Bust These Five Myths and Catapult Your Real Estate Career

The following is a guest blog post by Becki Saltzman, author of the forthcoming book Arousing the Buy Curious: Real Estate Pillow Talk for Patrons and Professionals, *being released in September 2013. Becki's ideas and material are her own, and not necessarily the opinions of RMLS™ as an organization or of individual staff members.*

Realty shows, economic forecasting mavens, new technology opportunists, oh my…everyone has an opinion about our delightful real estate industry. Myths are bound to develop, get repeated, and become truth-ish. Questioning and busting these truthy-isms can catapult your career. Here are some common myths that top pros love to bust—results may vary.

Myth 1: Knowing your own market is everything.

To survive as a real estate pro, it is imperative that you know the market. But now that your clients can access so much market information about you, it is no longer enough to simply know the market. You have to know *and* understand your business and industry. Knowing and understanding are two different things. You can know statistics inside and out and still not understand your business. For example, you can know that the market is up 6.5%, but what's the understanding behind that? Does that mean that prices are up 6.5% this month over last month, this year over last year, or this month this year over the same month last year? Or does that mean that 6.5% more properties are sold than…when, what?

> *83% of top media futurists surveyed felt that a market would go up 9.3% in the future.*
> *Courtesy of Sortafacts*

Here's some math straight out of the *Arousing the Buy Curious* annals.

Knowing + Telling = Turnoff
Showing + Telling = Reality show

Understanding + Telling = Getting blindsided by data

Knowing + Understanding + Showing + Telling = Real Turn-on + Data = Sold

Myth 2: All real estate is local.

This oft-repeated and catchy phrase does indeed help create a positive spin, often accurately, on bad national news. What it comes down to though, is the fact that shifts in larger markets often become shifts in local markets. If we have our heads buried too far up the 'hood-hole that we miss national and international shifts, market changes can catch us unaware and unprepared. This sucks for our clients.

Take a gander right now at what's happening in China. Really. Google "China" and "real estate" and "investors" and "luxury properties" and see what comes up.

Now solve this fun and snappy story problem exercise:
(So much math on this post but we got this!)

A wealthy international real estate investor walks into a showroom in New York. (Sounds like a joke, but it’s not.) He plucks down $100 million for the newly listed luxury penthouse that sits atop the CitySpire building, overlooking Central Park. Yeah, that’s the asking price inspired by international buyers producing a slew of record-breaking trophy apartment sales.

Questions:

• What does that do to the average price of New York City real estate?
• How does that affect what gets spewed in the media sphere about the luxury market?
• How might that influence high-end developers, buyers, and sellers in your market?

Tip: The good developers, buyers, and sellers, are reading and thinking about local *and* global happenings.

Be careful not to be too much of a local yokel. Yes, it is important to understand your local market but if you keep your head buried in your own special spot, you could be surprised by what’s really happening if you pull your head out.

Myth 3: Real estate pros are not salespeople.

Speaking in front of an audience of over 400 real estate trusted advisors, facilitators, customer service specialists, and client advocates, about 22 people raised their hands when asked how many of them sold property for a living. Strangely, however, the only way that any of these excellent real estate agents and brokers got paid was when they actually…wait for it…**sold** property. At 5.5% (22 out of 400) this was clearly not the 80/20 rule in full force.

I get it. Sales has such a sad stink on it that it’s no wonder it’s a four letter word starting with an S. Most MBA programs no longer even have classes on sales. But here is the truth-ish:

> *93% of what comes out of our lips or what is pecked and clicked involves some effort at enticing, cajoling, persuading, convincing, or influencing eardrums or eyeballs. One could call it Arousing the Buy Curious. I do.*
> *Courtesy of Sortafacts*

The art of persuasion comes easy to some. The ones who do it best know that to do it well and to reap the benefits over a long period of time requires a deep understanding of and appreciation for the best interest of the persuaded. It’s ethical, helpful, and good for both professionals and clients.

For those whom the art is less natural, there is a science to the art of ethical persuasive communication. It is backed by cool lab experiments, regression analyses, and all kinds of other sexy mind science. The first step is coming to terms with being what you are hired to do: sell.

