

New Market....

New Ideas!



REAL
DATA
Strategies

Today's Goals

Changing Your Practice in a Changing Market

- Elevator speech talking points to put current market in proper perspective for prospects
- Review of competitive landscape for agents
- Review of price and sales count trends in ten busiest property cities in your MLS
- Inventory study results and graphs for use in your listing presentation
- Amazing new strategies for success in a more challenging market

Who Is This Guy?

■ Real Estate Analyst

- , Study market and industry trends
- , Consult to Franchises, Firms, local AORs and MLS systems, and Ancillary Services
- , Licensed as California Broker in 1989
- , Professional communicator
- , Underqualified...but doing it regardless

Elevator Speech Talking Points

Real Estate Markets are Cyclical

- The market has leveled off and begun to cool, which is good for a number of reasons:
 - , Further rising prices would have collapsed our market under its own weight.
 - , Increasing inventories mean more choices for buyers, and a manageable new reality for sellers.
 - , A flat-to-slightly negative market is the best time to move up. (Sell and buy for less to maximize your purchase price opportunity.)
 - , This correction is entirely about values, because the economy and job markets remain robust.

Key Talking Points for Sellers

Motivation Will Determine Sales Success

- Your home's features mean less to a buyer than how its price compares to similar homes.
- Unless you are prepared to allow me to aggressively position your home for a successful sale, I will not take your listing.
- There are many factors which make the current market volatile. As a result:
 - , I may need to change your expectations.
 - , You may need to change your plans.
 - , This is how the RE market has been forever. (Recent trends were NOT typical.)

Key Talking Points for Buyers

More Opportunities for Buying Right

- The current 13.7-month supply of homes means more homes to choose from.
- During the 3rd quarter, the average buyer negotiated a purchase price nearly 5.6% below the seller's list price at the time the offer was accepted.
- Your financial qualifications will buy you more house and / or get you more seller concessions.
- Mortgage approval (NOT just qualification) is critical for your purchase success.

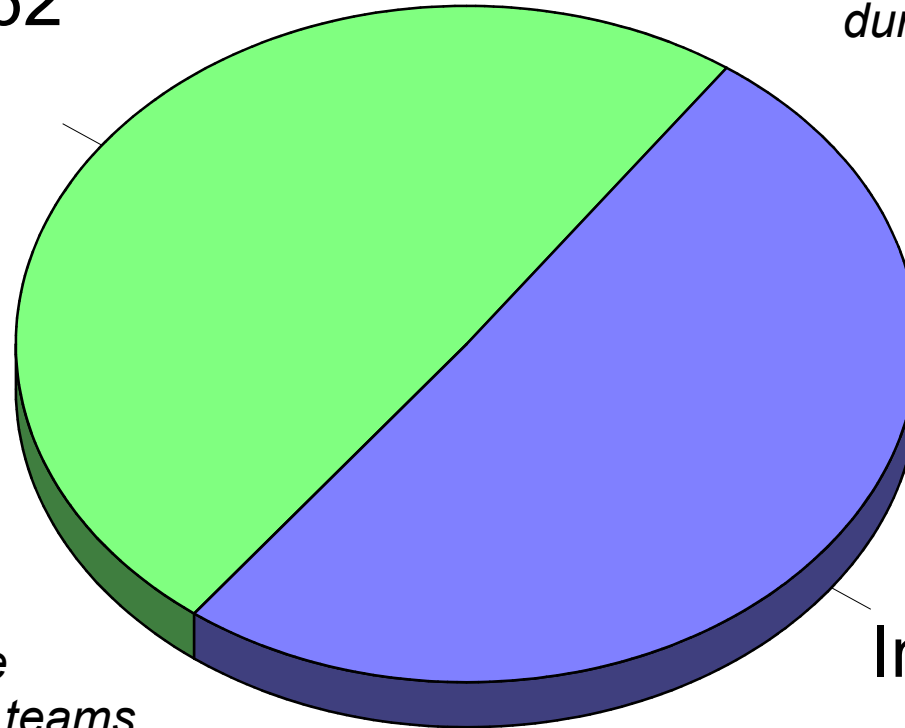
The Competitive Landscape

Percent of Licenses Active

*Desert Area Multiple Listing Service
12 Months through September 30, 2007*

An active license represented one or more seller during the period.

Active / 1,862
49.5%

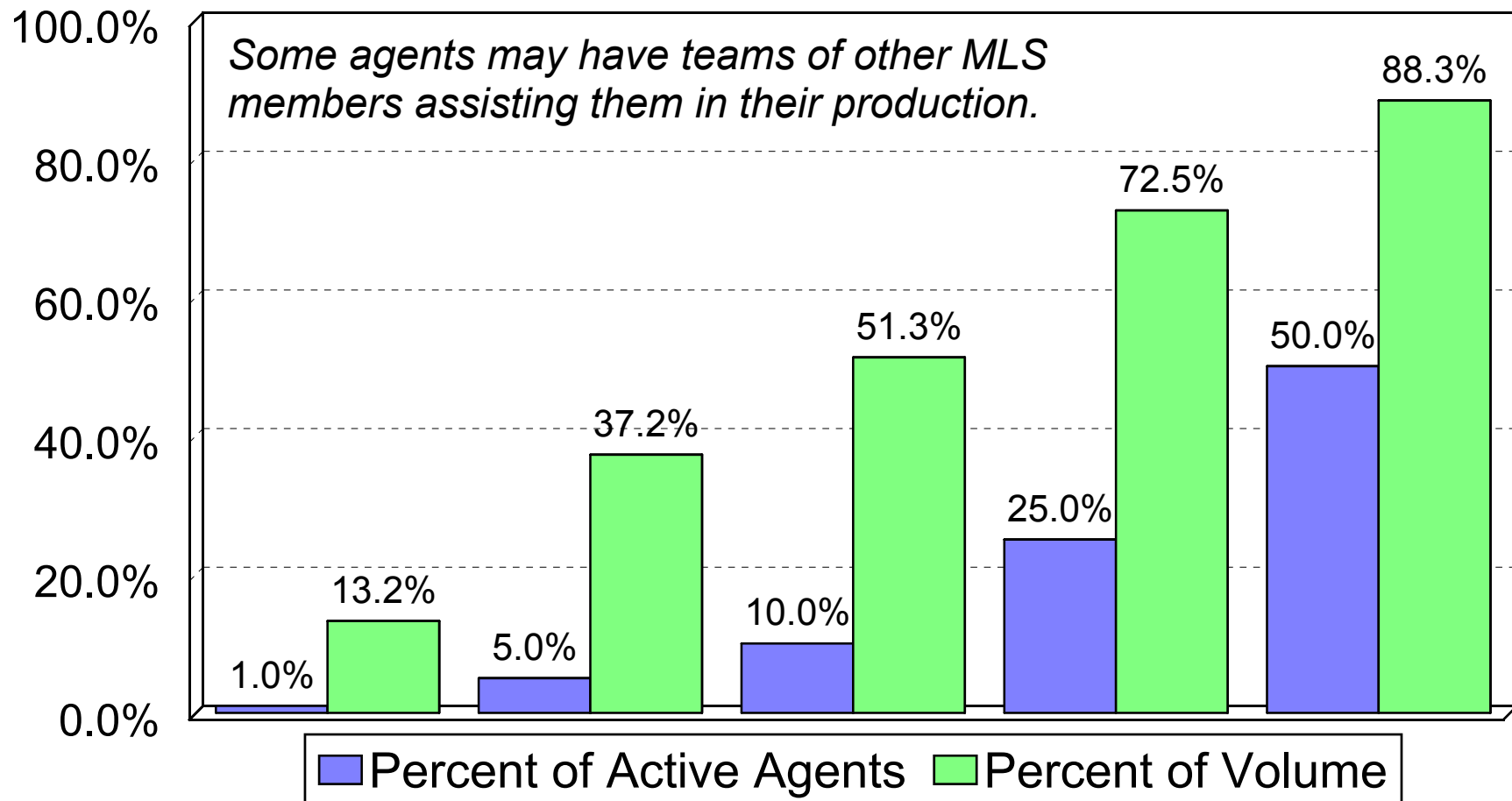


Inactive agents may be members of producing teams.

Inactive / 1,903
50.5%

Listings Sold Volume by Active Agents

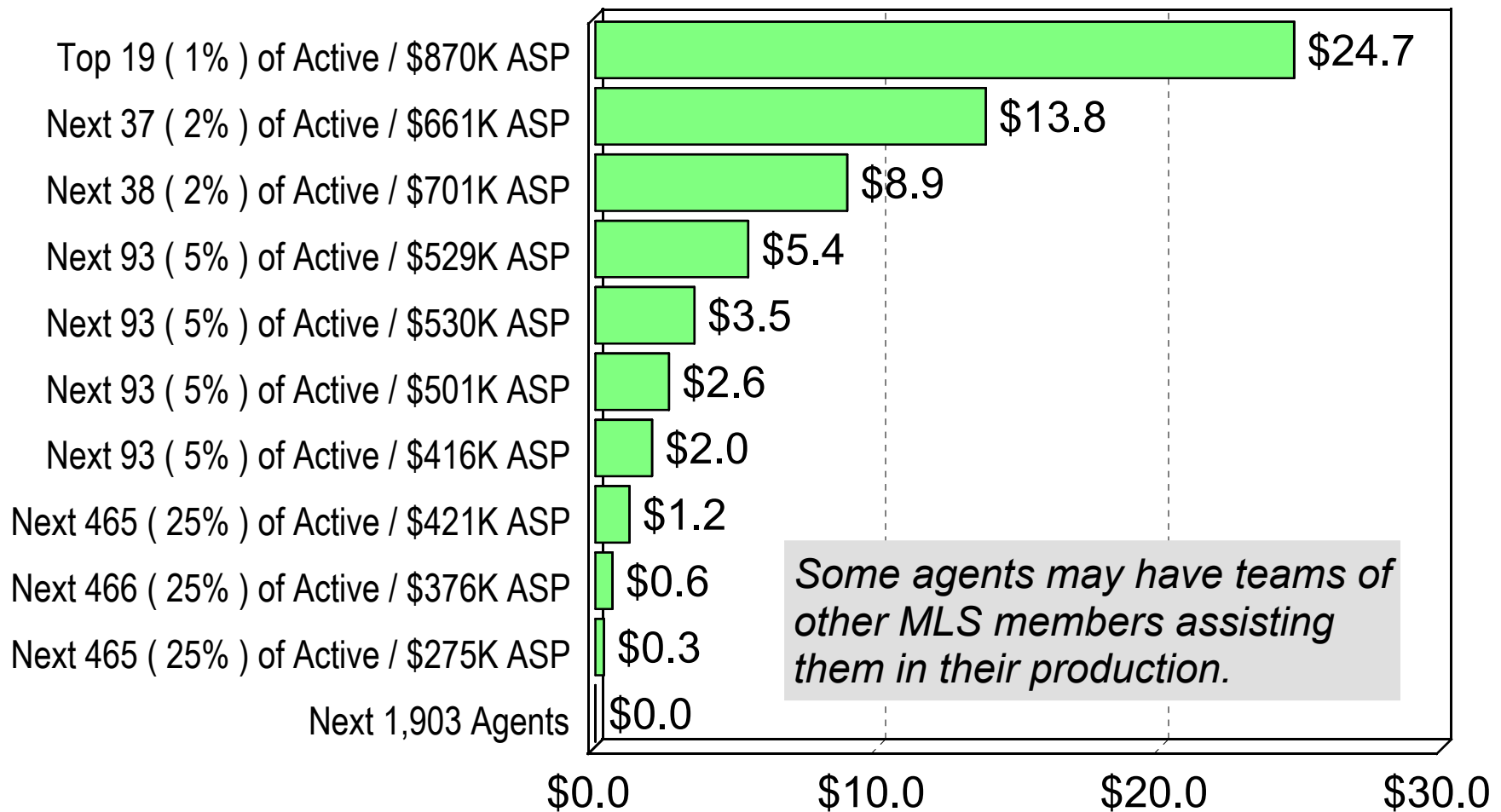
Desert Area Multiple Listing Service 12 Months through September 30, 2007



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Listings Sold Volume by Active Agents

Desert Area Multiple Listing Service 12 Months through September 30, 2007



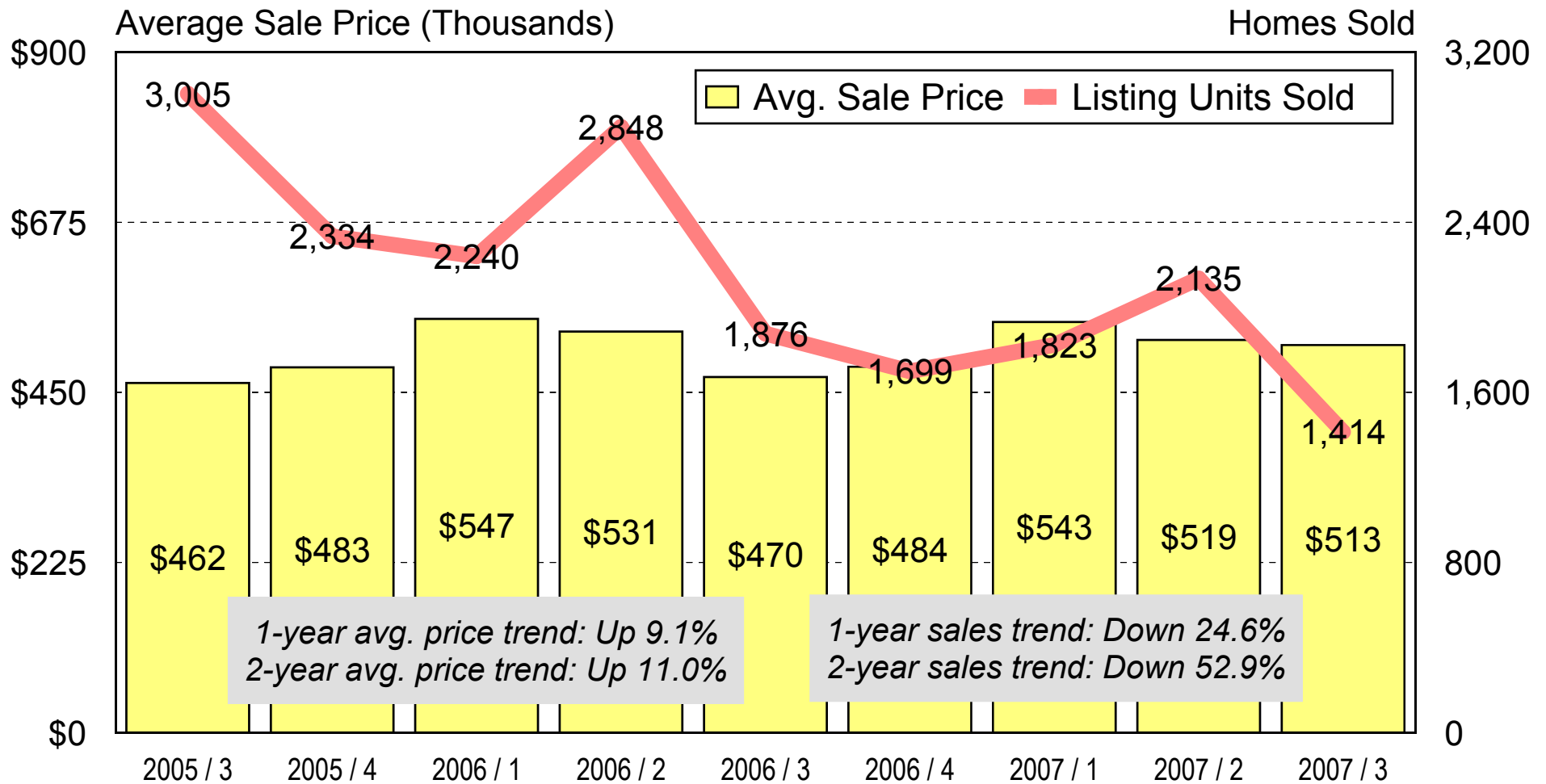
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Local Market Trends

