

# Real Estate Digest



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## QR Codes: Finding a Strategy that Works for You



Chances are you're seeing QR codes everywhere these days—in ads, magazines, posters, etc. These little squares of information—bar codes on steroids—offer exciting opportunities for delivering information quickly to people using mobile devices.

They also provide a quick and easy way to do more with a single marketing channel. You can add them to “for sale” signs to give passers-by more information on a listing and to flyers to fit more information on a page. Some agents even put them on their cars for a mobile resume!

But before jumping in, it's important to

consider this: QR codes are no different than other direct marketing tools in that you must build a strategy, tactics and plan for testing, tracking and measuring results. Start with a strategy that answers the question, “What do I want to accomplish and how do I get there?”

✳ **Audience.** Who do I wish to target with a QR code application? Is the audience I'm targeting more or less likely to have access to a smartphone with a QR code reader? If they're more likely, are they likely to re-

spond? What's the best way to reach my audience, and what potential issues might they have with QR codes? Survey your audience to understand how they want to receive information.

✳ **Purpose.** What do I want to do with a QR code application? Do I intend to use QR codes to enhance my company's customer service? Provide new or time-sensitive information? Am I trying to engage customers or prospects with a video or some other medium? Am I looking to



build social media interaction? What's the action I want customers to take?

- \* **Production.** As with other direct marketing tools, there are many behind-the-scenes considerations for QR codes. Is the barcode large enough? QR codes can be various sizes and be used in a number of places, but keep in mind that some older mobile phones don't focus as well on smaller objects. Is there enough white space?
- \* **Back-end management.** A QR is a front door, but what's inside? Is the website that the QR code links to formatted for mobile display? Can I ensure proper security for data collection? Do I know what platforms to use and which to avoid?
- \* **Measurement.** Some excited marketers mistakenly begin implementing QR codes without regard to tracking and measuring results. As with other direct marketing programs, the only way to know if your goals are being met is to track everything. There are tools related to QR codes that can be used to determine if the program is working or needs to be refined.

Bottom line: QR codes are exciting and the possibilities endless. Consult with an expert who is experienced or if you want to go it alone, research and use reputable online tools.

## TRENDS

### Things Looking Up for Housing Market in Last Half of 2011



An improved employment forecast for the remainder of the year will help improve the housing picture as well, according to Frank Nothaft, chief economist for Freddie Mac.

Nothaft said he anticipates an unemployment

rate of 8.6 percent by the end of the year, down from more than nine percent. Mortgage rates will likely remain between 4.5 percent and five percent.

The economist noted that more financing is becoming available to the rental housing construction sector and that vacancy rates are falling and rents rising—all harbingers of a housing turnaround.

### More Home Owners Turn to "Homesharing"



Home owners looking for additional income are opening up their homes and renting out spare bedrooms to offset mortgage costs, which has made "homesharing" the latest trend to catch on in some parts of the country, particularly in affluent areas.

Homesharing "started where it was mostly elderly people living on fixed incomes who needed to rent out a room to supplement their income, or they were frail and needed help in the house. So they would offer a lower rent to somebody who would help," says Jackie Grossmann, a homesharing coordinator in Deerfield, Ill. "But now it's really moved to boomers, who have lost [their] savings."

While baby boomers are looking for roommates to help offset the costs of home ownership, the roommates are looking for inexpensive housing in "homesharing" arrangements for any number of reasons, such as job loss, divorce, job relocation, and more.

Some programs have even sprung up to help play matchmaker to homeowners and renters. In the high-priced area of Deerfield, Ill., for example, the Interfaith Housing Center of the Northern Suburbs offers the North Suburban Homesharing, a free service that matches roommates looking for inexpensive housing with homeowners seeking extra cash.



## Recession Keeping More Families Together



What's bad for the real estate industry is good for marriage. The University of Virginia has released a study showing that as the housing market went down, so did the number of divorces.

According to the school's National Marriage Project, 40 percent of couples headed for separation or divorce opted to shelve their plans. About 29 percent said the recession and hard times helped them renew their commitment to each other. The authors of the study added, however, they believed that in many cases couples simply looked at the cost of attorneys and the deterioration of home values and decided to stay together, at least for a while.

