

NEW JERSEY REALTOR[®]

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WHEN THINGS
GO BUMP
IN THE NIGHT[®]
AT YOUR LISTING

FOR
SALE

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New Jersey REALTOR®

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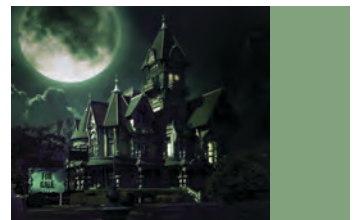
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A Night With The Jersey Devil

BOO!!

Did I scare you? With autumn upon us and a chill creeping in, some thoughts might turn to ghouls, goblins, or our very own Jersey Devil. Or, perhaps you are more afraid of completing your upcoming continuing education requirements! Fear not...New Jersey Realtors® is here to protect you!

We are coming up on the end of the National Association of Realtors®' Quadrennial Ethics requirement, as well as the end of the current CE cycle.

"I have to do WHAT?" you shriek!

Yes, it's true!

By Dec. 31, 2016, you'll need to complete your Quadrennial Ethics, as required by NAR. Not to overshadow that deadline, the New Jersey Real Estate Commission separately requires you to complete 12 hours of continuing education by April 30, 2017 (or by June 30 with a frightening \$200 fine ... but don't even go there, just get it done!).

Fortunately for you, New Jersey Realtors® makes it a werewolf-free walk in the park to complete both educational requirements.

Registration is now open for the 2016 Triple Play Realtors® Convention & Trade Expo. While Atlantic City in December may

sound like a nightmare, it's actually very productive and a lot of fun! With almost 100 sessions to choose from – over a dozen of which qualify for continuing education credit – you'll be able to whip through your requirements and even leave with some great ideas to increase your business! Plus, there are some great opportunities for networking, an expo with over 325 exhibitors, vendors with the latest and greatest to help you succeed, and even a few parties!

OK, so now you know how to get your New Jersey Real Estate Commission education requirements completed, but you are terrified that you still have to do your ethics training by year's end. Well, to keep your blood-curdling screams at bay, you can simply head over to njrealtorsace.com where you can complete your NAR requirement online. That's right... you can sit right in the comfort of your own home and get it done without having to go outside and risk having a zombie eat your brains.

So don't let this fill you with dread — we've got you covered. But just in case ... check out bit.ly/1blrnYl to stay completely safe! ■

Tg Glazer
PRESIDENT



Calling Trenton Home

It's been a long road to our new reality of calling Trenton home for our headquarters. This is the culmination of decades of big dreams and hard work. And the deserving thanks goes to you.

Each one of you helped position us here, in our capital city, spurring a revitalization of the north ward. While our staff may occupy this building on a daily basis, this building is yours.

I value the importance of our leadership teams and the members who volunteer hours and hours of their time to help our association grow. Our Past Presidents are a very special part of that. They are the foundation of this association and I'm reminded of that every day as our staff works to create successful programs and services to help every Realtor® do their business to the best of their ability. This new building recognizes that foundation with a formal meeting space on the third floor named the Past Presidents, Conference Room. It's located directly right next to the Ferguson Conference Room, a flexible event and meeting space named in honor of long-time CEO, and my mentor, Robert Ferguson.

New Jersey Realtors® is a functioning, contributing part of Trenton and we are proud to be in this neighborhood, this city, and this state. Even in the short few months we've been here, we've already hosted congressional candidates, Lt. Gov. Kim Guadagno, many elected officials, educational events and countless committee meetings.

We are proud of this decades-long dream that has finally come to fruition. I urge you to be a part of the association's legacy. Apply to be on a committee—njrealtor.com/committee-selection—and come see our new home for yourself. ■



Jarrod C. Grasso
CHIEF EXECUTIVE OFFICER





EVENTS & DEADLINES

OCTOBER 1, 2016 – DECEMBER 31, 2016

OCT. 3

**NJ REALTORS® CIRCLE OF EXCELLENCE®
RPAC INVESTMENT DEADLINE**
njrealtor.com/account

NOV. 8

ELECTION DAY
realtorsvote.org

OCT. 5 10 a.m.

**REALTORS® RPR ADVANCED: 10 WAYS TO EARN MORE
BUSINESS THAN YOUR COMPETITION**
njrealtor.com/2016/09/rpr

NOV. 24-25

**NJ REALTORS® OFFICE CLOSED — THANKSGIVING
HOLIDAY**

OCT. 28

NJ REALTORS® COMMITTEE SELECTION FORM DEADLINE
njrealtor.com/committee-selection

DEC. 5-8

TRIPLE PLAY REALTORS® CONVENTION & TRADE EXPO
Atlantic City, N.J.
realtorstripleplay.com

NOV. 2 – 7

NATIONAL ASSOCIATION OF REALTORS® ANNUAL MEETINGS
Orlando, FL.
realtor.org/convention.nsf

DEC. 26

OFFICE CLOSED – CHRISTMAS DAY

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A Deeper Dig Into Student Debt

By Douglas M. Tomson

In the August edition, I highlighted the student loan debt crisis and its impact on the housing market, but the issue deserves a deeper dig. While we've seen growth in our state's housing market, it is still not where it should be amongst our younger residents, with student debt as a key hindrance to residents' long-term financial plans.