Listings Sold by Calendar Quarter

In Desert Area MLS

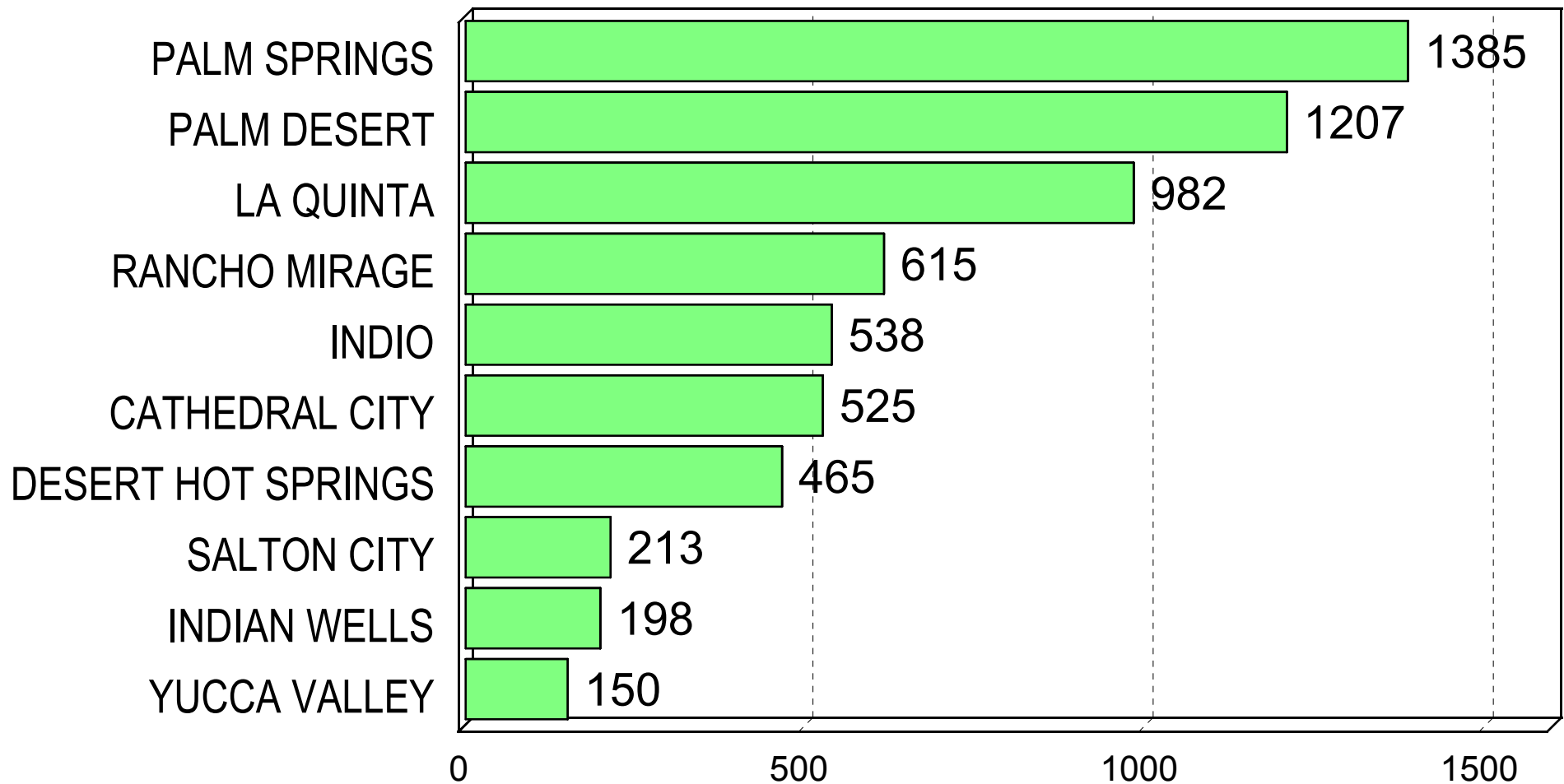
9 Calendar Quarters through September 30, 2007



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Listings Sold In Desert Area MLS

*By Property City With 100 or More Sales
4 Calendar Quarters through September 30, 2007*

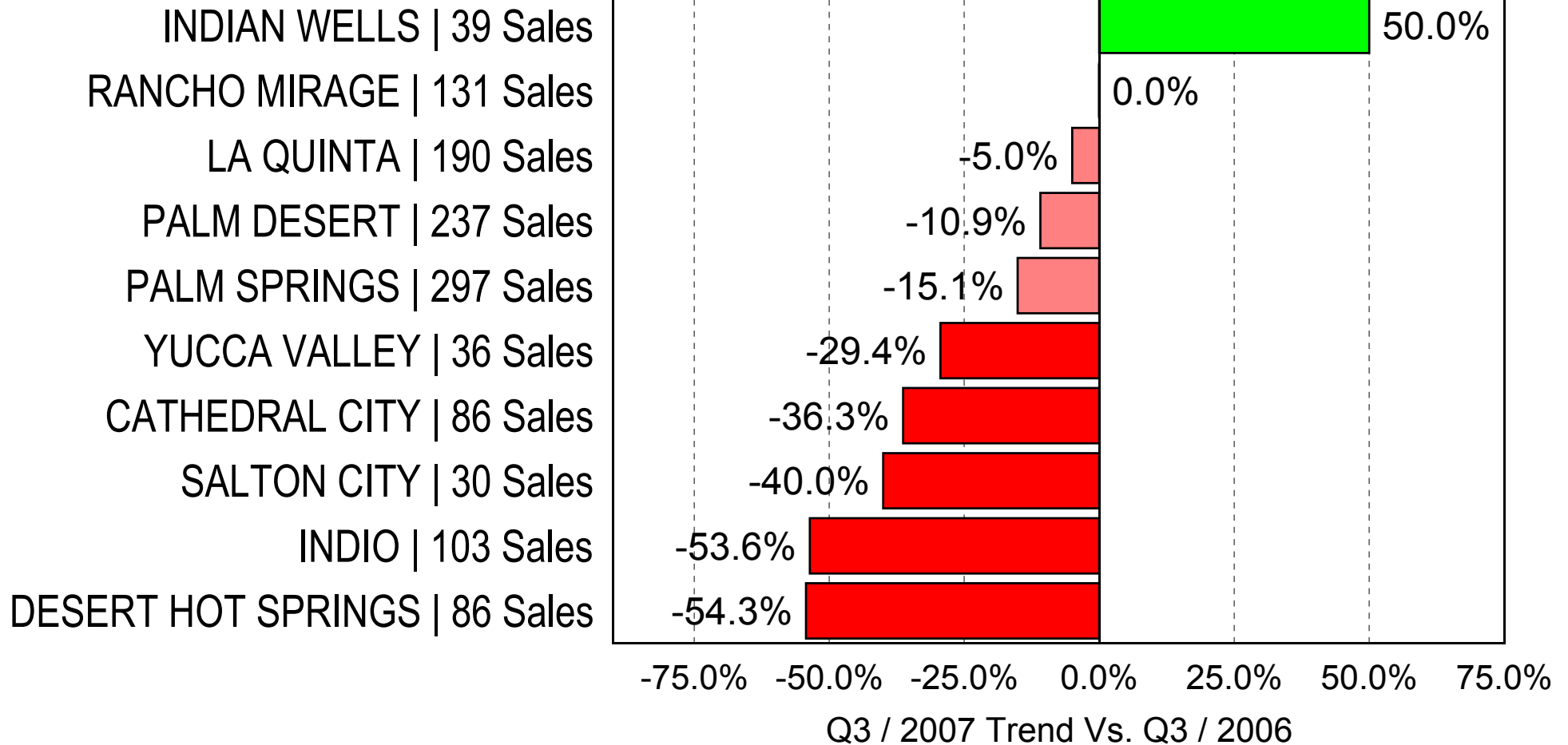


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One Year Listings Sold Trend

*In Property Cities With 100 or More Annualized Sales
Comparing Q3 / 2007 With Q3 / 2006*

Property City & Q3 / 2007 Sales



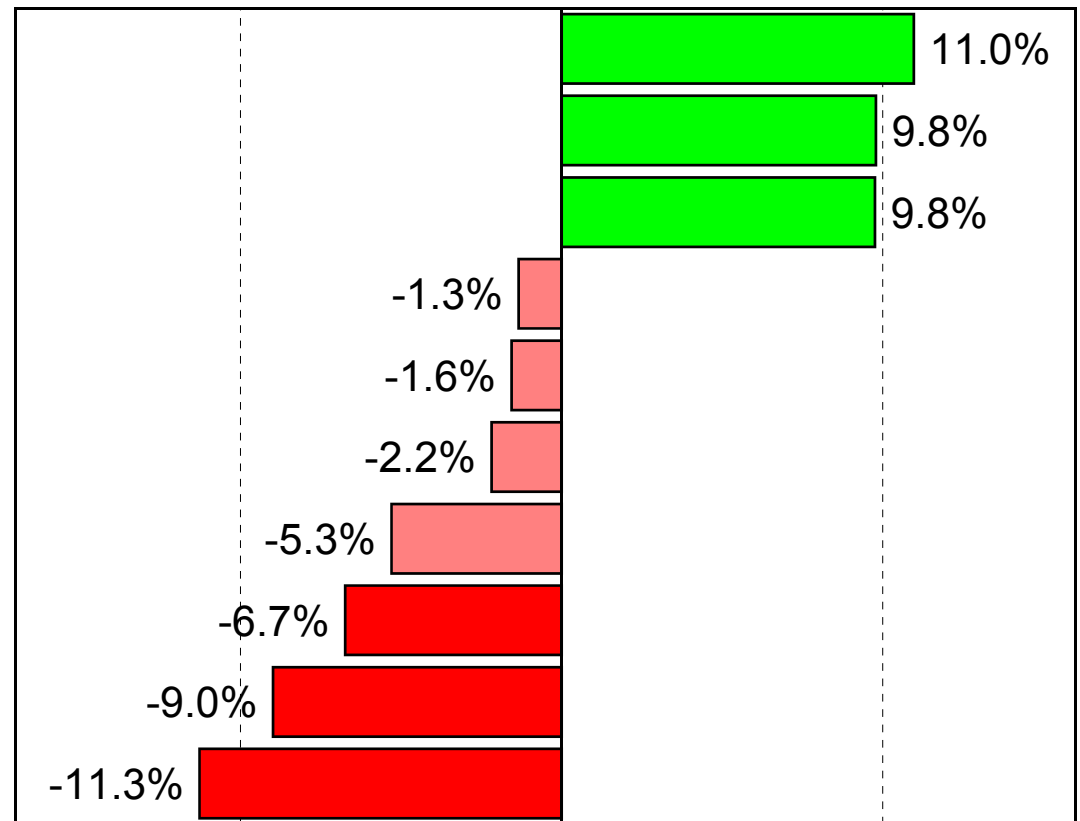
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One Year Average Price Trend

*In Property Cities With 100 or More Annualized Sales
Comparing Q3 / 2007 With Q3 / 2006*

Property City & Q3 / 2007 Avg. Price

INDIAN WELLS | \$1,190,962 ASP
INDIO | \$421,872 ASP
PALM DESERT | \$552,370 ASP
YUCCA VALLEY | \$255,675 ASP
LA QUINTA | \$651,031 ASP
RANCHO MIRAGE | \$858,593 ASP
PALM SPRINGS | \$471,409 ASP
SALTON CITY | \$213,090 ASP
CATHEDRAL CITY | \$323,478 ASP
DESERT HOT SPRINGS | \$252,658 ASP



