a whole lot easier.



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STEPS TO BOOST YOUR CREDIT SCORE

There aren't shortcuts to improving your credit score. You'll need to make sound financial decisions for at least several months to offset previous damage you've done to your credit record.

But that doesn't mean it can't be done. Here are four steps to improve your score and increase the chances you'll qualify for a favorable mortgage loan.

CHECK YOUR CREDIT REPORT

Verify that the items listed on your report—especially the negative ones—are correct. If there are mistakes, correcting them is an easy way to help your score. You can order free copies of your credit report at annualcreditreport.com.

PAY OVERDUE ACCOUNTS

Past-due balances are very damaging to your score. Pay off the debt or at least negotiate a plan to get those accounts current. Once current, those accounts will stop adding negative information to your credit report and can generate positive credit-score movement.

USE LESS OF YOUR AVAILABLE CREDIT

Carrying a \$2,000 balance on a Visa card with a \$3,000 limit isn't going to help your credit profile. Try to pay down those balances, if possible, to less than 50% of your available credit. Another option is to ask for a higher limit. If Visa raises the limit on that card to \$6,000, your balance looks better—as long as you resist the urge to add to the balance on that card.

DON'T CLOSE ACCOUNTS

This one is counterintuitive, but closing a credit card account lowers your available credit. Keep that card active and set it up to autopay one or two small, recurring bills, such as your Netflix membership.



When you're ready to start looking for a home, talk to a Texas REALTOR®. He or she can help you understand the many aspects of the homebuying process.

TAKE 5

TAX DEDUCTIONS TO LOOK FOR UNDER THE NEW TAX LAW

The Tax Cuts and Jobs Act was signed into law last year, bringing many changes that affect individuals, businesses, and tax-exempt and government entities. Dave Gourley, president of TaxBot, a TAR member benefits partner, offers a few insights into changes that affect your business deductions. Remember to consult with your personal tax advisor to determine how the following might apply to your business.

ENTERTAINMENT

The days of writing off that round of golf or other forms of entertainment with your client may be gone, but treating them to a nice meal should still be deductible.

HEALTHCARE COSTS

Healthcare costs continue to rise, but there may be a silver lining. Many small-business owners may be able to write off 100% of their healthcare expenses utilizing a Health Reimbursement Arrangement (HRA). For more info, go to hra.taxbot.com.

LUXURY VEHICLES

The luxury limits for cars increased dramatically. You can now write off up to \$50,000 of a luxury vehicle over a five-year period. (It was previously \$15,800.) This means you can write off luxury vehicles up to three times faster than before.

NEW 20% PASS-THROUGH BONUS DEDUCTION

Most business owners can now get a deduction equal to 20% of their business's net income. This would effectively reduce your taxable income. Your business must be a "pass-through" entity, so consult with your tax advisor to determine if your business qualifies.

TRADE ASSOCIATION PARTICIPATION

Deduct expenses related to and necessary for attending business meetings or conventions of certain tax-exempt organizations. This includes the REALTOR® association, so there's one less excuse for not getting involved.

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 Association of 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 marks 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.



DID YOU KNOW?

As a Texas REALTOR®, you get BIG benefits to help you succeed in your business.

- Reliable information to keep you ahead of the curve
 - Legal resources that help protect you and your clients
 - Great discounts on products and services
- And so much more!

You're also part of a strong community of REALTORS® who support property rights through legislative and political involvement.

You're part of the largest trade association in the nation with a network of more than

100,000

Texas REALTORS®

and **1.3 million**
REALTORS®
nationally!

Whether you are involved in residential or commercial transactions, property management, investments, or an affiliate, your association offers benefits to help you succeed.

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