According to time.com, student loan debt exceeded credit card debt in 2010, auto loans in 2011, and it passed the \$1 trillion mark by 2012, and we wanted to learn how this largest source of debt impacts its borrowers.

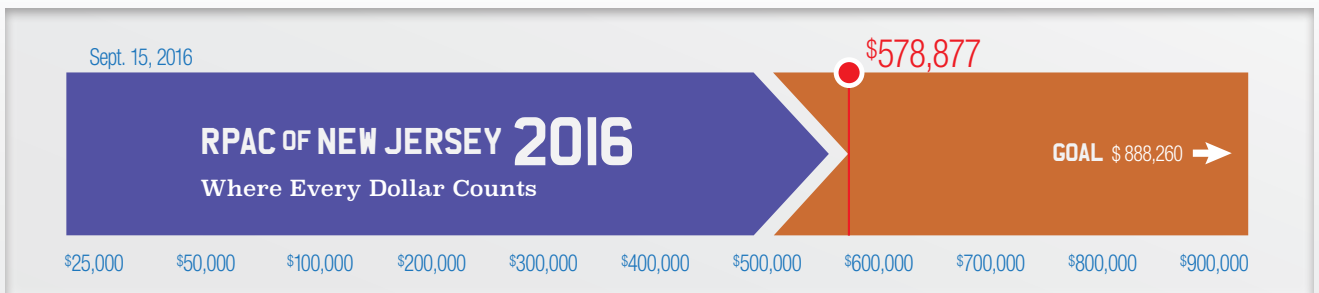
The National Association of Realtors® 2015 Profile of Home Buyers and Sellers asked a series of questions regarding adversity they faced in saving for a down payment on a home and whether they believed student loans were an impediment to their purchase. For first-time buyers who are predominantly millennials under the age of 34, one quarter of them said the most difficult part of the home buying process has been saving for a down payment. Of those, 58 percent stated student loan debt delayed them from buying a home.

This brings us to a question — Why has student loan debt grown so rapidly?

There are a myriad of social, political, and economic issues which have contributed to this, including stagnant middle-class incomes, increasing college tuition rates, and a state government that has had trouble subsidizing the rising costs of tuition, amongst other things.

Also, support for higher education has failed to contend with the growth in higher education costs, leading to an increase in student loan borrowing. And high debt levels mean that graduates have to spend their money paying off debt rather than spending it as consumers to stimulate the economy. The average credit score of someone with student debt is lower than someone without debt, which can limit a debt-holder's buying power when obtaining a mortgage.

If states continued to support public higher education at the same rate they did back in 1980, an additional \$500 billion would have been invested in public colleges and universities, according to the U.S. Bureau of



Economic Analysis. The bureau also totaled spending on higher education at \$39.6 billion in 1980, of which states contributed 54 percent. In 2014—the most recent data the bureau has available—states contributed \$132.4 billion, which only equals 37 percent of states' share. And by the Department of Education's own calculations, the federal government earns, in some years, 20 percent on each loan. All of these issues, in sum, contribute to the current student debt crisis our younger generation of graduates is living in.

So, what is being done to solve the student debt crisis for the 42 million Americans who owe \$1.3 trillion in student debt?

For starters, new regulations limit student debtor's federal loan payments to 10 percent of their income, and since student loan debt is one of the few types of debt which cannot be discharged in bankruptcy, this makes it easier for borrowers to afford other monthly living expenses. As federal and state governments look for ways to solve the student debt crisis, a closer look at the \$140 billion-a-year student debt industry is being made. Ideas about the federal government providing more funds for higher education, increasing grants, and reducing additional expenses for students by making expensive textbooks available online have all been discussed.

The conversation of reforming higher education is happening at every level of government across party lines. The answers to all of these questions lie in the policy decisions made by our elected officials.

To learn more about some of the latest legislative proposals in New Jersey, please visit njrealtor.com/studentloandebt. ■

Douglas M. Tomson is the Director of Government Affairs. He can be reached at 609-341-7120 or dtomson@njrealtor.com.



NEW JERSEY LEGISLATIVE BILLS

A2159 – Lampitt (D-6), Moriarty (D-4)/S2262 – Diegnan (D-18)

Prohibits use of anti-concurrent causation clauses in homeowners insurance policies

New Jersey Realtors® Position: Support

We support this bill prohibiting insurance policy clauses to deny an entire claim for covered damages that occur concurrently with a non-covered loss or damage.

Bill History:

1/27/2016 – Introduced in Assembly and referred to Assembly Financial Institutions and Insurance Committee committee
5/23/2016 – Introduced in Senate and referred to Senate Commerce Committee

A2952 – Andrzejczak (D-1), Land (D-1)/S1631 – Van Drew (D-1)

Requires creditors to maintain vacant and abandoned non-residential properties under foreclosure

New Jersey Realtors® Position: Support

We support this bill requiring creditors to maintain vacant properties under foreclosures as they can be both difficult to sell and can have a negative impact on surrounding properties.