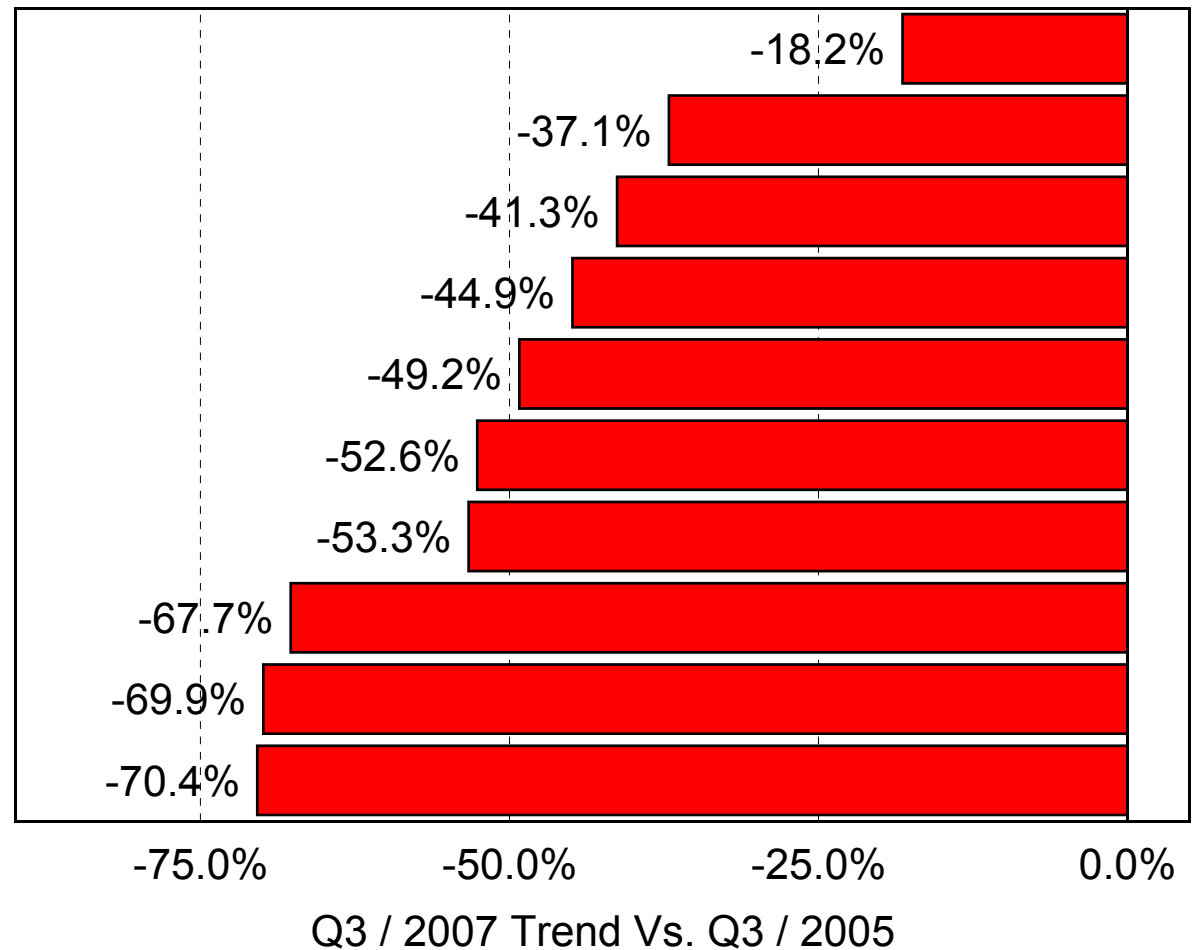
Q3 / 2007 Trend Vs. Q3 / 2005

Two Year Listings Sold Trend

*In Property Cities With 100 or More Annualized Sales
Comparing Q3 / 2007 With Q3 / 2005*

Property City & Q3 / 2007 Sales

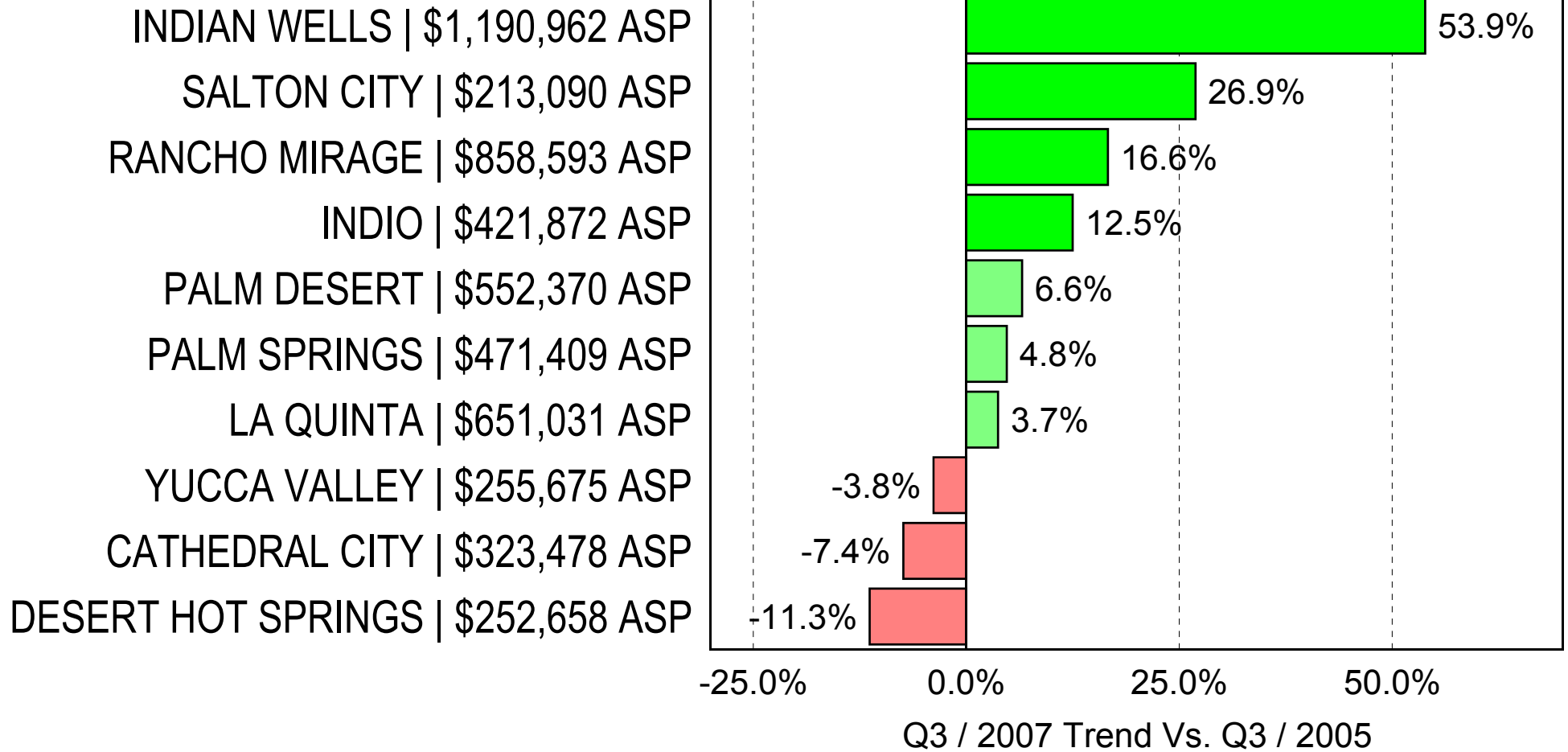
YUCCA VALLEY | 36 Sales
INDIAN WELLS | 39 Sales
RANCHO MIRAGE | 131 Sales
PALM SPRINGS | 297 Sales
SALTON CITY | 30 Sales
PALM DESERT | 237 Sales
LA QUINTA | 190 Sales
INDIO | 103 Sales
CATHEDRAL CITY | 86 Sales
DESERT HOT SPRINGS | 86 Sales



Two Year Average Price Trend

*In Property Cities With 100 or More Annualized Sales
Comparing Q3 / 2007 With Q3 / 2005*

Property City & Q3 / 2007 Avg. Price

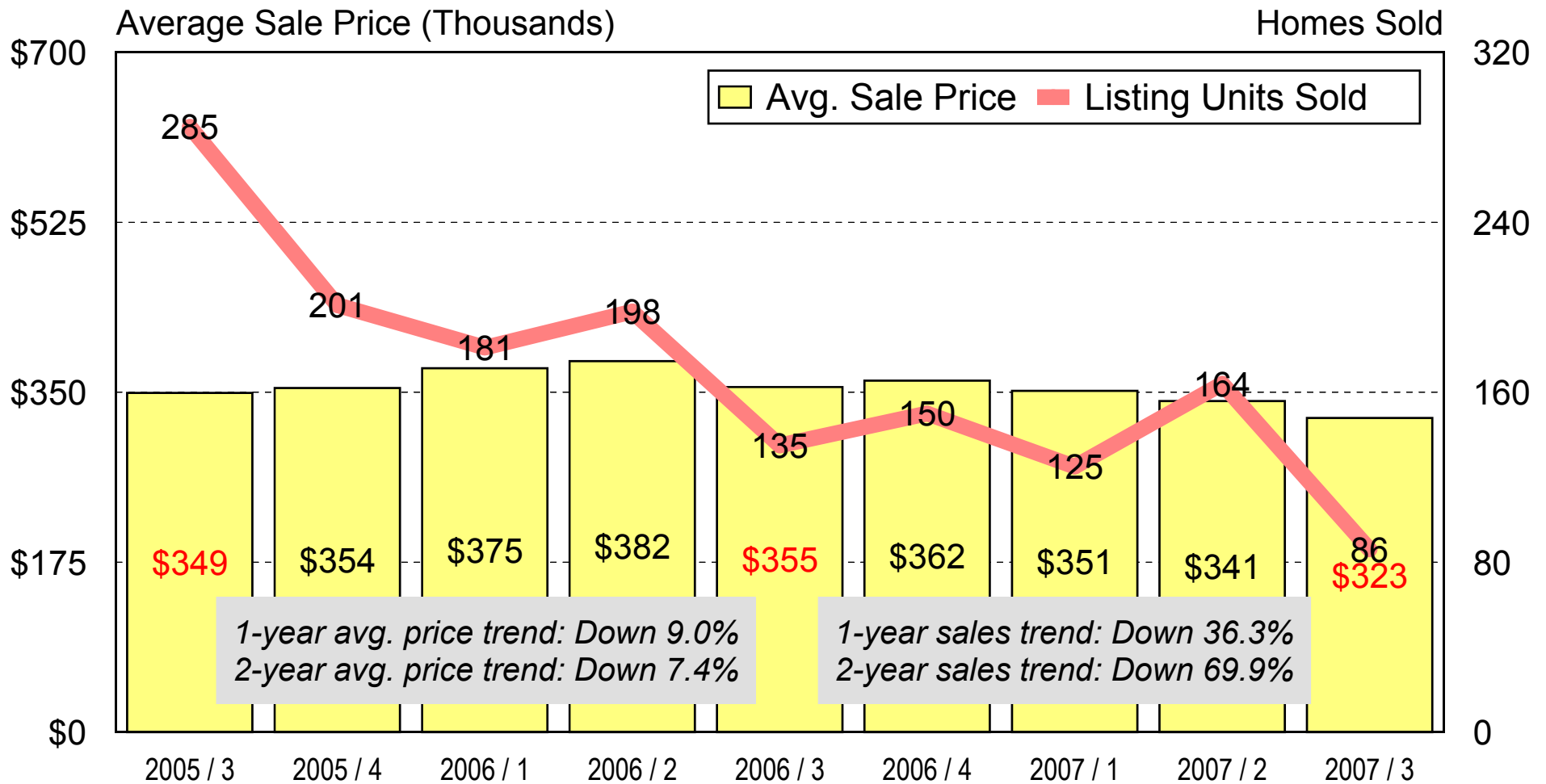


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Listings Sold by Calendar Quarter

In Cathedral City

9 Calendar Quarters through September 30, 2007

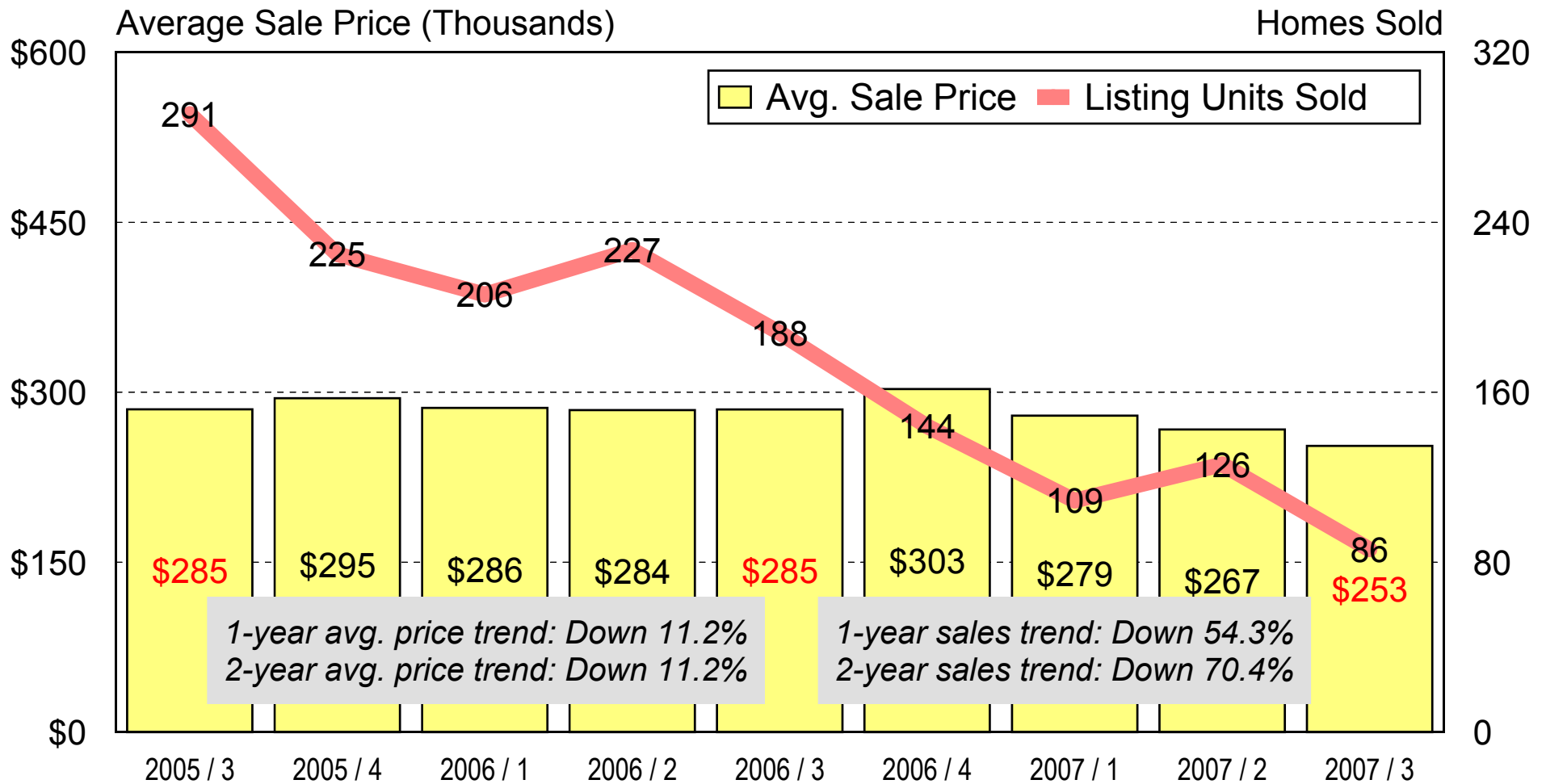


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Listings Sold by Calendar Quarter