If you don’t agree (many won’t and I still love you), leave a comment.

Myth 4: It is best to analyze our business by our successes.

Analyzing successes feels so good that it just feels right. It’s a form of…well, never mind. Even our clients like to hear about our successes because that makes them feel smart choosing successful us. Thinking about our failures in a private, non-judgmental and analytical way over a period of market dips and swings can help us maintain the protagonist role in the story of our lives and truly be smarter about our business…and better at it.

Time is often the thumb on the scale of our real estate successes. Remember how proud we were to win the bidding wars of 2006? Remember how sheepish we were about the result of those very same battles in 2010? Remember how great we felt about winning a similar war…yesterday?

Here’s where a bit of sexy mind science creeps in. We have biases. This, unfortunately and embarrassingly (at least for me), is scientifically proven. Here are two biggies:

The Self-Serving Bias: We grab credit for our successes and give away credit for our failures. We attribute our successes to our personal characteristics like our strong work ethic and our superior intellect. We attribute our failures to things beyond our control like poor market conditions, unreasonable clients, and uncooperative cooperating agents.

The Above Average Effect: We categorize ourselves as above average. (But we really are, right?) Frankly, I don’t like to think about earning the job of holding down the sad end of the bell curve.

The scary thing about being wrong is that it so often feels eerily similar to being right. Challenging ourselves to pretend that everything we have done right might have actually be done wrong is just as valuable as the addiction to challenging ourselves that everything we might have done wrong was actually done right. The difference is that it’s hard to know when wrong is the answer…until it’s too obvious to ignore and it doesn’t feel…right.

Set aside all of the contracts that you wrote last year and that did not close. Some will be easy evidence of great successes (e.g., your client wisely backed out of what was not a good deal for them). Some will be easy evidence of real failures (e.g., you should have known how to help your client address aggressive repair requests). Make a spreadsheet that requires you to write three ways you could have avoided a sale fail, even if it wasn't your fault.

Myth 5: The market is predictable.

Predicting markets is a huge industry. The outcomes of neuroscientific studies, the future of space exploration, and even the analysis of derivatives is not something that many people believe they thoroughly understand. At least I don't. Real estate is another story. We all get it at least a little bit. That's why real estate ranks number two or three as the most favorite cocktail party topics. The proliferation of real estate porn only perpetuates the popularity of the topic.

We can debate the pros and cons of sharing or hoarding real estate information at a later date (and we will, stay tuned) because the future of our industry will hinge on our ability to figure this out but, for now, let's assume that the access to this real estate porn is a net positive. Now, if you know that markets are mostly only predictable in the fact that they always fluctuate, you can keep this to yourself. Let your clients play with this porn and predict what they think that it means. Don't worry about correcting your clients, as their predictions will be right or wrong as any group of expert analysts. If you extract their predictions along with their short and longer-germ goals and help them steer clear of acting on their predictions when it doesn't mesh with their goals, you know that you are their best salesperson ever. If you do so without them feeling like you dismissed their predictions, they will know it.

The speed with which market predictors will delete their YouTube predicting videos when they are wrong will be faster than network news will cut away from a wardrobe malfunction. There is no need to say “I told you so” because no one will believe you anyway.

> *It’s 87% better to be a surfer in a tsunami than a weatherman on the beach. 91% of the world’s smartest people can figure out how this quote applies to shifting markets.*
> *Courtesy of Sortafacts*

Beside every real estate market result lays the useless carcass of yesterday’s market prediction. The only thing that is predictable is that markets fluctuate and you need to be as ready for the market flaccidity as you are for when the market Viagra kicks in…and wears off.

Busting myths in our industry can be snappy fun. It can also give us a huge advantage and head start over those that embrace the myths long after the truth is revealed.

RMLS™ subscribers: here’s a special exclusive offer to get the official (pre-released) audio recording of Becki’s upcoming book, *Arousing the Buy Curious: Real Estate Pillow Talk for Patrons and Professionals*! Click the link and use the secret saving code: RMLS.