Bill History:

2/16/2016 – Introduced in Assembly and referred to Assembly Housing and Community Development Committee
2/16/2016 – Introduced in Senate and referred to Senate Community and Urban Affairs Committee

S1467 – Ruiz (D-29)

Requires registration of certain vacant and abandoned properties with municipalities and provides enforcement tools related to maintenance of these properties

New Jersey Realtors® Position: Monitor

We are monitoring this bill to ensure there are no adverse impacts to property owners who may be at risk of foreclosure due to potential costs that can be associated with the requirements of this bill.

Bill History:

2/16/2016 – Introduced in Senate and referred to Senate Community and Urban Affairs Committee



SUPPORT



MONITOR



OPPOSE

RELEVANT, RELIABLE, AND RELATABLE: DATA YOU NEED AND WHERE TO GET IT

By Michele Lerner

While every Realtor® knows that buyers and sellers dive into data online before making a housing decision, sales professionals also know that not every source of information is reliable. Realtors® need to guide their clients to the best statistics and interpret information to help them make informed decisions. Sorting through the mountains of available statistics to find what matters most to clients can be daunting.

“I think it’s important to keep track of national and state news as well as hyper-local trends,” says Maria Rini, a Realtor® with Re/Max Real Estate Limited in Oradell. “Buyers look at the national numbers, so I need to understand how to compare that to local information.”



However, River Giberson, a Realtor® and part owner of Century 21 Thomson and Co. in Red Bank, says New Jersey's market is too different from the rest of the country to make national numbers line up.

"We still have a lot of foreclosures left in our area because our laws here make it a slow process to work our way through all of them," says Giberson.

Customer data needs come first

The most valuable and accurate data we use comes from our MLS systems, says Jessica Figlar, a Realtor® with Court Street Properties Group in Hoboken.

"It's updated as soon as a deal closes, plus we can pull out lots of information from the system such as days-on-market, sales-to-list price ratios, the last sold price, how many times a home has been listed and averages for comparable homes," says Figlar. She says that information can be used to guide buyers on what to offer for a place and to help sellers price their home competitively.

"For a listing presentation, it's easy to search the MLS for inventory at a particular price point in a certain town," says Lynn Brescia, a Realtor® with Coldwell Banker Residential Brokerage in Wyckoff/Franklin.

"We can click through the property history and figure out if it's been on the market before or what price it sold for last and to check on the days on the market for similar properties to help sellers price their home competitively." But consumer-focused sites such as Zillow and Trulia don't receive the same regard as the MLS. "Zillow is the bane of our existence," says Rini. "Buyers and sellers love to look at 'Zestimates' for properties, but those are based on algorithms and are not always accurate."

Rini says it's essential for Realtors® to know their local market data to make a compelling argument as to why a Zestimate may be inaccurate.

"Zillow and Trulia show average numbers without enough specifics and they often show pre-foreclosures

on their site that aren't actually for sale," says Giberson. Figlar says data from sites other than the MLS is often outdated, particularly because competitive markets, like Hoboken, move fast.

"Buyers need to know the list price to sales price ratio because they sometimes get advice from friends or family to offer ten percent less than the asking price," says Rini. "They need to be shown with hard numbers if homes are selling fast and within two percent of the asking price."

Sellers need that same information, says Rini, but they also focus on days on the market statistics so they know what to expect and when to look for a new home.

Taxes, flood maps, and more

"Everything you need to know can be found in the MLS, including tax records and flood maps," Giberson. "The flood maps that we can access through the MLS come straight from FEMA, which is very important for people buying in our shore towns."

However, Giberson says he finds the New Jersey Association of Tax Boards site a little easier to use for tax information than the MLS.

"You can search in several ways to compare taxes, but they also have a property card with a rough outline of the house so you can see if it has a deck or a garage and a breakdown of the square footage on each level," says Giberson. "It's a great layout when you're doing a CMA."

Jim Lenhart, branch vice president of Coldwell Banker Residential Brokerage in Flemington, recommends verifying the property taxes shown in the MLS with the information from town government websites.

Some sales professionals like the reports provided by Realtor Property Resource®. Rini says the reports on housing facts, neighborhoods, and schools are useful to share with buyers and sellers.

"If you're doing something a little out of the ordinary, RPR can be helpful for its market analysis and its

pooled records from different MLS systems from around the state,” says Giberson.

He says he uses the reports to provide neighborhood and school information to buyers.

“RPR has a mobile app now that provides current information that can be helpful and individual companies like Coldwell Banker have developed proprietary apps that use big data to develop a target area for buyers that we can share with our sellers,” says Lenhart.

He adds that the most valuable information is the absorption rate on the town level that he gets from the MLS to show buyers and sellers how quickly homes are selling and to track inventory.

“I also use New Jersey Property Facts to print out a report with everything there is to know about a larger property with a lot of acreage, including flood maps and wetlands information,” says Lenhart.

Favorite data sources

Lenhart says that while it’s smart to follow national real estate data for an overall view, he says localized information is best.

- **New Jersey information:** Rini relies on Jeffrey Otteau’s MarketTRAC report for state and regional data and news around the state, as well as the Bergen County Board of Realtors® newsletter. She also follows New Jersey Realtors® statistical reports available at njrealtor.com/10k.

“NJ Realtors® ‘monthly skinny’ video highlights interesting data about inventory and pricing and then there are the state, county and municipality stats that I look at monthly,” says Rini.