In Desert Hot Springs

9 Calendar Quarters through September 30, 2007

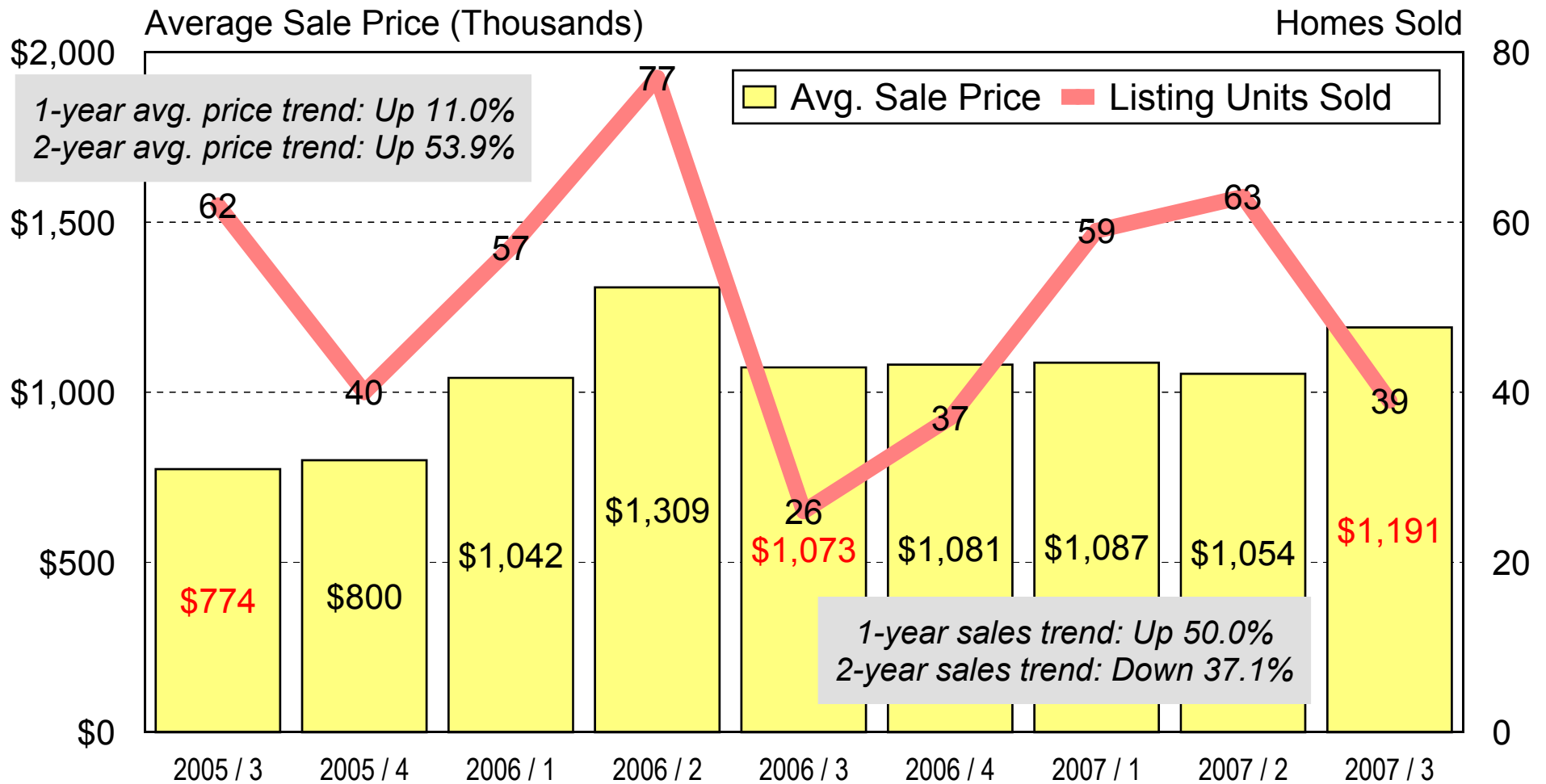


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Listings Sold by Calendar Quarter

In Indian Wells

9 Calendar Quarters through September 30, 2007

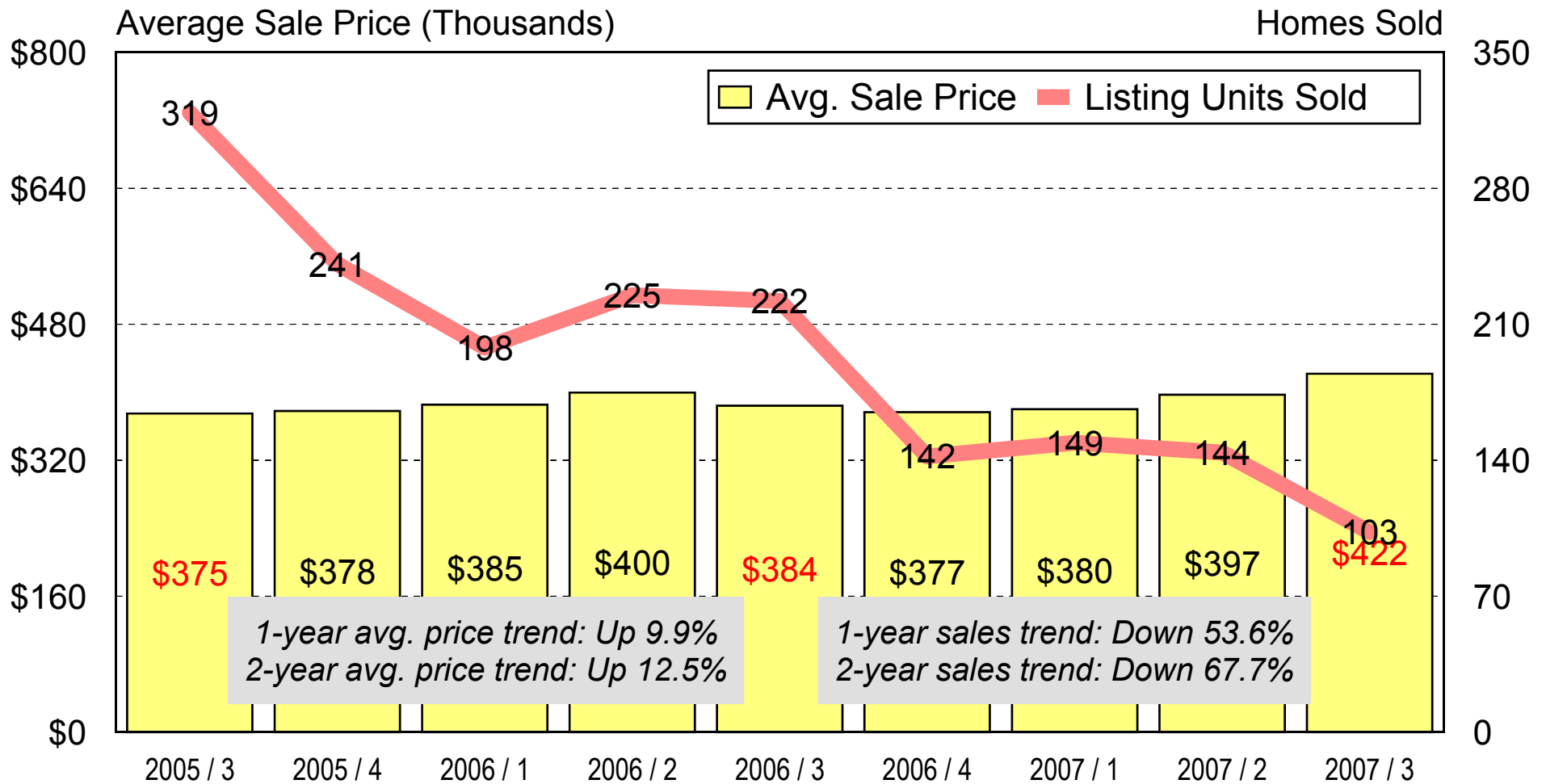


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Listings Sold by Calendar Quarter

In Indio

9 Calendar Quarters through September 30, 2007

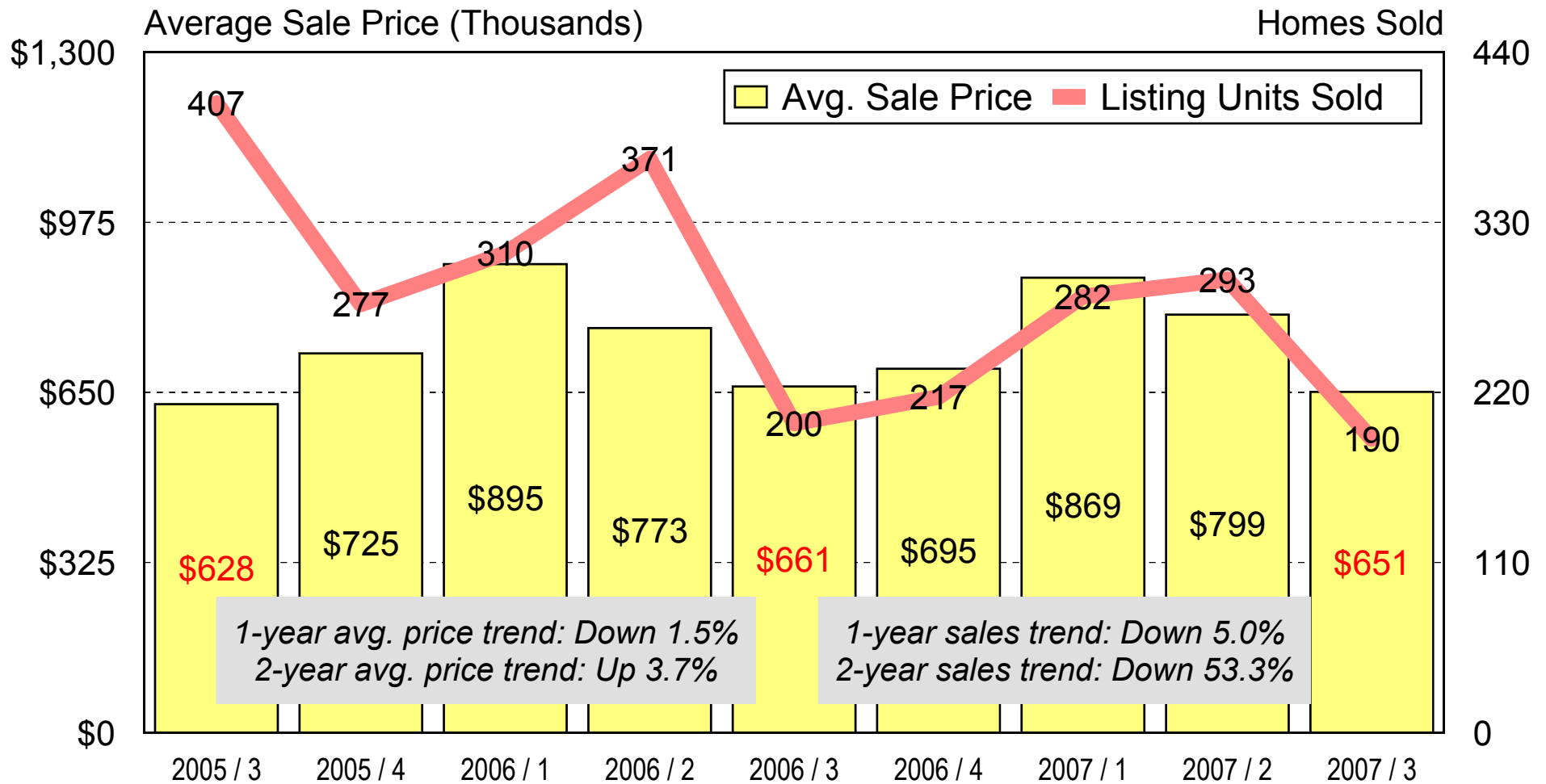


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Listings Sold by Calendar Quarter

In La Quinta

9 Calendar Quarters through September 30, 2007

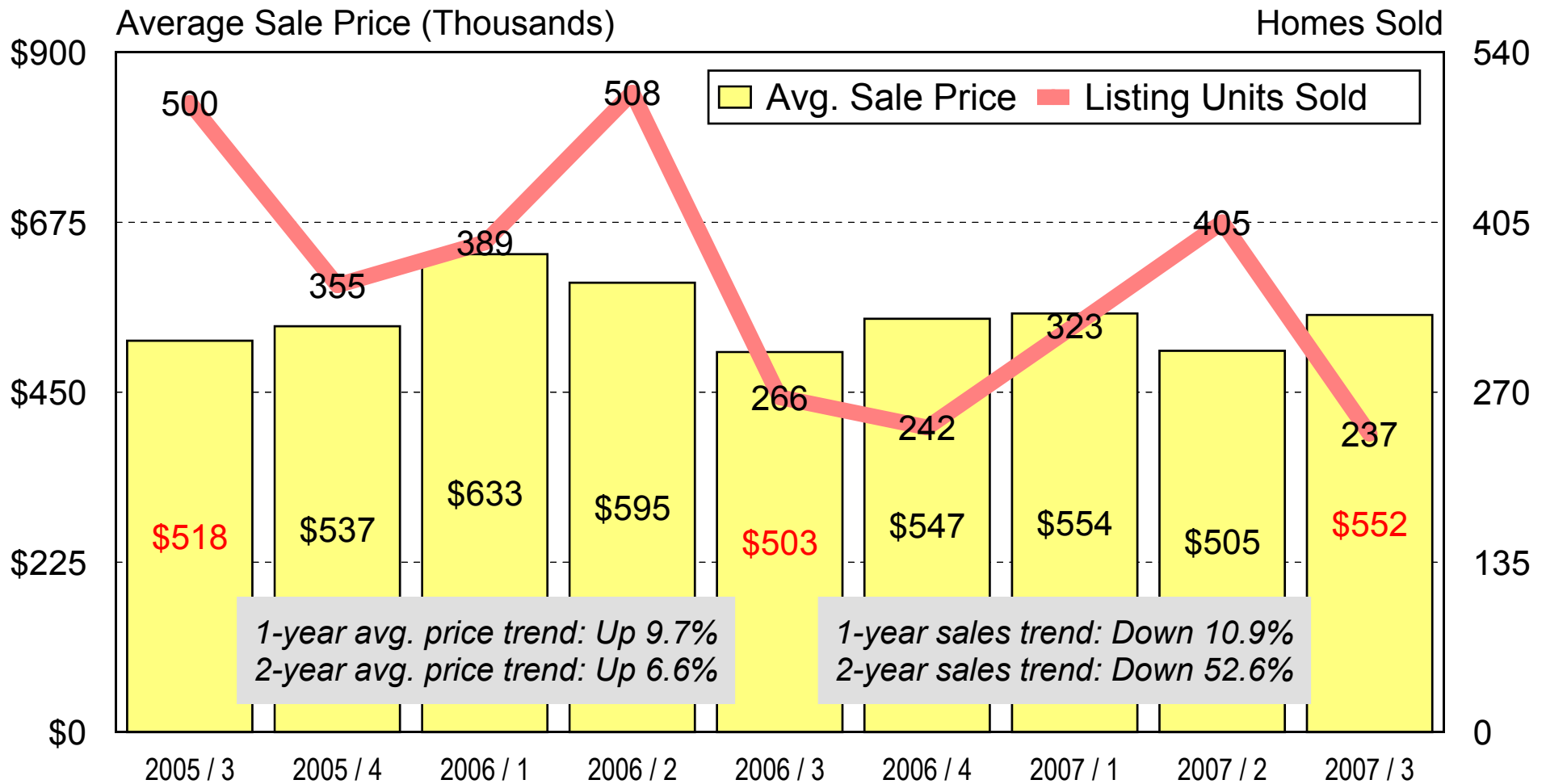


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Listings Sold by Calendar Quarter