## Survey: Lifestyle is Key Component in Move Decision



Roughly 20 percent of people would move or have moved primarily to improve their lifestyle, according to a poll by the Better Homes and Gardens real estate franchise and the Meredith Corporation.

The survey showed that community and lifestyle decisions are critical to home-buying decisions.

"While the relation of price to features has become very favorable in many areas throughout the country, ultimately the surrounding community may determine how happy people are with their home purchase," said Sherry Chris, president and CEO of Better Homes and Gardens Real Estate.

The survey found that 38 percent of respondents wanted an easy commute from home to work, while another 34 percent sought easy access to health centers.

## MARKETS

## Gen Y to Lead Increase In Housing Demand



Watch out for Generation Y: This large, diverse, well-educated generation will drive the housing market recovery over the next 10 years, according to economists with the University of Southern California Lusk Center for Real Estate.

Gen Y (15-32 year olds) boasts about 77.4 million members, which is about equal in size to the baby boomers (46-64 years old). Yet Gen Y is much more diverse and educated (60 percent of Gen Y goes to college), according to the center, which recently presented its findings at the USC Lusk Center Orange County Executive Briefing.

Stan Ross, Lusk Center chairman of the board, says that "baby boomers and Gen Y comprise 50 percent of the population and will soon be part of the largest U.S. wealth transfer ever."

As more of this age group joins the workforce, "they will produce a massive increase in housing demand," forecasts the USC's Lusk Center.

However, Ross points out, "These kids are concerned. They have watched the stock market, financial markets, and economy wipe out their parents' retirement plans. As a result, they will choose lower-risk investment strategies."

## Bargains Abound in Second-Home Market



Prices have dropped in many markets, and second-home hot spots that once were out of reach for many buyers have now become more affordable, *The Wall Street Journal* reports.

For example, a property on Hilton Head Island,



S.C., that sold for \$1.2 million in June 2006 sold in April 2011 for \$750,000. Other big slashes in home prices have made such markets more affordable, and buyers are jumping in: on Palm Beach Island, Fla., sales were up 50 percent in the year ending June 30, and in the Hamptons in New York, transactions were up 59 percent in the second quarter compared to a year earlier.

Several second-home markets are already showing signs of stabilizing; in some, prices are even starting to rise, such as Santa Monica, Calif., and Aspen, Colo.

*The Wall Street Journal* reports that the following second-home markets continue to have softening prices and buyers can find plenty of deals.

- 1 Martha's Vineyard, Mass.  
Median home price: \$403,000  
Median home price 5 years ago: \$638,000
- 2 Vail, Colo.  
Median home price: \$385,000  
Median home price 5 years ago: \$562,000
- 3 Miami  
Median home price: \$130,000  
Median home price 5 years ago: \$302,000
- 4 Palm Beach, Fla.  
Median home price: \$254,000  
Median home price 5 years ago: \$758,000

## MORTGAGES

### HUD Offers Boost to Underwater Homeowners



HUD, working with NeighborWorks America, has announced the launch of the Emergency Homeowners' Loan Program (EHLPP) to help homeowners who are at risk of foreclosure.

The plan will be activated in 27 states hardest hit by the housing downturn. The plan is expected to assist 30,000 homeowners with average loans of \$35,000. Qualified owners could receive interest-free loans, payment of a portion of their monthly mortgage for up to two years, payment of missed payments or payment of past due fees.

For more information, go to: [www.FINDEHLP.org](http://www.FINDEHLP.org)

### More Buyers Turn to Investors for Hard-Money Loans



More and more investors are pulling money out of retirement and saving accounts to use their own money to make mortgage loans to homebuyers rejected by banks. These hard-money lenders charge borrowers higher interest rates, but are becoming an answer for some homebuyers who can't get approved for a loan otherwise due to tighter credit restrictions.

Guy D. Cecala, publisher of trade publication *Inside Mortgage Finance*, says hard-money loans are up significantly from a few years ago.

Joey Messina, an attorney in Dallas, told *The Wall Street Journal*



that he has funded 20 mortgages—ranging in size from \$40,000 to \$102,000—in the past two years. The mortgages carry interest rates of 14 percent, which is more than double what most banks charge in interest.

Some borrowers in particular have had a harder time getting loans since the housing market crash and banks started tightening their lending requirements. For example, other investors and self-employed individuals who can't fully document their incomes and homebuyers with low credit scores may face the most hurdles from banks.