The state association also provides monthly reports for the state, plus all counties and municipalities – at no charge – that members can provide to clients.

- **National information:** Some Realtors® turn to Inman News for articles about trends in their business and technology. In addition, many brokerages provide newsletters for their agents to share a broad perspective on housing trends and business tips.

“I pay attention to national news about the economy just to keep an eye on it, but that kind of news doesn’t always reflect what’s happening in our market,” says Figlar.

- **Local news:** Figlar says she pays attention to local magazines and news sources as well as other agents in her area for market information. While not every area has a robust local newspaper these days, Rini says the *Bergen County Record* is a great resource for what’s happening in the community in general, especially upcoming development.

“Town and county government websites have excellent information about economic developments, changes in local laws and schools that is valuable for Realtors®,” says Lenhart. “It’s good to know about new companies moving into the area because that will have an impact on the absorption rate.”

For school information, Brescia recommends that buyers go directly to the school system website or to the town website for statistics.

“The more information you have, the more confident you can be about advising your clients and interpreting the data they see,” says Rini.

Helping your clients make sense of housing data is an essential component of providing them with excellent customer service. ■

Michelle Lerner, a freelance writer from Washington, D.C., specializes in real estate-related articles. She can be reached at MVLerner@comcast.net.



HOW BIG DATA IS TRANSFORMING REAL ESTATE

By Bridget McCrea



Defined as extremely large data sets that may be analyzed computationally to reveal patterns, trends, and associations—especially those relating to human behavior and interactions—big data isn't just another passing fad that real estate agents can afford to ignore. In fact, big data is transforming the industry one gigabyte at a time, and it's bringing brokers, agents, and clients right along with it.

"Big data used in real estate identifies who buys or sells what, when, where, why, and how. When real estate markets implement data modeling, it gives an in-depth analysis of consumer behavior as it relates to and impacts the real estate industry," according to Innovation Enterprise's 'Big Data: How Industries Will Benefit In 2016.' "As big data usage becomes more standard, agents who practice data analysis will see their revenue surge, their costs drop, and their market share increase."

These lofty goals could be easier attained using big data and the actionable analytics (i.e., data that can

be drilled down to bits of information that agents and brokers can use to make business decisions) that come along with it. In CNBC's "How Big Data is Transforming Real Estate", for example, Marguerite Ward highlights how agents are using big data to do everything from assessing storm damage to a house to responding to a prospective buyer's property concerns to designing offices that suit tenant needs.

Ward points out that these and other "key tasks" are becoming quicker and less expensive as the real estate industry "adopts lessons from technology, lessons that have already dramatically changed industries," including finance and healthcare. "In other words," she writes, "big data is transforming real estate."

From old-school to new-school

For agents and brokers who have long relied on networking, relationships, and feet-on-the-street customer generation and retention tactics, computationally analyzing huge sets of data to figure out human behavior, preferences, and

interactions may sound like the stuff of statisticians, mathematicians, and information technology types.

“Real estate has traditionally been a game won or lost based on old-fashioned networking and shoe-leather style hard work — deeply dependent on timing, detecting trends, and more than a little bit of luck,” writes James O’Brien in Mashable’s “5 Ways Big Data Is Changing Real Estate.”

In reality, big data is both accessible and actionable for real estate professionals who want to combine raw data with analytics to make better business decisions, reach a wider or, alternatively, more targeted, group of potential buyers and sellers, and develop content and messaging that more effectively reaches these candidates.

“Big data lets us know what visitors are doing when looking for real estate online ... and we adjust our paid and organic efforts based on this data almost daily,” one real estate CEO said in the article. “We process data from multiple sources, stripping it down to just the niche we serve. It is this large dataset that allows us to provide true convenience to the buyers and sellers.”

Creating connections

Big data may be a newer concept for most real estate professionals, but Bryan Robertson, CEO of Catarra Real Estate in Los Altos, Calif., says he’s already seeing some agents leveraging it to their advantage. Formerly a business intelligence software developer, Robertson says the concept of big data surfaced more than two decades ago in the tech space, and has since made its way into many different industries—real estate included.

“Agents are using big data to try to figure out how to connect with clients in a faster, easier, and lower-cost manner,” says Robertson. “That’s ultimately the promise that big data brings to the table.” He adds that while most agents are not analyzing the data itself to derive patterns and actionable insights from it, they are increasingly turning to it to make better decisions, get in front of potential clients, create more efficient mailings, and even improve their cold calling success ratios.

“Agents want to be more efficient, and that’s what big data brings to the table,” says Robertson. “Basically, it’s the premise that their lives can be made easier

by having a large set of actionable insights at their fingertips.” For example, he says some real estate companies are deep-sixing their age-old bulk mailing strategies and instead drilling down into local and community data to ferret out the best potential recipients of those mailings.

A 1,000-home neighborhood, for example, probably comprises just 30-40 total current owners who may want to sell their properties in the next 6-12 months. “You can use big data insights to figure out which of the 1,000 have the most potential to sell, and then make much better use of your money by targeting your message and only sending mailings out to 30-40 homes—versus 1,000,” says Robertson. “This is one area where big data is presenting the best value for agents right now.”