In Palm Desert

9 Calendar Quarters through September 30, 2007

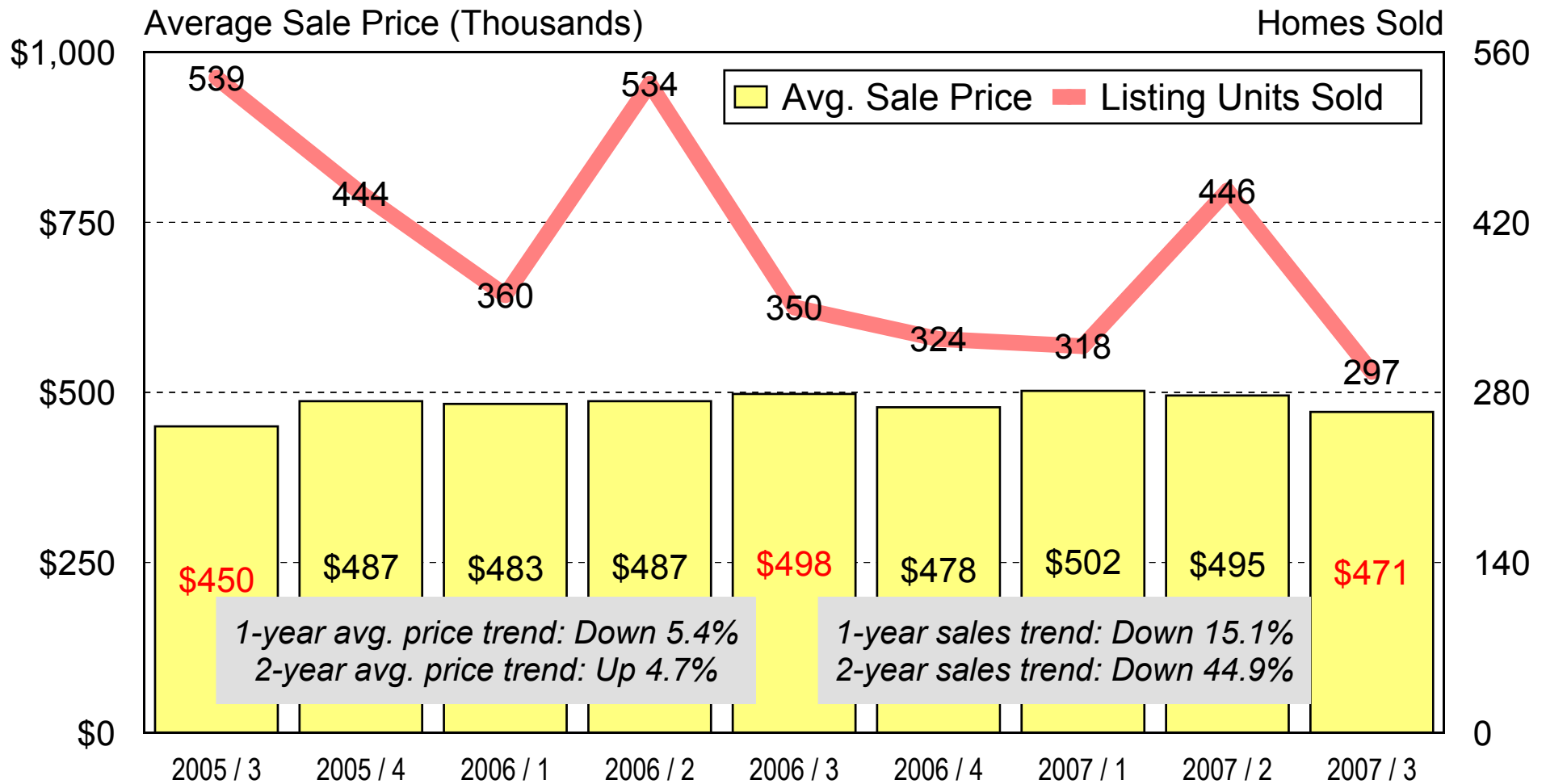


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Listings Sold by Calendar Quarter

In Palm Springs

9 Calendar Quarters through September 30, 2007

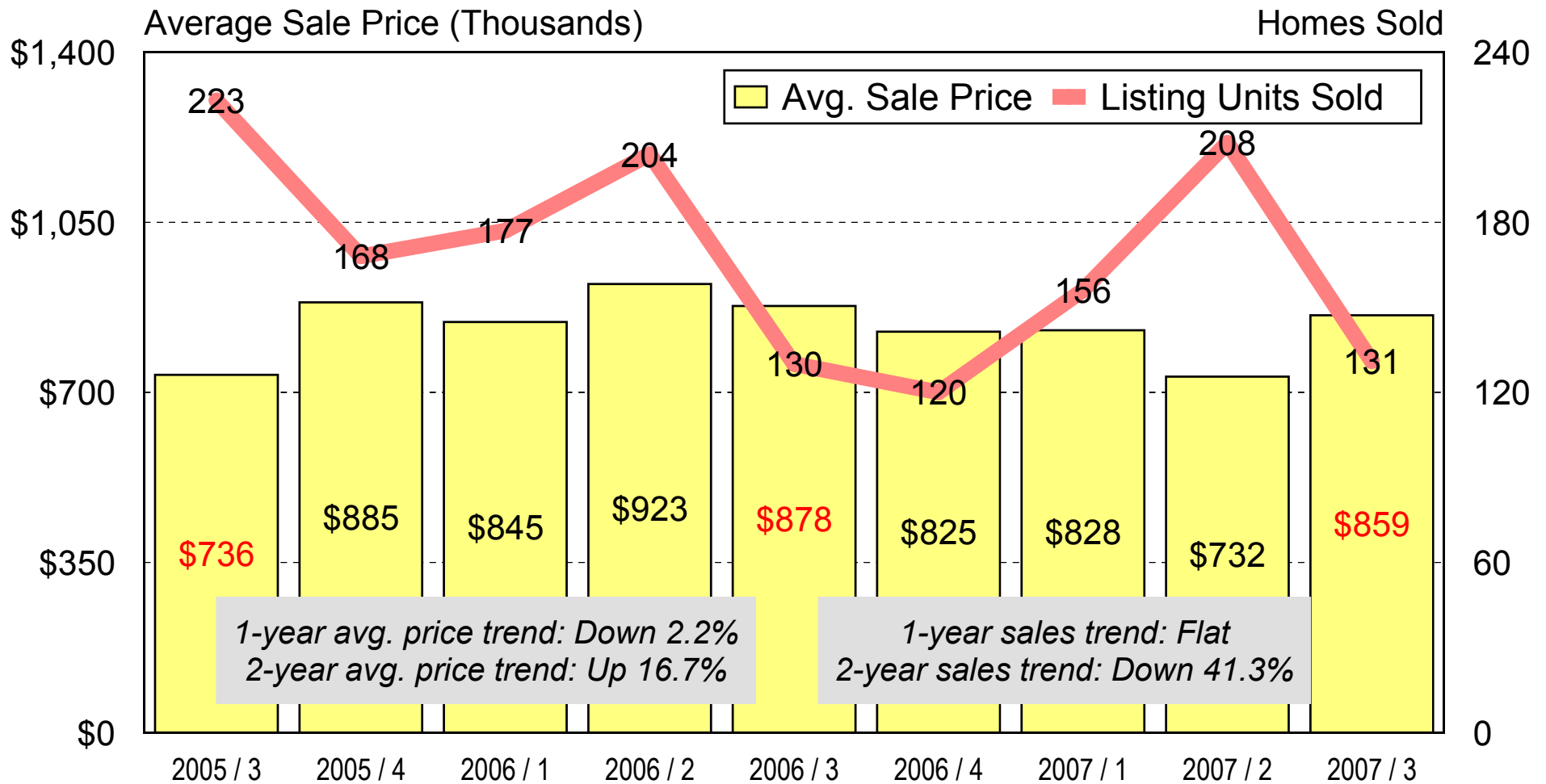


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Listings Sold by Calendar Quarter

In Rancho Mirage

9 Calendar Quarters through September 30, 2007

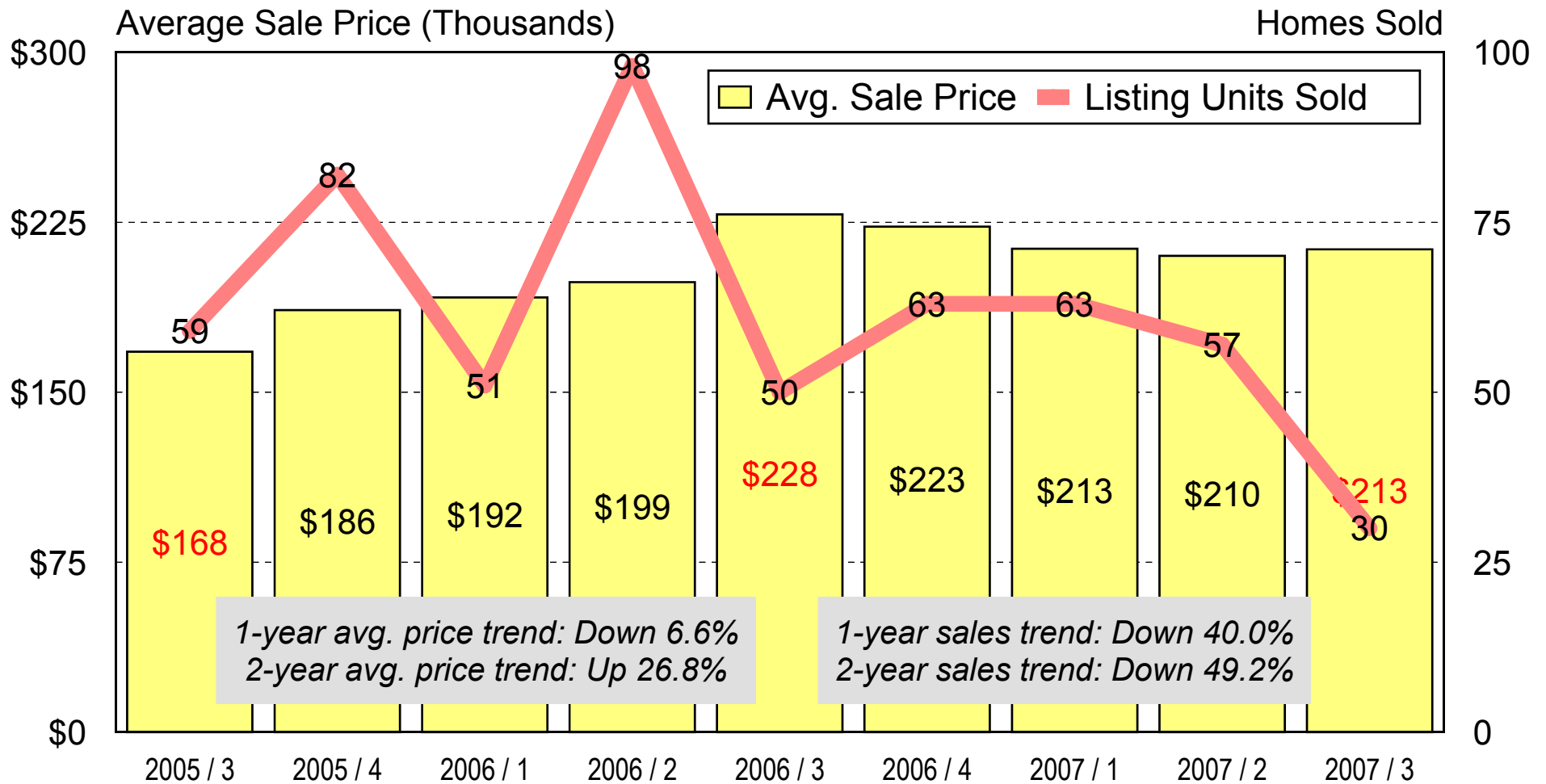


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Listings Sold by Calendar Quarter