Hard-money lenders must abide by the same mortgage rules as traditional lenders. Still, the nonprofit housing organization NeighborWorks America cautions home buyers considering a hard-money loan to consult with an unbiased housing or credit counselor to analyze the rates and terms to make sure these loans don't qualify as predatory subprime lending.

## Buyers Rejected for Loans Can Now Find Out Why



A provision in the Dodd-Frank financial reform law, which took effect in July, is requiring lenders to provide consumers with a free credit score, which will help provide new insights into why they may have been rejected for a loan or did not qualify for the best, lowest rate.

While borrowers can access their credit scores from the credit bureaus, the credit score that a lender uses isn't always the same one that the credit bureau provides you. According to a report by the Consumer Financial Protection Bureau, some credit bureaus sell consumers "educational" scores that aren't the same ones used by lenders, or these bureaus may base the score on a different model than the one lenders use.

Now, borrowers for the first time will get a more accurate view of

what credit score lenders are using to base their mortgage on.

Under the new provision, lenders will be required to provide potential borrowers with a free credit score whenever they reject an application for a loan. Lenders must provide borrowers with an "adverse action" notice, which will include their credit scores as well as an explanation of why they were rejected for a loan.

Lenders will also be required to provide a free credit score and an explanation whenever they approve a loan but at a higher rate than what is given to their best customers.

Mark Greene, CEO of FICO, says that many borrowers may be surprised to learn that they didn't qualify for a lender's lowest rate when applying for a loan.

## AGENTS' CORNER

### Attract More Short Sale Business Through Your Site



Developing a targeted website that is focused on responding to the needs of distressed home owners can help send more leads flowing your way, according to Tricia Andreassen, CEO and founder of Pro Step Marketing. Among her suggestions:

- ✦ **Answer common questions.** Sellers will likely have a lot of questions about a short-sale transaction, and some might not even know what it is. Be sure to include on your website what a short sale is and how it differs from a foreclosure. Also, be sure to include how a foreclosure and short sale may affect their credit or even their job.
- ✦ **Pay attention to your domain name.** Buy a domain name—the URL for your website—that reflects the message of your site. Andreassen points to the example [www.KnoxvilleForeclosureHelp.com](http://www.KnoxvilleForeclosureHelp.com).



- ✦ **Include calls to action.** Include “clickable engagement points,” as Andreassen refers to them, on every page of your site, such as buttons that say “Know your options; click here,” “What is HAFA?” or “Free Reports” (which links to reports about short sales).
- ✦ **Include video messages and testimonials.** Andreassen says that a personal video from you about how you can help homeowners facing foreclosure can have a big impact. Also, she suggests including testimonials from homeowners you’ve helped.

## Mobile App Rankings



Real estate mobile apps continue to be a growing market. So which real estate mobile apps rank the highest? Inman News recently released a report showing the most popular real estate apps across several platforms, including the Android, iPhone, iPad, and BlackBerry.

### ✦ Top 6 Free and Paid iPhone Real Estate Apps

- Zillow Real Estate
- Realtor.com Real Estate Search
- Trulia Real Estate Search
- LoopNet Commercial Real Estate Search
- Property Evaluator
- Real Estate Calc

### ✦ Top 6 Free Android Real Estate Apps

- Zillow Real Estate
- Realtor.com Real Estate Search
- Trulia Real Estate Search
- Craigslist Browser
- Real Estate 114
- Real Estate by Smarter Agent

### ✦ Top 6 Free and Paid iPad Real Estate Apps

- Zillow Real Estate Search
- Realtor.com Real Estate Search
- Trulia Real Estate Search
- Property Evaluator
- LoopNet Commercial Real Estate Search
- Property Flipper

## Brokerages Not Successful at Reaching Hispanic Buyers



As many as 30 percent of Latino homebuyers do not work with professional sales associates for lack of trust, and because they haven’t been made aware of the value of brokerage services, according to Oscar Gonzales in a report to NAR. Gonzales is founder of the Gonzales Group real estate brokerage consulting company.

Gonzales said for many Hispanics, language is the primary obstacle to working with a real estate professional, followed by credit issues—many of which are unfounded, he said. Gonzales urged the industry to reach out to Hispanics, predicting that within the next few years Latinos will make up 40 percent of first-time homebuyers.



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