Going beyond the basics

It’s important to note that the value of the big data lies not in the information itself, but in how you use it and implement it. And, knowing that 30 percent of the homeowners in a specific neighborhood are going to sell their properties in the next 6-12 months is less valuable than knowing that, for example, Bob and Mary Jones at 1234 Main Street are going to sell within six months because they’re hitting retirement age. With the latter information in hand, for example, the agent can start mailing informational postcards (e.g., with downsizing information and tips) twice a month to the Joneses.

“When you can get this granular not only in terms of who you’re reaching, but also the information that you’re providing to the recipients of your mailing, the advantages of using big data become very clear,” says Robertson. “It’s about tailoring your message and then turning the information into real revenue. That’s the ultimate goal.”

When working with sellers, Robertson says agents can use big data to create accurate, fine-tuned profiles of potential buyers for specific properties. “Sophisticated agents are already starting to do this,” he says. If, for example, you’ve listed a two-bedroom condo, then a family of five probably isn’t the best match for that abode. Using big data, an agent can factor in target demographics—age group, employment, etc.—and then present his or her seller with a solid buyer profile.

"This gives you an edge from a marketing standpoint because a lot of agents are still throwing stuff at the wall—old-school ads, print ads, social media, and so forth—and hoping that it sticks," says Robertson. "Big data, on the other hand, can help you determine whether you should be targeting a specific employee group on Facebook. That provides much more value than just old-school marketing tactics."

Enlisting help

Acknowledging the fact that most real estate agents don't have backgrounds in business intelligence or software development, Robertson says there are tools available to help real estate professionals dissect big data and transform it into useful information. He advises agents to search for companies that provide analytics "dashboards" and the necessary data integration, since "doing all of that technical work is probably not the best use of an agent's or broker's time."

In *Realtor® Magazine's* "Turn Big Data Into Big Dollars", Sam DeBord points to ReboGateway and SmartZip as two companies that use big data to help agents create more targeted mailings. "Instead of mailing materials to everyone in your city, these companies allow you to view different tracts within the area and find which areas are turning over faster," DeBord writes.

For example, if West Seattle is your market, but zip code 98136 turns over every five years and zip code 98126 turns over every 12 years, then it's time to point more of your marketing at 98136. "After identifying those tracts," DeBord writes, "the broker can make more strategic decisions about which part of town to focus advertising dollars."

Research, review, disseminate

Licensed since 1988, Sabine H. Schoenberg, founder of PrimeSites, Inc., and Sabine's New House in Greenwich, Conn., sees great potential ahead for the intersection of real estate and big data. "Obviously we're at a point where agents and clients have access to huge volumes of information," says Schoenberg. "It's just a matter of how conversant you are with technology and how well you can research, review, and disseminate the data. Either way, there's definitely an expectation on the part of the client to see and use big data as part of the buying or selling process."

To agents who want to leverage this trend, but who are unsure of how to get started, Schoenberg says a good first step is to talk to clients about their expectations around data, information, and analytics. Ask them questions like: Have you looked at other websites for homes or selling data? Have you visited Zillow, Trulia, Realtor.com, or another large listing aggregator? If so, what are you looking for on those sites?

"Out of that dialogue, you'll be able to glean a lot of information on how your buyers and sellers operate and what their expectations are," says Schoenberg. "As agents, we shouldn't shy away from big data; we should work with it. It's great to have new-age clients to work with, but we really have to be on top of things—and out in front of things—if we want to continue growing our businesses." ■

Bridget McCrea is a Florida-based freelance writer who covers business and real estate topics for several magazines and newsletters. She can be reached at bridgetmccrea@gmail.com.



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TO THE MAX

TODAY'S HOMEOWNERS GET CREATIVE TO MAXIMIZE EVERY SQUARE FOOT

By Lindsey Getz

Today's buyers are looking for homes that are not only turnkey, but are truly making the most out of the space available. Whether it's creating a backyard retreat with hardscaped areas, transforming an unused shed into a creatively functional space, a finished basement with added bells and whistles, or a master bedroom closet that truly capitalizes on the space available, homeowners are using their space to the max—and buyers are seeking out homes that have an extra something special.

Creativity reigns

Homeowners are getting more creative with their spaces than ever before and that can be beneficial when it comes to buying or selling a home. Haley De Stefano, a Realtor® with Keller Williams in Sewell, says that unique features which make a home stand out from the cookie cutter variety can carry serious selling power. Popular features she has seen in stand-out homes often seem to center around organization or features that would help make life easier. One such example was a large jewelry box that was built into the wall and hidden behind a mirror.

De Stefano has also seen some eye-catching closet organization systems in master bedrooms, including one that had a lazy Susan feature for shoes. Also, a kitchen with a dishwasher that has two drawers functioning independently goes above and beyond the functionality of double wall ovens or double sinks and is memorable in the buyer's mind.

"That is the kind of stuff that sticks with you," De Stefano says. "Nowadays buyers are a bit less committed than they used to be, always stuck in the mindset that something better will come along. But when you have a feature like that, they know it's one-of-a-kind and they don't want to miss out."