In Salton City

9 Calendar Quarters through September 30, 2007

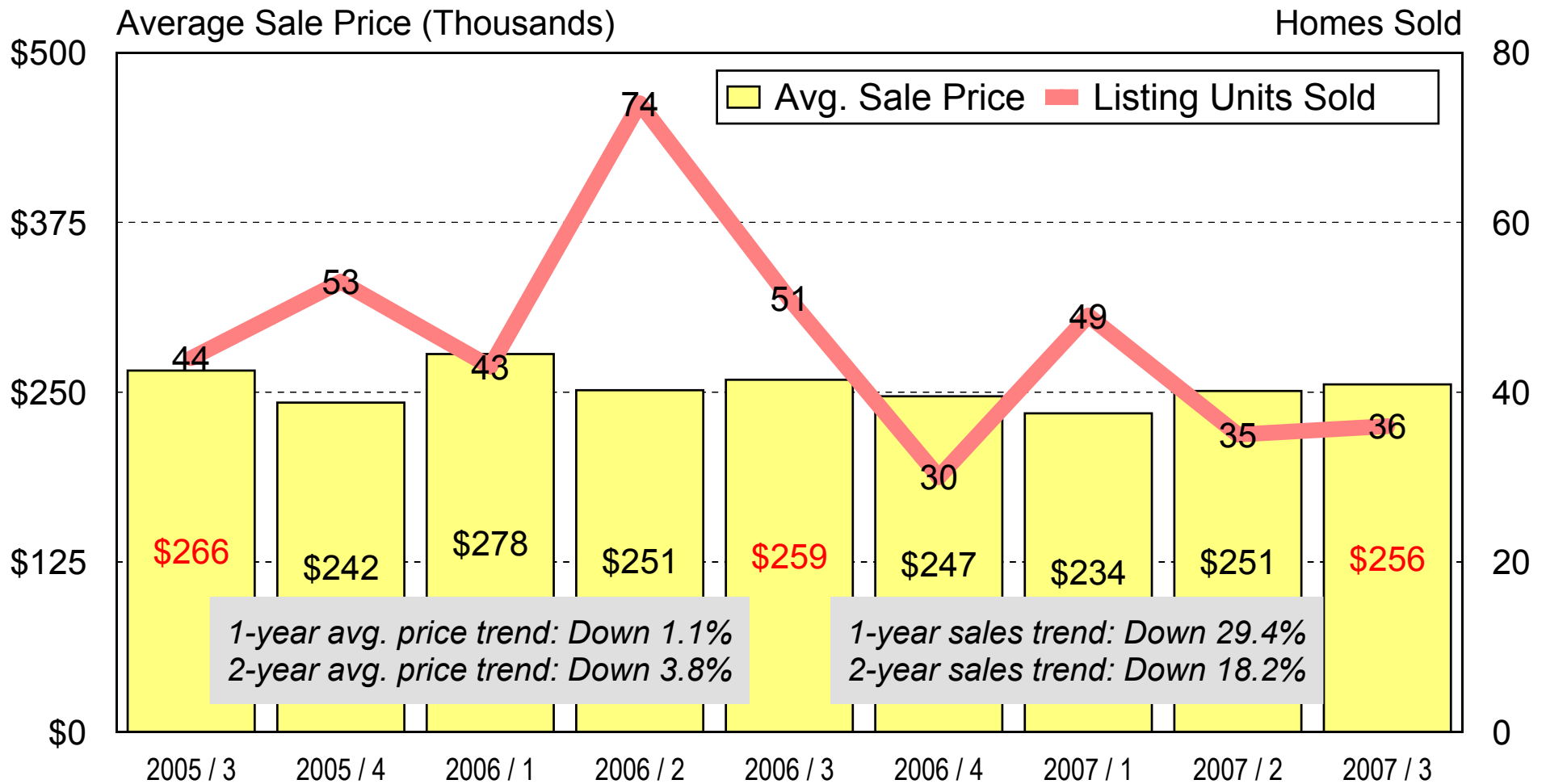


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Listings Sold by Calendar Quarter

In Yucca Valley

9 Calendar Quarters through September 30, 2007



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Inventory in Weeks' Supply

Don't Just List...List The Right Stuff

- ◆ Point-in-time Picture of Supply & Demand
- ◆ Seasonally-adjusted
- ◆ Use with Sellers to Convince Them of Objective Market Conditions
 - Competitive List Price & Price Reductions
 - Counter or Support Low Offers
- ◆ Use with Buyers to Convince Them of Same
 - Find Market "Soft Spots"
 - Support Offer Prices

Inventory In Weeks' Supply

Three Ridiculous Assumptions

1. There will be no new listings added to the market
2. Buyer activity will remain at the same pace of the previous annual period
3. All homes are equal in their appeal.

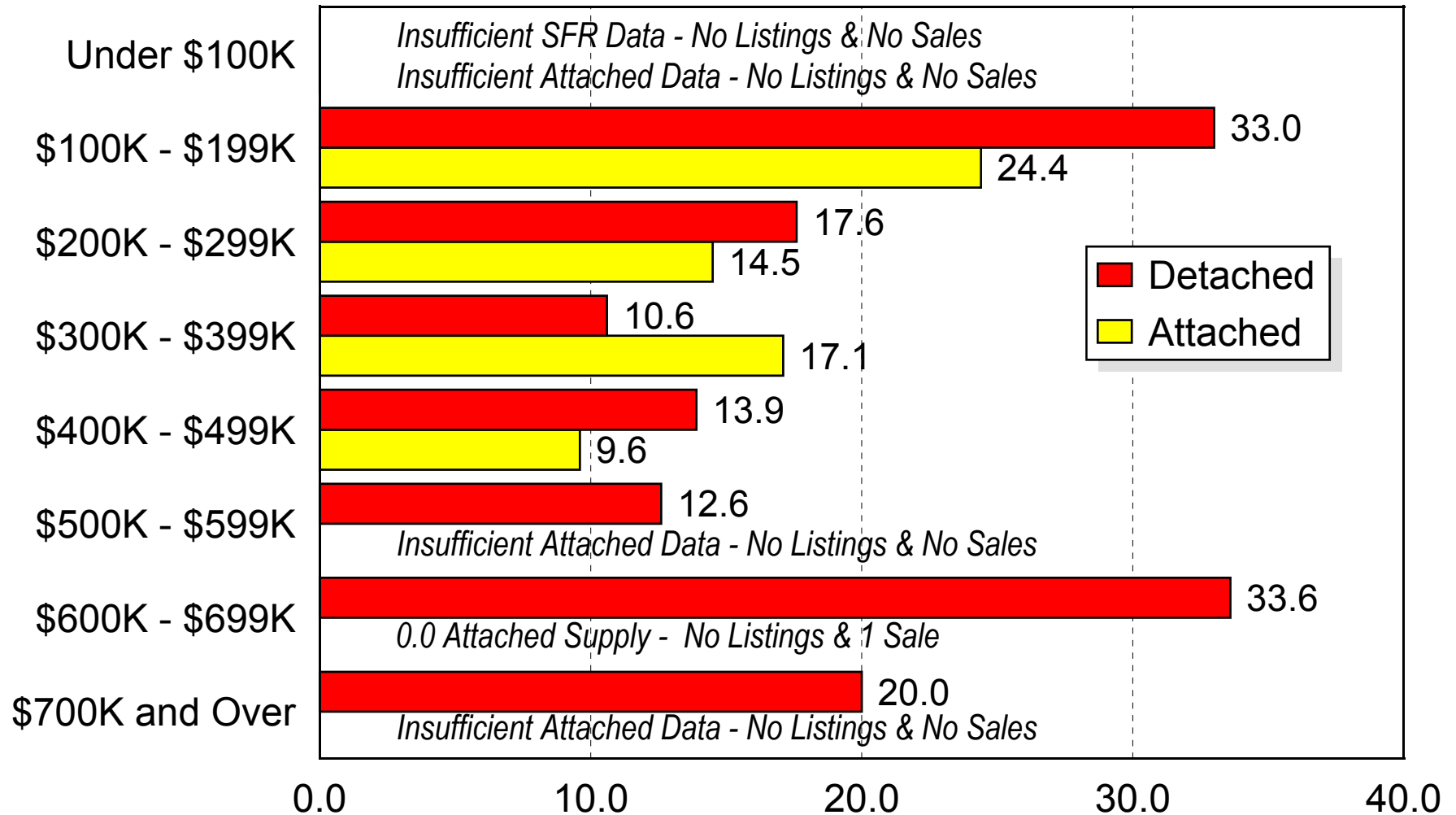
Inventory In Months' Supply

MLS Status Definitions

Available	Absorbed
ACTIVE	CONTINGENT - OTHER
HOLD	CONTINGENT - UPON SALE PENDING SOLD

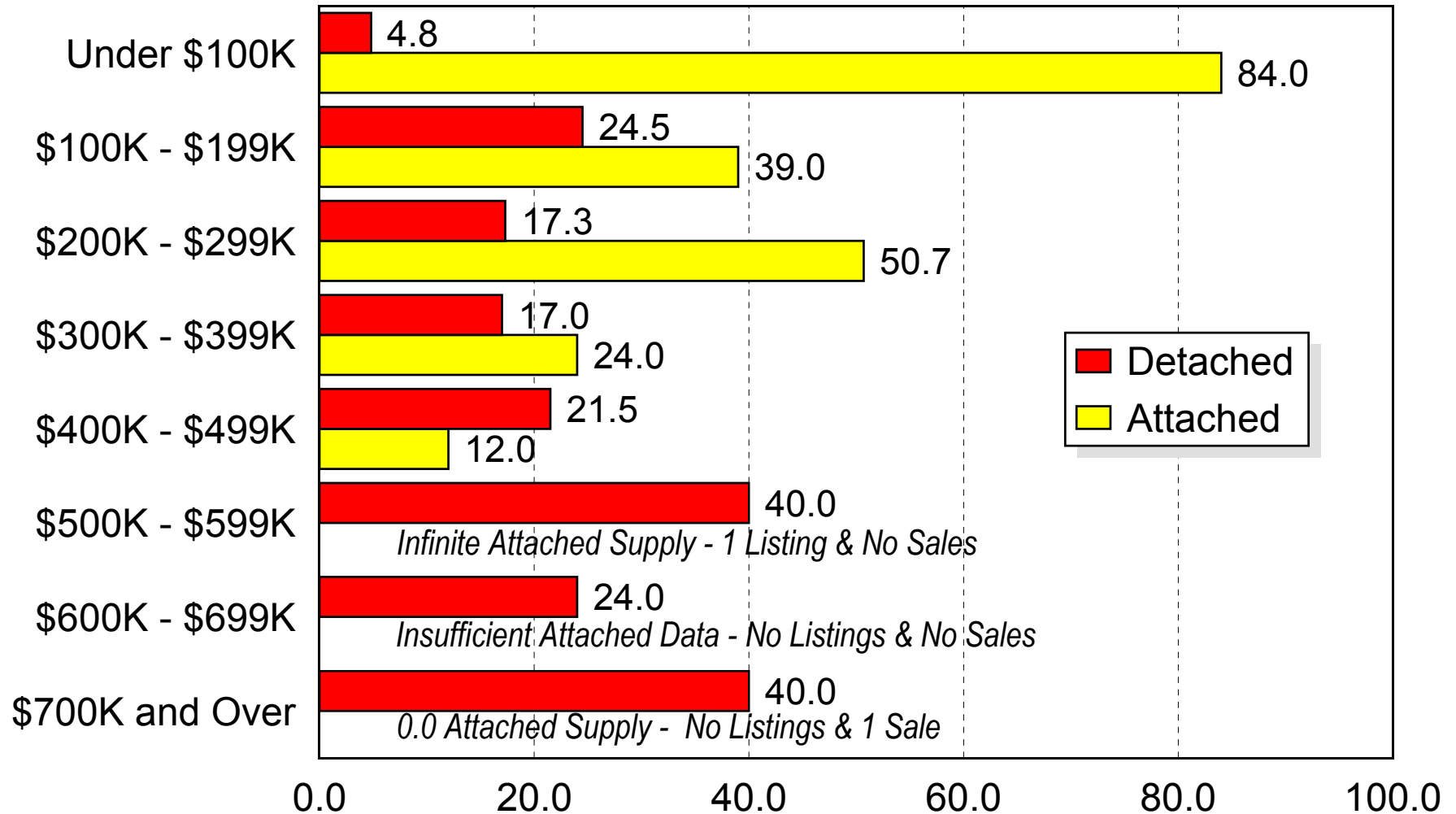
Inventory In Months' Supply - October 14, 2007

City of Cathedral City



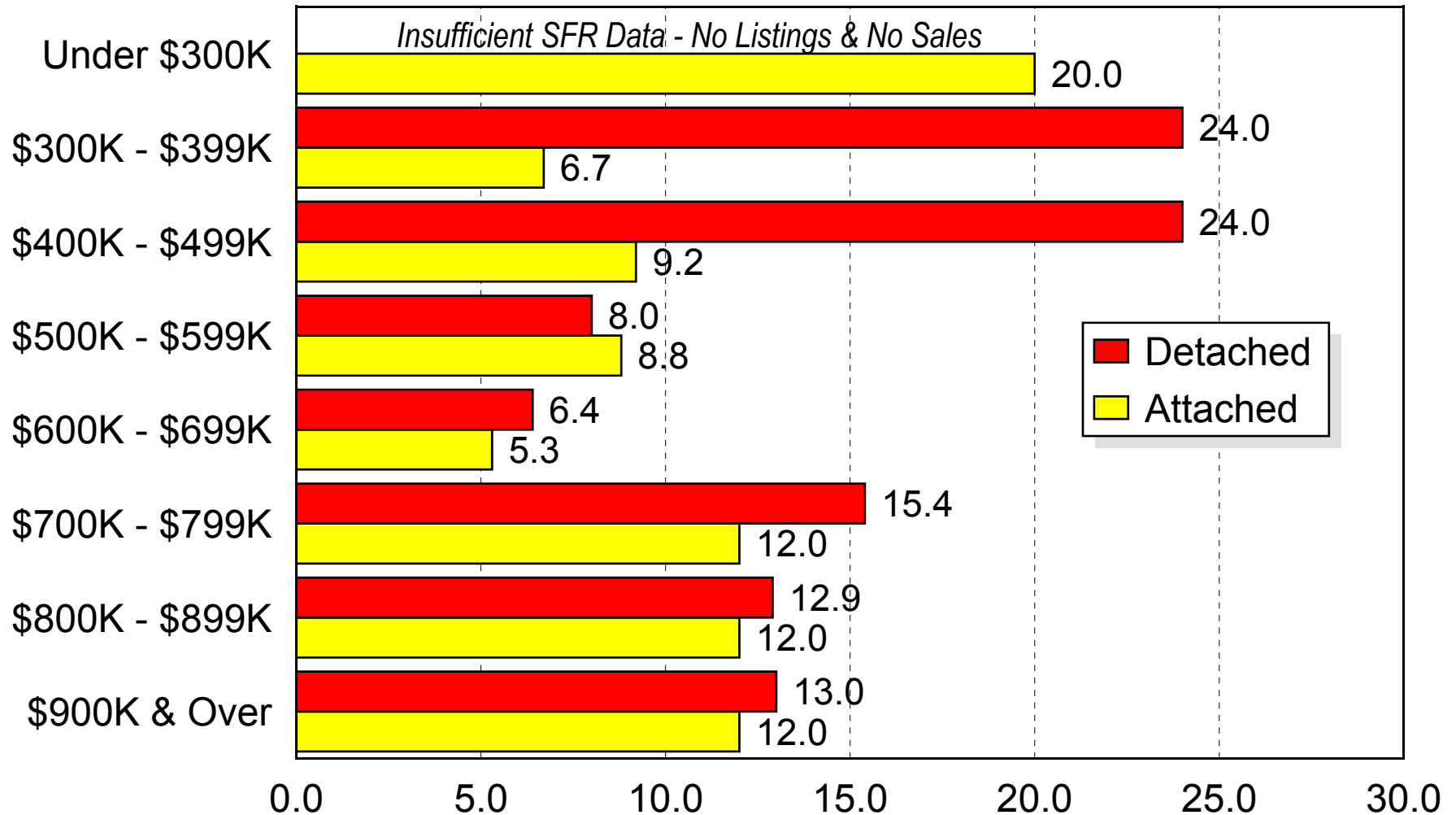
Inventory In Months' Supply - October 14, 2007

