

# A Realtor's reality



DAVID B. PARKER/RENO GAZETTE-JOURNAL

David Morris, Realtor for of The David Morris Group, poses in his Reno office Wednesday. His company The David Morris Group works under the umbrella of RE/MAX Realty Alliance.



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Realtor Sunil Joshi stands Wednesday in front of a condo in Smithridge Park in Reno that he is trying to sell. He is a Realtor in Coldwell Banker Village Realty's South McCarran Boulevard office.

## Veteran continues to see opportunity

BY ZACK HALL  
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The real estate profession is changing along with the real estate market.

But even with the overall market slowdown, the Reno-Sparks Realtors Association has reported a 13.5 percent increase in memberships in July compared with July 2005.

Sales of existing single-family homes have fallen in double digits by percentage in every month this year compared with the same month in 2005.

Tuesday, the Reno Gazette-Journal asked David Morris, who joined the Northern Nevada real estate market in 1977 and is a Realtor for Reno-based The David Morris Group, his opinion about

the profession, where the market is heading, and advice for new Realtors.

**Question:** Is the growth in membership in the Reno-Sparks Realtors Association a good thing or bad thing?

**Answer:** As of (Tuesday) morning, Northern Nevada MLS (Multiple Listing Service) has 3,600 agents. That's approximately one agent for every 84 residents in Reno. There is 6,427 active listings with no offers on them today. Right now we have 696 properties in escrow, meaning 10 percent of the homes have offers on them. We've sold 4,457 homes, year-to-date,

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## More Realtors, fewer sales

BY ZACK HALL  
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Conventional wisdom might lead many to believe that sagging sales of existing single-family homes this year would be enough to send would-be Realtors to truck-driving school.

But this year, even to the surprise of Reno-Sparks Association of Realtors President Stephen Haley, membership in the organization increased 13.5 percent, from 2,278 members in July 2005 to 2,586 in the same month this year. In July 2004, the group reported 1,998 members.

The rise comes despite falling sales in every month this year compared to the same month in 2005.

He said membership in the national association is also up in every state but Michigan.

"People still think it's a good business to be in, and that it is going to be an active business," Haley said.

Still, Haley said, about half of his members "have made less than three transactions this year."

And the National Association of Realtors is forecasting a loss of 8 percent of its membership in 2007, Haley said.

Haley said the Reno-Sparks Association could start seeing a drop in early December when 2007 membership fees are due.

"It's a tough business to make it work," Haley said. "That realization takes about a year for a lot of people. So maybe a lot of those people that came into the business in the last 12 months will choose another course next year. But right now, there is nothing to indicate that that is happening."

## Newcomer adjusts to market slowdown

BY ZACK HALL  
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Sunil Joshi, Realtor in Coldwell Banker Village Realty's South McCarran Boulevard office, broke into the real estate business in 2004, during the height of the real estate boom.

Joshi, a former casino worker who said he became a Realtor because of his history in sales as a computer salesman in his native India, has had to learn to navigate a rapidly slowing market that has seen double-digit sales decreases, by percentage, in every month this year.

The slowdown forced Joshi to take a day job in June, at International Game Technology, and now works real estate as a second career.

Tuesday, the Reno Gazette-

Journal asked Joshi his opinions on the real estate profession, the changing market and what he has learned from the slowdown.

**Question:** Is the growth in membership in the Reno-Sparks Realtors Association a good thing or bad thing?

**Answer:** If you have contacts, jump into it. If you don't have contacts, then I know the first few months will be tougher. If you have a little bit of money in your bank, then just get into it. Whether it's a good time or bad time, that's hard to say.

**Q:** How has the real estate profession changed since the boom?

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# Veteran

From IE

That's 1.2 sales per agent in the last nine months. Do we need more agents? We need fewer agents. We have far more agents than we have business. We need a reduction of agents if we are going to improve the quality of business and the quality of agents.

**Q:** How has the real estate profession changed since the boom?

**A:** Real estate up to the mid-1990s was really becoming very professional. The expectations of education and attitudes and the willingness to learn and grow was accelerating. The market we experienced probably took us back probably a decade, because we entered a market in which you could put your hand out and make money. It was said but true that you really could make a lot of money knowing nothing.

It probably rolled back our professionalism substantially because the need to understand the business and the nuances just wasn't necessary. The title companies and the mortgage companies could cover a lot of mistakes. I think that we have extremely well-meaning agents and agents that desire to be very good at what they're doing. But we do have a lack of knowledge and expertise in an industry in which you can become competently incompetent in a matter of weeks.

**Q:** How has buyer behavior changed since the boom?

**A:** They are the same people. Their motivations, their anxieties, their concerns, nothing has changed. What has changed is the availability of too much information. Buyers today come to the table knowing a little bit about everything but not enough about what they need to know. They have enough to become self-proclaimed experts because the big picture is easy

to interpret today. But they are missing the fine points, which is where you make or break a real estate transaction. It's a whole different way you deal with buyers. Buyers come to you and you know they have a basic level of knowledge.

The beauty of it, from my standpoint, is no longer do you have to bring a buyer up to speed on the basics. What has not changed with the skill and value of the Realtor is being able to fill in the blanks. Quite frankly, I'm in an industry today with discount Realtors and Internet businesses — there are companies in Florida that will list your home in Reno today. What they prey on is the big picture and they sell to the consumer that is they only thing they need to know. What has made Realtors valuable and worth who they are as productive professionals is the details, and that isn't just the contract. It's knowing the evolution of a given neighborhood, where it comes from, where it's going to, and how the homeowner will

maximize the quality of their life — where they live, where they buy and what they do.