Unique home features are nothing new—but they are always evolving. For a long time, the "man cave" reigned as the must-have basement or garage feature, but since then the "she shed" has also emerged in magazines and shows on HGTV. Like a man cave, a she shed is a little on-property escape—the difference, of course, being that the space is designed more for a woman. Therefore it might be a space where one can curl up with a book, start a craft project, or even enjoy a cocktail. Creative homeowners are also converting sheds into pool houses, guest quarters, or children's play areas. The theme among all of these ideas is the concept of utilizing every possible space on the property to the maximum capacity.

"I love the idea of a she shed," De Stefano says. "The fact that it's a current trend shows that people want something fun. They want finished basements with the really cool built-in bar. They're spending more time at home and they want spaces that they can enjoy."

Research does reveal that homeowners are taking fewer vacations and instead opting for "staycations" where they may take time off work but don't travel anywhere. As a result, it makes sense that more people are investing money back into their homes.

"I think people like the idea of getting the most out of a home's living space as they can," says Jacki Smoyer, a Realtor® with Weichert, Realtors® in Moorestown. "They're not letting any square footage go under-utilized."

It's the same reason why so many homeowners have chosen to do away with a formal dining room or sitting room and convert them into spaces that are functionally on-par with their everyday life. Smoyer says she has seen that trend carry into the backyard as homeowners look to find ways to fully incorporate their outdoor areas into functional space.

"It starts on the inside with homeowners replacing windows with French Doors and sliders so that they can step right outside as though it were a seamless extension of the home," Smoyer says. "I have seen some really gorgeous backyards that look like they should be a resort. More homeowners are putting roofing over their decks so that they can use the space almost year-round and they're building kitchens, fireplaces, and more."

Smoyer says that utilizing the outdoor living spaces to their full capacity has become such a strong selling point that it's almost a "necessity" to some buyers.

"It's something that buyers are actively looking for and I'm seeing sellers reap the rewards," Smoyer says. "There's a good return on investment for finishing an outdoor living area. As people look to use every square inch of their home, the outside is no exception. They want to see that space finished and functional."

De Stefano agrees. "Buyers really want that amazing outdoor space and they love outdoor kitchens," she says. "An outdoor kitchen is a better selling point than an in-ground pool in many cases. For about half of the buying population a pool may be a turn-off. But a finished space is a 'want' for everyone."

All of this comes back to the truth that today's Realtors® are well aware of—the majority of buyers want turnkey homes complete with wow factor.

"Your typical buyer today wants move-in ready," Smoyer says. "With so many dual income families, very few have the time to work through all the legwork and details of renovations. Finished spaces are vital but buyers want even more than that—they want all the extras like rain showers or premium countertop materials. They want the wow factor."

Walk the line

While creative use of a space is undoubtedly a selling feature, there is a fine line to walk. The trick to adding a unique feature is doing so in a way that is still “universal,” says De Stefano. She would advise staying away from the kinds of trends that come and go and making sure that any upgrades are still “de-personalized.”

“I had one client who wanted to do stamped concrete—which is a great addition,” De Stefano says. “But he wanted to do it with the Eagles emblem. That’s just too specific. If you had a Dallas fan looking at the home an Eagles emblem would be a deal breaker.”

De Stefano says the key is to “make it desirable without making it specific.”

Jeffrey Senges, a Realtor® with Berkshire Hathaway/Fox & Roach, Realtors® in Marlton, says that “you can do something creative as long as you do it in a way that is both tasteful and convertible.”

In other words, potential buyers might not need a craft room in their home but seeing one that is tastefully done might give them some ideas for another unique way they can use the space to suit their own personal interests—so long as it is easy to convert.

“Buyers definitely have their own interests and desires and the idea of an ‘extra room’ that they can do something personal with is certainly an appeal,” Senges says. “There’s no doubt that today’s homeowners want to maximize the space in their home and that means making every room or area functional for their wants and needs.”

As sellers prepare their home for the market, finished spaces are certainly an appeal, but Adriana O’Toole, a Realtor® with RE/MAX Village Square in Montclair, says that it’s important those spaces are also properly cleared out. The key rule of staging is keeping a space free of personal memories like photographs, trophies, or even cherished treasures and collections.

“Those are the seller’s memories, not the buyer’s—and keeping those types of items in the space is a distraction from the buyers picturing themselves there,” O’Toole says. “They want to build their own

memories in this home. The key is to help them visualize that possibility.”

O’Toole says that creating unique spaces is fine—so long as the seller depersonalizes them when it comes time to put the home on the market. It’s important that the buyer be able to focus on their potential future in the home and not get caught up on the time that the previous owner spent there.

She says colors are important as well. Homeowners are often tempted to do bright colors—but those are quite personal and based on preference. She says that a house on the market would ideally be neutral, with shades of gray being far-and-away the most popular color palette right now.

“You really can’t go wrong with gray,” O’Toole says. “You can make a unique space less personal to your own tastes and style by going neutral.”

De Stefano says that she’s heard painters call gray the “color of money,” and says it would be a wise investment for sellers to convert some key rooms into this palette. It’s “what the buyers want.”

Similarly, it would behoove sellers to eliminate other highly personalized preferences from their spaces so that potential buyers can picture getting the most out of the home in a way that suits them.