City of Desert Hot Springs



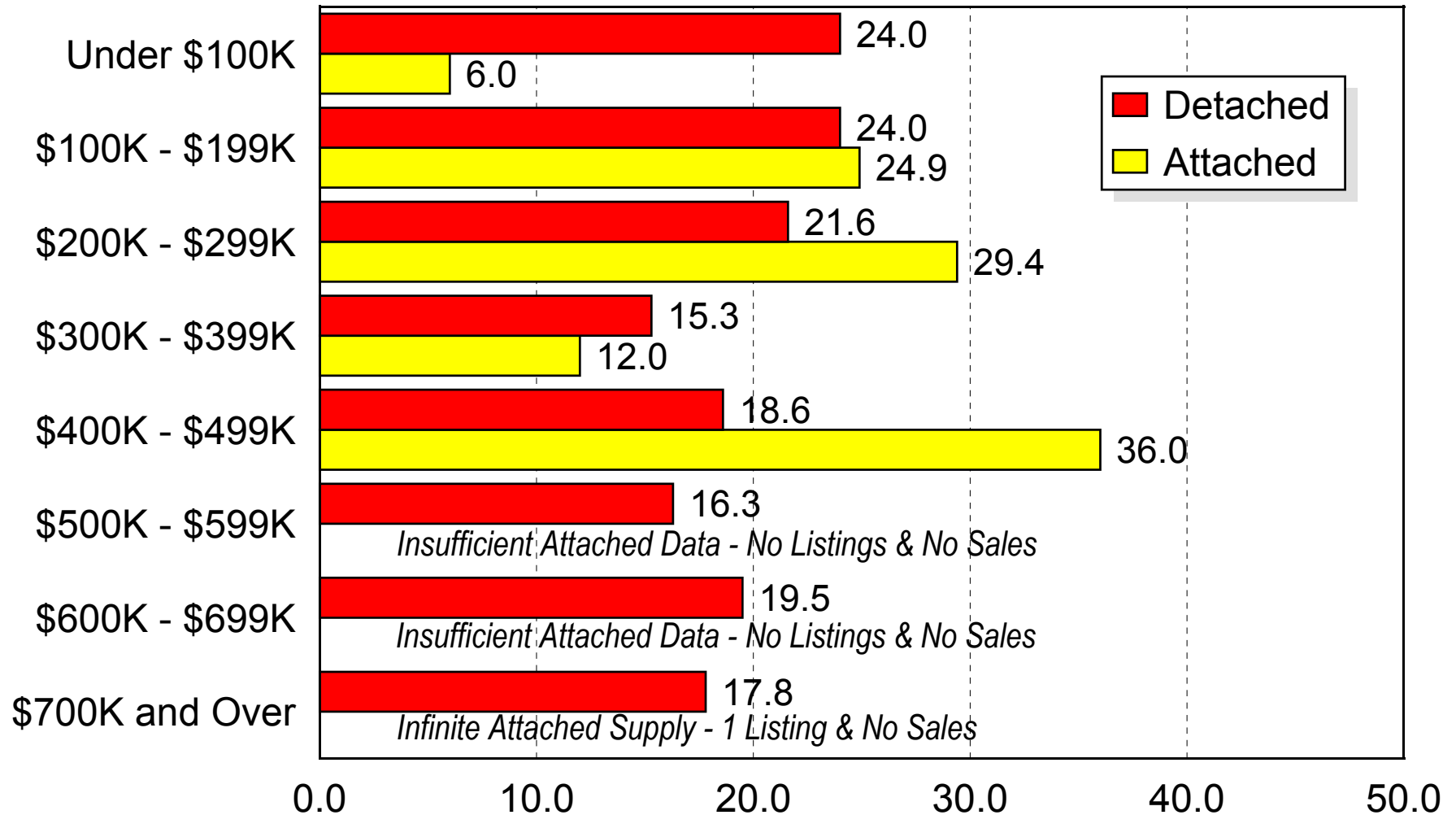
Inventory In Months' Supply - October 14, 2007

City of Indian Wells



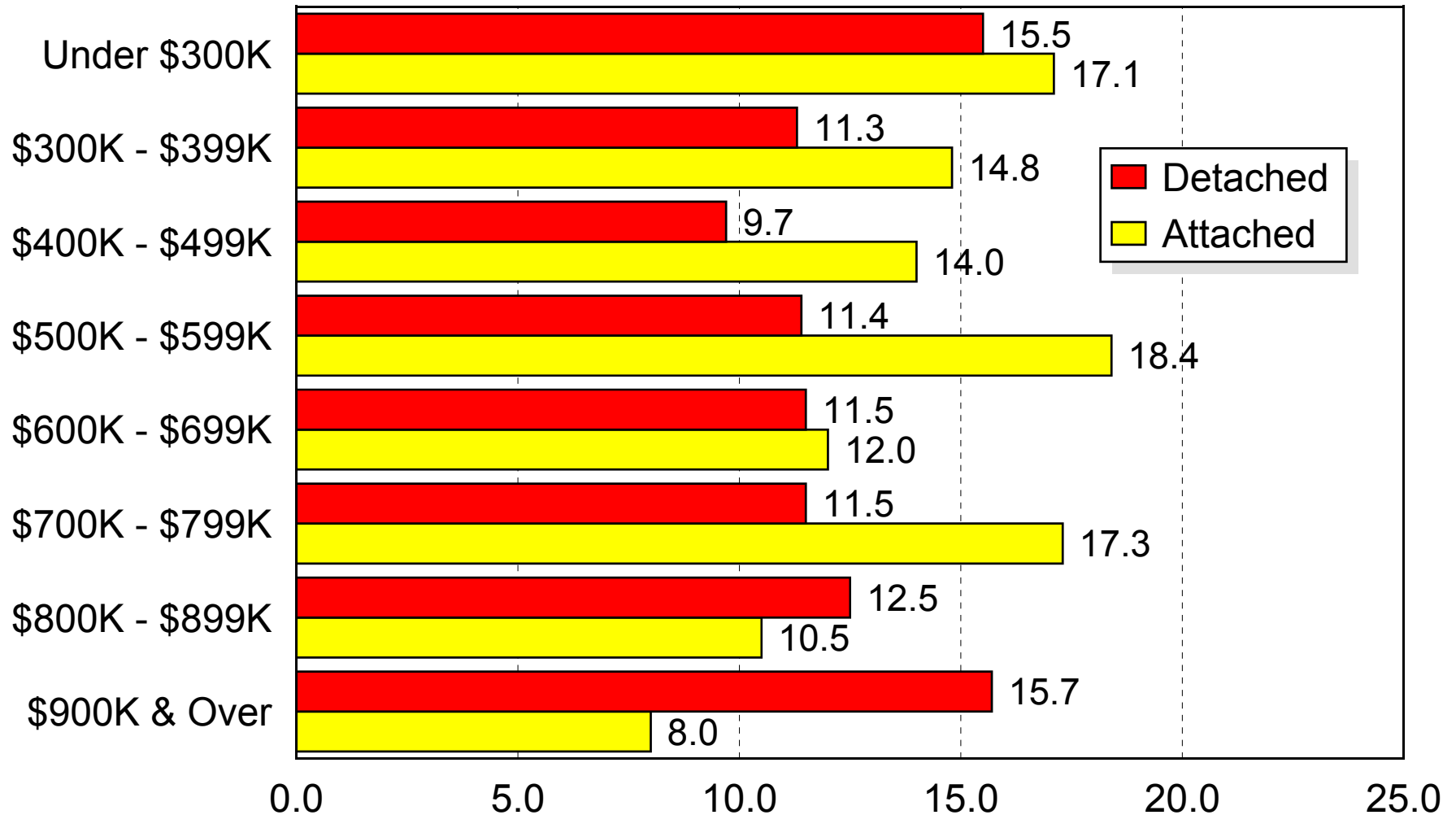
Inventory In Months' Supply - October 14, 2007

City of Indio



Inventory In Months' Supply - October 14, 2007

City of La Quinta

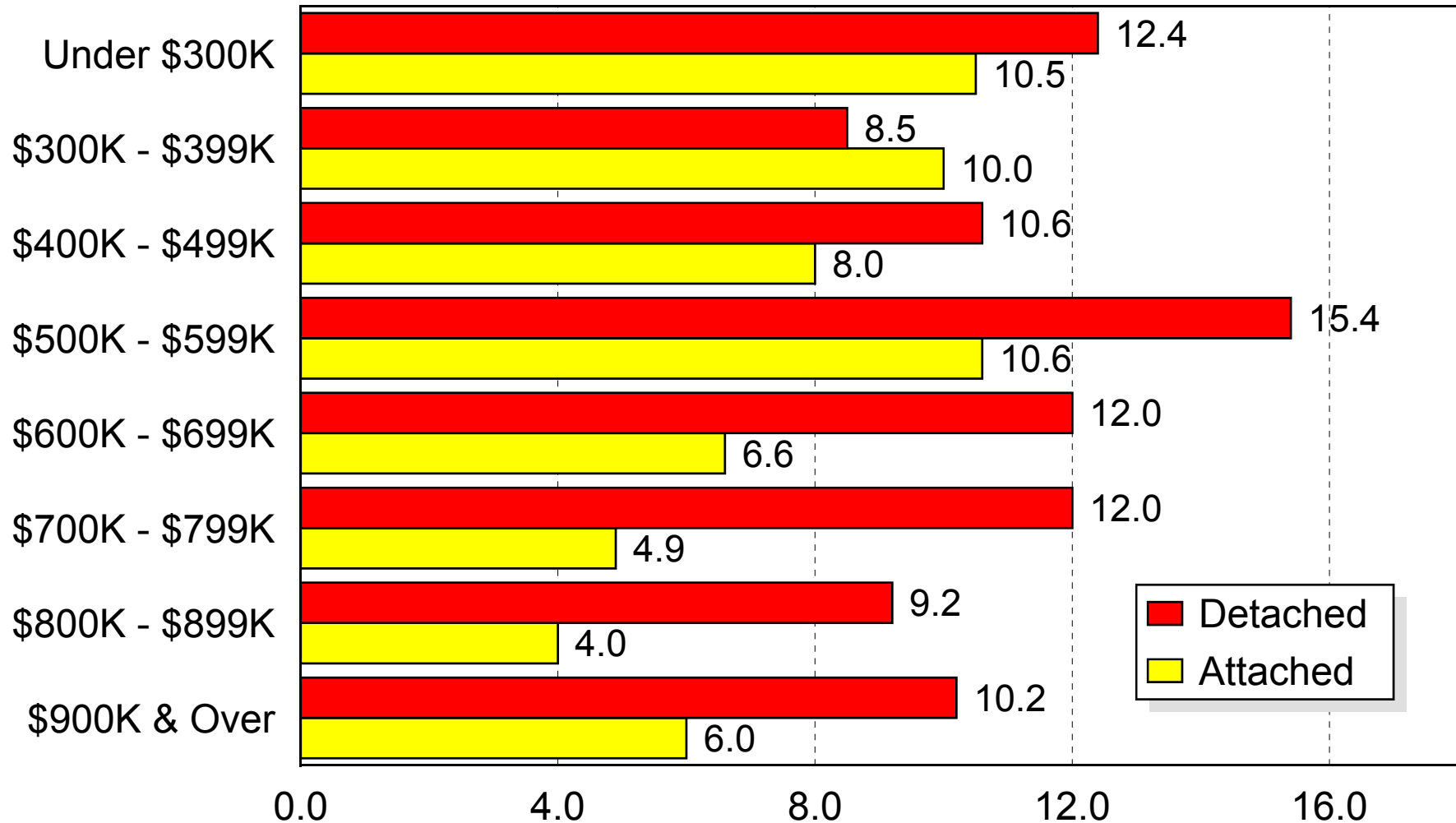


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Values shown are the number of months it will take to exhaust the inventory on the study date, assuming no new listings come to market, and the pace of sales continues at that of the previous year.