**Q:** Have sellers changed?

**A:** The seller's ability to find a buyer truly wanting and willing to pay a fair price for the home has increased. The negative is the seller now is more exposed to competition than they ever were. But this is another skill in bringing these two opposing forces together. That is what the Internet has done for people like myself — it has allowed us to sharpen our skills to better deliver a quality product.

**Q:** Is the slowdown a simple market correction or something more serious?

**A:** Everybody is looking for extremes. We are in a world where people want extremes. I'm going to take the middle road here. The market correction is for real. Anybody who is saying "Come spring of '07, the good ol' days are back," are going to be very, very disappointed.

What is happening is the market is normalizing, which is a very nice, pleasant way of saying a lot of change. When all markets take off and become stupid markets in which 3 percent appreciation a month becomes standard, you start buying and selling houses strictly on availability. The truth is in those markets the highest and best-quality homes per neighborhood actually get the least amount of appreciation. And the poorest location, poorest cared for and least-desirable location actually gets boosted up more than it should compared with every other home. When the market cools down, you are left with a market with homes of low value that have been boosted up to unrealistically high values and must descend to their true value. And other homes that are truly more valuable that need to now stretch and go up. It's a very uneven system and it takes time to work through, and the faster you get through it the better. I'm dealing with people now who are taking

the attitude that the market is going into a black hole, and they are expecting a 30 percent price reduction if they are patient. There is nothing to support that. By the same token, I have sellers who have homes that are 50 percent overpriced. On one hand I am reducing the 30 percent price reduction across the board, and I know there are sellers who are not going to take a 50 percent reduction in their house. It's a very complicated picture.

**Q:** What advice would you give somebody looking to break into the real estate profession?

**A:** This is a wonderful time to get into the business. With the advent of the Internet, you are coming into a business today in which you can learn the skills of marketing and selling at a fabulous time when your skills as an individual can shine. You are able to enter a market where you can use your intellect with the tools being brought to you and build a business and be very, very successful.

# Newcomer

From IE

**A:** It's changed quite a bit. We used to get calls that would say, "I want to look for a house, and this is what I want." We would go out and find some homes, and bam, it's done. The only problem in those days was whether or not the house was going to appraise (enough to justify the selling price). Buyers used to say, "Sam, I want this house. Let's make it a full-price offer." Now, when a buyer goes out you are expected to make a low-ball offer. So, it's been more difficult selling than what it used to be. Plus, as a Realtor,

we are working harder on people and talking more. It was easy selling and there wasn't enough homes on the market. Now, if I wanted to look for a home between \$300,000 and \$350,000, I'd pull up a listing in Reno-Sparks. It will give me 500 homes. Narrowing down is always a good thing, and showing homes is not a problem. I can show 100 homes to one client, no problem.

Just to satisfy a client, that has changed a little bit. Plus, everybody knows somebody. It's never been easy for me to go out and get a listing. All the listings I've had were always from my family or friends. I've tried to talk people into it, but I think I've only had about a 5 percent

success (rate) on getting listings from people I do not know.

**Q:** How has buyer behavior changed since the boom?

**A:** Buyers are still there. The willingness to buy is not there. The problems coming up these days are the people that say that the market is going to crash, and showing homes is not a problem. I can show 100 homes to one client, no problem. Just to satisfy a client, that has changed a little bit. Plus, everybody knows somebody. It's never been easy for me to go out and get a listing. All the listings I've had were always from my family or friends. I've tried to talk people into it, but I think I've only had about a 5 percent

**Q:** Have sellers changed?

**A:** Sellers are trying to do whatever they can. I noticed (Monday), there was a house listed (that I made an offer on) seven months ago. We made an offer on the house for \$480,000, which was listed at \$520,000, but they say they did not want to come down below \$500,000. We then offered for \$497,000. (Monday), I noticed they now have the house listed for \$445,000. They thought at that time, "No, I don't want to sell it for \$497,000," when the buyer was willing and able to buy that house. If he didn't stick to that pricing at that time, he would have gotten \$50,000 more than what he has listed right now. Now,

sellers are trying to cooperate with buyers as much as they can, because these new-home builders are offering way more stuff than what they used to offer. People are getting attracted because they are looking at homes that are 15 years or 20 years old, they are seeing that they can buy a new house for the same amount of payment. Sellers are trying anything possible to avoid having to pay two payments.

**Q:** Is the slowdown a simple market correction or something more serious?

**A:** Looking at the market, it's just the frame of mind that people have that this is what is going to happen, and that

prices are just going to go lower and lower. It's tough to say. I don't know.

**Q:** What has the market slowdown taught you?

**A:** I have a client, he wants to live in the northwest where the housing prices are so high he can't afford to make the payments. We have to go down and look for homes under \$300,000 so he can afford it. But there aren't many homes in the northwest that I will be able to find for him. So we have to be selective. We have to show him what is available. If they don't like it, then we have to sit and wait for another house to pop up. It's another reason for people not to buy.

# Davidson

From IE

from having these gifted

**Q:** What will the academy bring to the university?

**A:** (Jan) When students graduate from the Academy they will still be fairly young. Many will very likely attend the

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B10 BOX

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# Radar

From IE