“Unique features and finished spaces are wonderful—within the parameters of being universally appealing,” De Stefano adds. “Whether it’s a she shed or a man cave, it really doesn’t matter. The point is that it’s a finished space and it’s something compelling and memorable. The bottom line? Sellers should absolutely be creative and maximize their living space—but without being personal. To achieve that perfect balance is a homerun.” ■

Lindsey Getz is an award-winning freelance writer based in Royersford, Pa.





WHEN THINGS GO BUMP IN THE NIGHT AT YOUR LISTING

By Heidi Lynn Russell

A spirit was in the house...

And Realtor® Michelle Richards believed this “presence” was following the buyers around as they meandered through the rooms. Richards also believed it had been a woman who recently died, returning to her long-held place of comfort, keeping watch.

“I think she was there because (her death had) recently happened, and this was still her home. It had not sold. She just wanted to see who was coming in. She probably moved on after her family moved out,” says Richards, a Realtor® with Sotheby’s International Realty, Prominent Properties, in Hoboken.

You could say that Richards is a real-life “ghost whisperer” – someone who has been able to communicate with the departed since her childhood. “Ghosts” have been attracted to her since she was an infant, she says, citing the time when her grandmother, also sensitive to the paranormal, saw a woman’s spirit standing over her crib, looking down at her. And in her personal life, Richards has had some interesting and unnerving encounters with those who have crossed over.

Now that she’s selling properties, though, Richards grapples with how much to reveal when she senses a presence in a home. She has been a Realtor® for

about a year and hasn't yet listed a house for sale with paranormal activity, but she's on the fence about what to do when that finally happens.

"I don't know how I feel about it," she says. "I don't want to scare people away. And actually, nowadays, more people are interested in properties because of TV shows like, 'Long Island Medium.' So it's not a stigma as it used to be. But someone buying the house who doesn't want a ghost in it? That's trickier."

There is more of an interest in these homes and businesses than most Realtors® might realize, however. According to a 2013 survey by the National Association of Realtors®, 62 percent of house hunters say they'd consider buying one. And 35 percent of the 1,400 surveyed said they have lived in a haunted home, while 25 percent said they have researched a home's history to find out eerie past incidents.

What if you do walk into a place that makes the hair on the back of your neck stand? Here are some guidelines on selling and marketing properties with presence and how to handle matters when things go bump in the night (or during your showing).

Rule out natural causes first.

Suppose a seller asks you to list their house, and one of the first things they tell you is that they believe the place is haunted.

"That's just the person's point of view," says Hannah Mary Kneuppel, co-founder of New Jersey True Paranormal Investigator and Ghost Hunters, a team based out of Brick, which offers their ghost hunting services free of charge to those in need.

A house might have underlying physical issues, such as electrical problems or allergens, which could play havoc on someone's state of mind or even cause them to experience paranoia, she says. They may imagine things that are not there. So have the seller hire a reputable ghost hunting team to determine what is going on. And in the world of paranormal investigations, where most people don't know how to determine who is reputable, how would you do that?

"Within the paranormal community, all of these teams pop up that are in just in it for the thrill to catch evidence. So do research on them by asking, 'If you find something, what will you do about it? How will you help me?'" Kneuppel says. Also look at client reviews online and see if the team has references.

"There are so many that don't help. They want to document it and don't do anything, and they leave. They're serious, but they don't do any good," she says. Her team has been together seven years, and she's been involved in investigations for 12 years. And they also offer services for free. A reputable group won't charge money to help you, she says.

To best nail down activity, the seller should be able to provide specific instances or documentation, she adds. And anyone who has experienced the paranormal easily recalls specifics of the event.

If you determine there is a presence ... research the occupant history.

Tami Beckel is a Florida-based Realtor® who founded the Key West Paranormal Society and extended her services in New Jersey by launching the Atlantic City Paranormal Society. Her team conducts extensive background research on the home – who lived there, whether they died in the home, how many owners it had.

"Do a timeline on the house. If the owner died, find out if they died in the house," she says. "Also find out who built it, because sometimes it's haunted with the original builder who built it by hand and doesn't like changes." The entity is usually not there to harm you, although they may cause havoc when they're scaring you, Beckel adds.

"Arm yourself with knowledge, because it alleviates fear. This is no different than dealing with a live human being, like getting along with a personality in your workplace. They may no longer have a body, but they're still a human entity, and their personality in life is the same as in death. Once you understand who it is and why they're haunting the home, that helps you understand what's going on, and you are no longer afraid and know how to deal with it," she says.

Present only what you know to buyers, and let them draw their own conclusions.

Your feelings on whether the property is haunted are irrelevant. Present this aspect of the property as you would any other detractor, Beckel says. This is how she suggests discussing it:

“This home is said to be haunted by the owners. I don’t live here and haven’t experienced it. The current owners feel it is haunted. A team came in and investigated. They have evidence there was activity, and it seems to be ‘Uncle Bill.’ He is not here to harm anyone, but he built the house and loves it and is attached to it.”

The buyers’ reactions will vary according to their personality, from fear, to curiosity – to others who may share that one of their former homes also had activity, Beckel says.

While not required by New Jersey Real Estate Commission regulations to disclose any psychological conditions of a house, such as a murder, suicide or the house purportedly being haunted, unless asked by a prospective buyer, if you’re a dual agent or a buyer’s agent, you likely have a fiduciary duty to disclose such information to the buyer. Additionally, companies may have their own policies on such types of disclosures, and may require they be provided regardless whether or not a buyer asks about it.