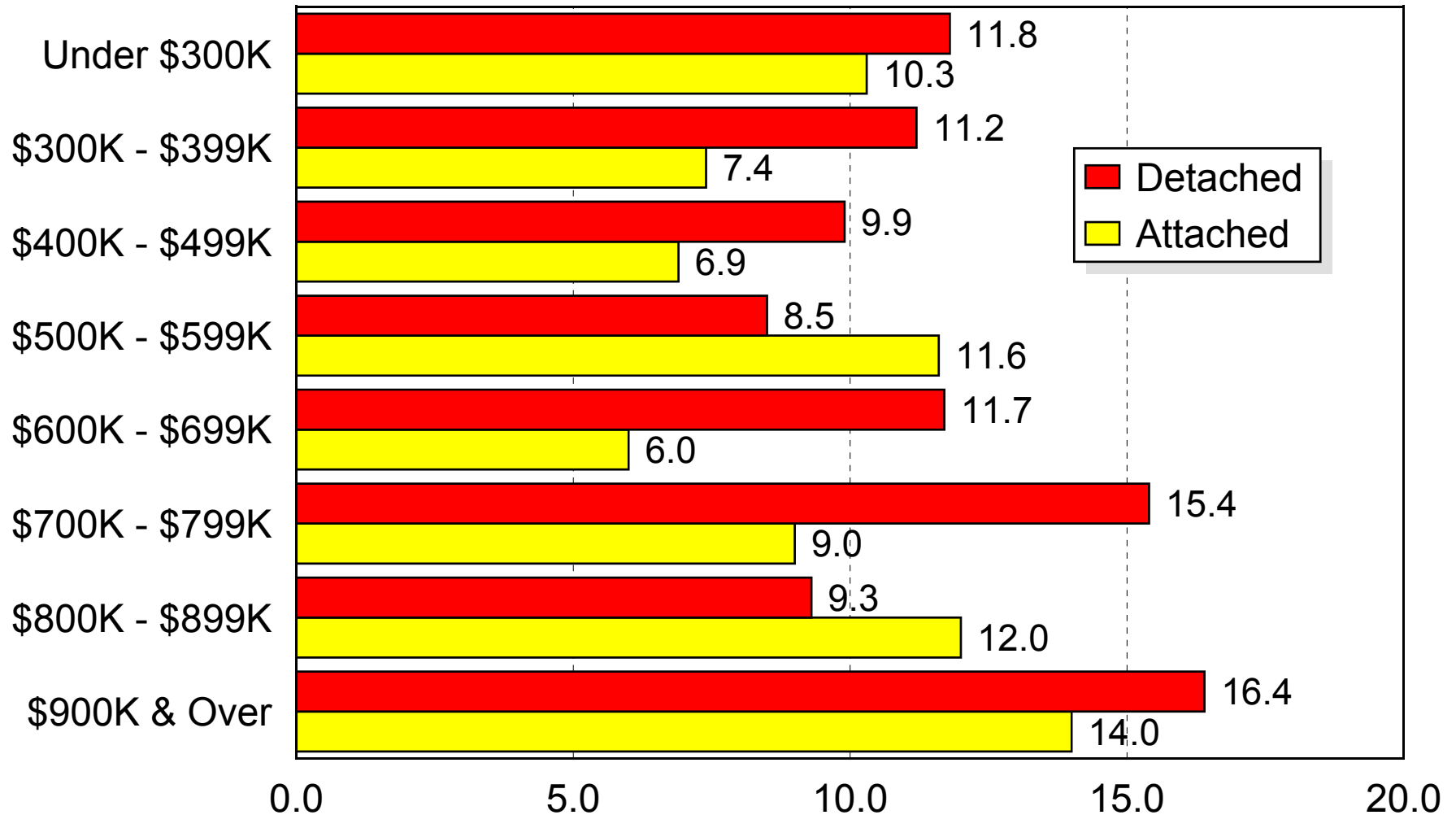
Inventory In Months' Supply - October 14, 2007

City of Palm Desert



Inventory In Months' Supply - October 14, 2007

City of Palm Springs

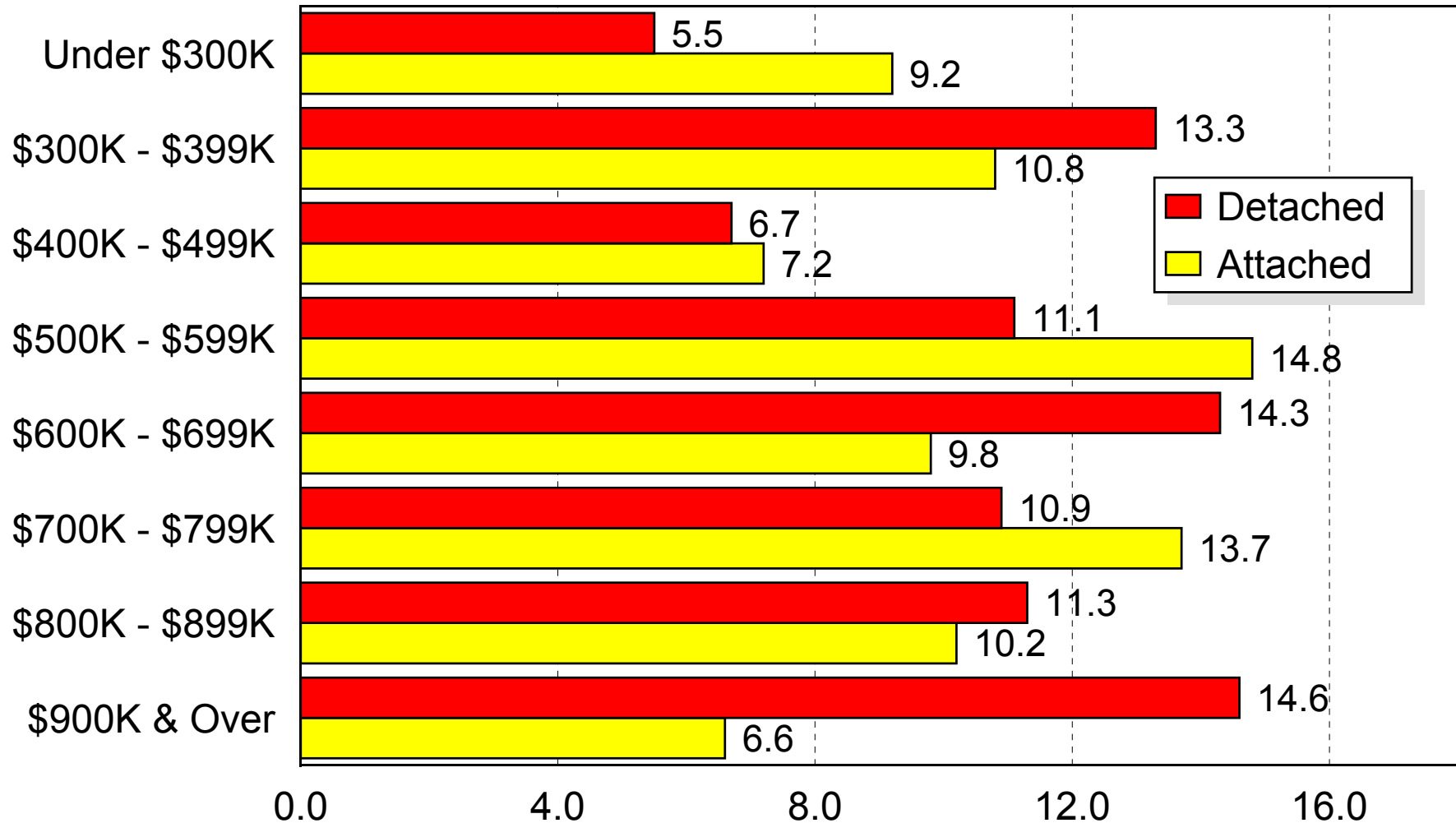


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Inventory In Months' Supply - October 14, 2007

City of Rancho Mirage

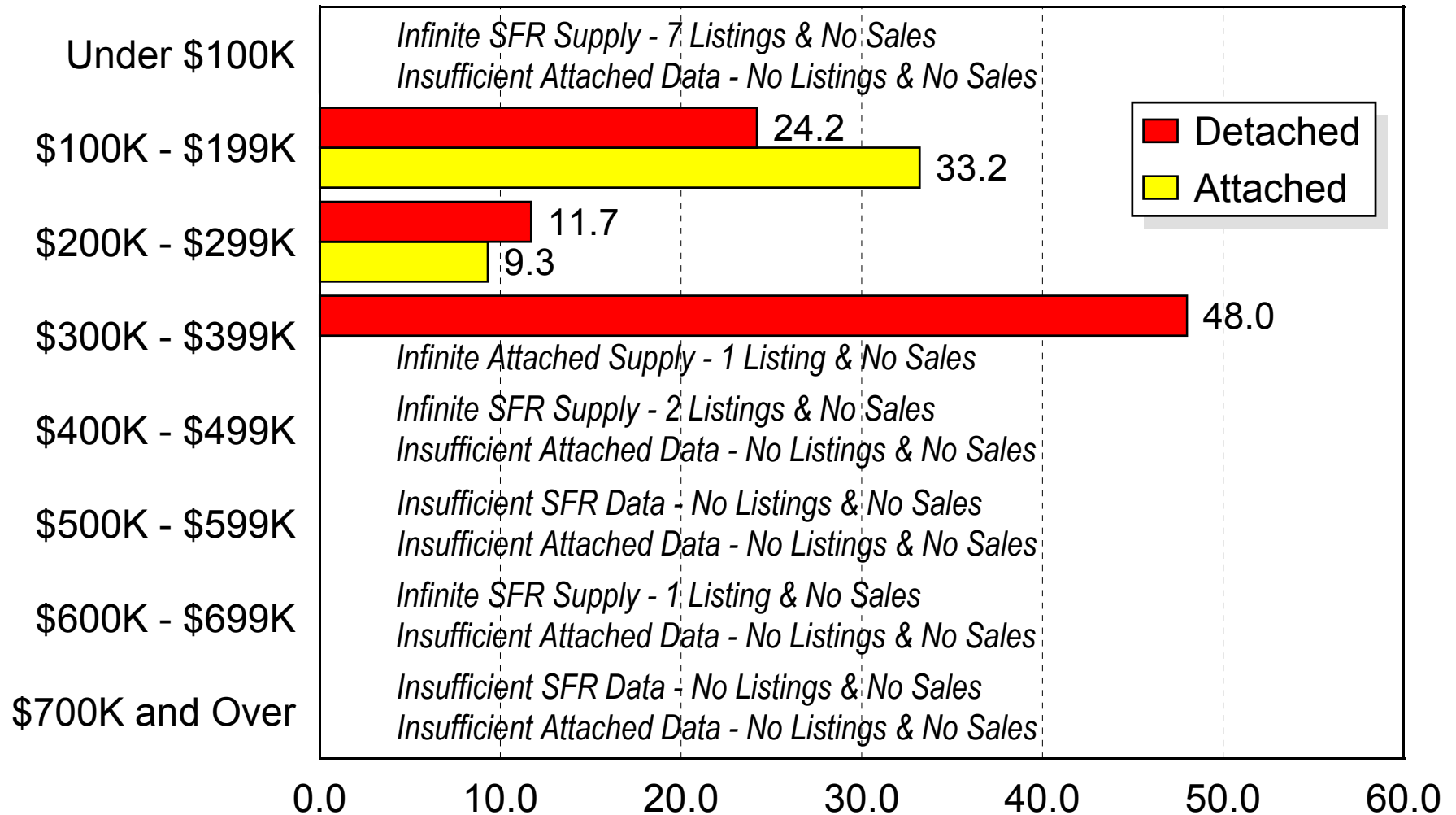


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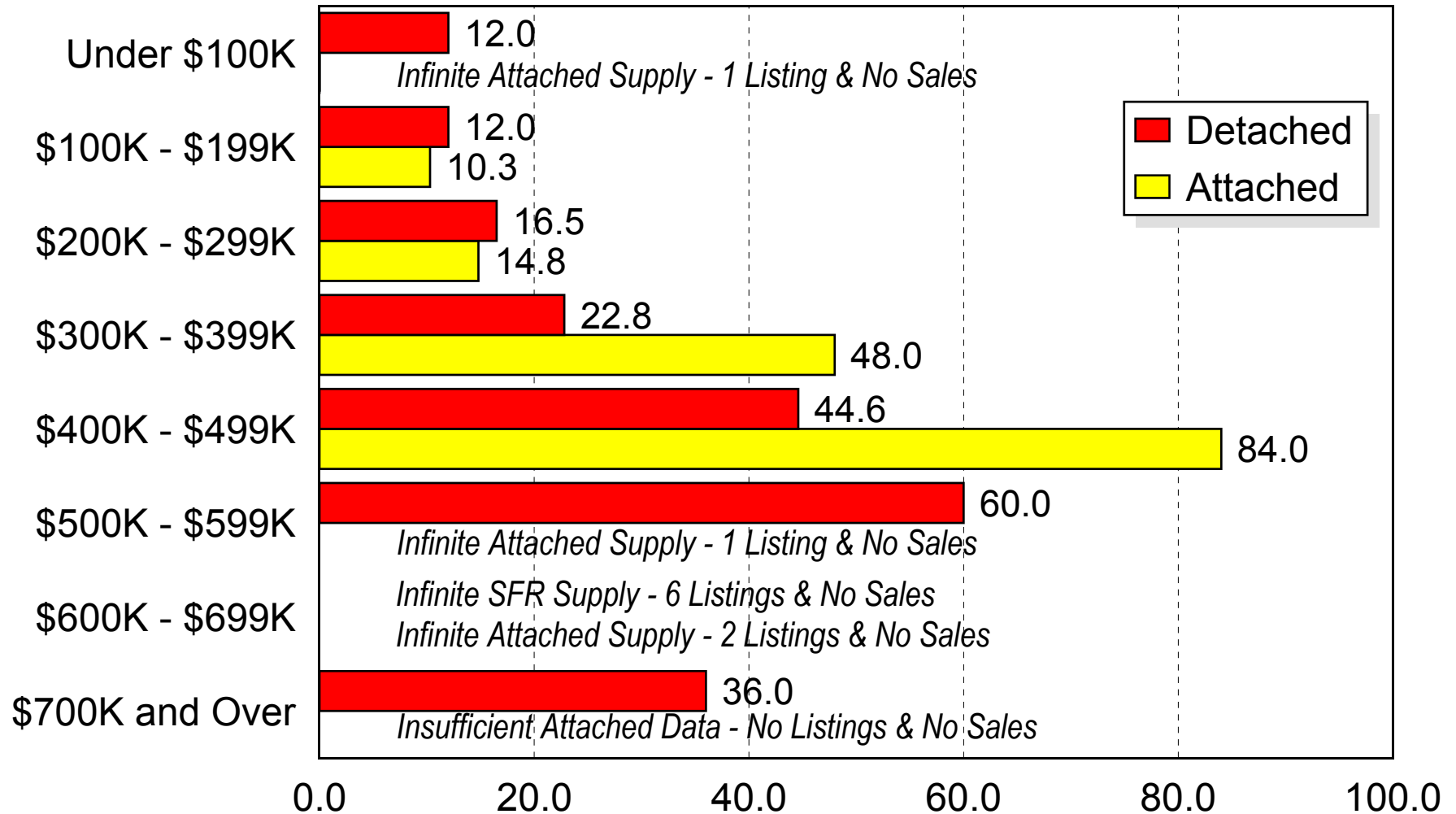
Inventory In Months' Supply - October 14, 2007

City of Salton City



Inventory In Months' Supply - October 14, 2007

City of Yucca Valley



Strategies for Success

...In a higher inventory market

- Know your competition, your unique value proposition, and what sets you apart.
- An unsold listing is worse than no listing at all (EVEN IF you have no other inventory and are desperate).
- Don't do business with sellers who won't let you position their property with its list price (infinitely easier when you consistently prospect for business).

Strategies for Success

...In a higher inventory market (continued)

- Charge what you know you are worth...not what sellers say they will pay (infinitely easier when you consistently prospect for business).
- Be careful with your marketing money (see pie chart from earlier in this presentation).
- Plan and save now for a slowing market. Your staying power will outlast 90% of competing agents who will have less -- or none.



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