“It’s known as ‘stigma,’ where the property is not physically defective, but a suicide or murder occurred there,” Richards says. “It’s not something that damaged the home; it’s psychological.”

Kneuppel notes honesty is the best policy in these instances. “You don’t want the client angry with you that someone died in the house and you didn’t tell them. If they find out a child fell down stairs and died and are creeped out, you need to be honest about it,” she says.

Avoid “tire kickers.”

Some properties are known locally due to occurrences or tragedies that happened in and around them. If one is listed for sale, you will have curiosity-seekers poking around open houses just for fun.

You can avoid that with one simple trick, say Kneuppel and her team:

“List it ‘By Appointment Only’ instead of having an open house. Then you only have people who are preapproved for purchase looking at the house,” she says.

Can you market the home as “haunted”?

There is a school of thought that says you could market the property for its paranormal activity to attract the clientele that wants to cohabitate with a ghost. But Kneuppel and Beckel aren’t so sure about that idea.

“You’re limiting your client base if you market it like that. Now if you’re in an area like Smithville, that’s different. There are people who go to historic areas for that very reason,” Kneuppel says.

You could always scope for buyers that would transform the property into a “haunted B&B” or a “haunted house” for the Halloween season. There are people who have overhauled a property for business and money-making purposes. But Kneuppel and Beckel have misgivings on that idea, too.

Because ... what if there really is something in the property that “goes bump in the night?”

“You’ll always have people trying to make money, but there are others who step over the line, in my opinion. But as an investigator – I’ve done this 15 years and have been a real estate agent 25 years – I have learned to respect the dead. I understand the differences in different types of hauntings. I understand the situations where people leave their names behind – and those reasons are real to those spirits. One thing I don’t want to ever do is start disrespecting a spirit,” Beckel says.

“There are reasons they’re doing what they’re doing.” ■

Heidi Lynn Russell covers small business issues for trade magazines, including NJ Realtor, and lives in Lexington, KY.



NEW JERSEY REALTORS® OFFICIALLY OPENS NEW TRENTON HEADQUARTERS

New Jersey Realtors® held a ribbon cutting ceremony on September 15 to officially open its new headquarters, located at 10 Hamilton Street in Trenton. Joining in the celebration was Lt. Gov. Kim Guadagno, Trenton Mayor Eric Jackson, Mercer County Executive Brian Hughes and many other representatives from the city, county, and state.

“After many years of planning, our dream of being located in our state capital is now a reality,” said Jarrod C. Grasso, NJ Realtors®’ chief executive officer. “We are proud to work in a community we believe in and are pleased to be part of the larger revitalization of the historic City of Trenton.”





The 20,000 square foot, three-story building took approximately one year from breaking ground to completion and lies in a redevelopment zone near the Mercer County Improvement Authority, the Sun National Bank Center, and the Roebling Center, which is currently under construction. The new headquarters features ground-floor leasable space, with the second and third floors occupied by NJ Realtors®. It includes state-of-the-art technology, multiple meeting spaces, a third-floor observation deck, and a ground-level patio.



The building was designed by Trenton-based Clarke Caton Hintz and construction management was handled by Barr & Barr. Maser Consulting and the law firm of Greenbaum, Rowe, Smith and Davis have been involved with the project since its inception. ■

SMART FORMS



Instead of having many additional sections at the end of our base contract, we are happy to introduce smart forms, which will allow you to only add the addenda you need.

There are 11 separate addenda that can now be added to the base contract, which also includes some new updates. You can learn more about these updates at njrealtor.com/zipform.

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When you check one of the boxes you will get an alert letting you know you have added the addendum to your transaction.

657

658 **42. ADDENDA:**

659 The following additional terms are included in the attached addenda or riders and incorporated into this Contract (check if applicable):

660 <input type="checkbox"/>	Buyer's Property Sale Contingency	<input type="checkbox"/>	Private Well Testing
661 <input type="checkbox"/>	Condominium/Homeowner's Associations	<input type="checkbox"/>	Properties With Three (3) or More Units
662 <input type="checkbox"/>	FHA/VA Loans	<input type="checkbox"/>	Seller Concession
663 <input type="checkbox"/>	Lead Based Paint Disclosure (Pre-1978)	<input type="checkbox"/>	Short Sale
664 <input type="checkbox"/>	New Construction	<input type="checkbox"/>	Underground Fuel Tank(s)
665 <input type="checkbox"/>	Private Sewage Disposal (Other than Cesspool)		
666			

Forms Changed

Addenda Private Well Testing 08/16 has been automatically added to your transaction based upon your selection. Use the "My Forms" tab on the left to open and edit this form, if needed.

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Any fields that have already been filled out will transfer over to the new form.



BOARD / ASSOCIATION NEWS

Eastern Bergen County Realtors® Volunteer at Family Promise

The Eastern Bergen County Board of Realtors® Community Service Committee hosted their annual Dinner with Realtors® this summer at the Health and Human Services Center in Hackensack for a Family Promise Walk-In Dinner. The committee served meals to 120 Bergen County residents in need.



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