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## Gen Factor #60930

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### **Gen Factor**

(How To Grow Your Business By Understanding Different Generations)

3Hrs CE Written By

Carol Moson, CRS, ABR, e-Pro, GREEN, SFR, BPO, SRS, SRES,MRP

2017 GAR Instructor Of The Year Copyright 2019- CBM Realty, INC

Course	Objectives
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• To identify major differences AND similarities among the generations

To learn how to use these differences to:

- Attract clients
- Develop and maintain relationships
- Grow your business

### Objectives Cont'd

•To be able to clearly distinguish and understand defining characteristics of each of the generations in order to best serve their needs

Before we start	
ALWAYS keep the Code of Ethics in mind	
Article 1 of the COE	
When representing a buyer, seller, landlord, tenant, or other client as an agent, REALTORS® pledge themselves to protect and promote the interests of their client. <b>This obligation to the</b>	
client is primary, but it does not relieve REALTORS® of their obligation to treat all parties honestly. When serving a buyer,	
seller, landlord, tenant or other party in a non-agency capacity, REALTORS® remain obligated to treat all parties honestly	
	1
GA License Law and Buyer Agency	
EXCLUSIVE BUYER BROKERAGE AGREEMENT	
Januar EATORS  2019 Printing  State law prohibits Broker from representing Buyer as a client without first entering into a written agreement with Buyer under O.C.O.A. § 10-6A-1 et. seq.	
with Buyer under O.C.G.A. § 10-6A-1 et. seq.	

The Brokerage Relationships in Real	
Estate Transactions Act (BRETTA)	
While not prohibited by law, BRETTA does NOT	
recommend Dual Agency	
Let's get started!	
Identifying different generations is connected	
to the year individuals are born.	
Question:	
Why would the year you are born affect your generational characteristics?	
your generational characteristics:	

What defines a generation?  (by definition)	
	1
Defining the term "generation":	
A group of individuals born and living concurrently, who have common knowledge and experiences that affect thoughts, attitudes, values, beliefs and behaviors	
Fair definition?	
	]
From The Center For Generational Kinetics	
"The three trends that shape generations are parenting, technology and economics"	

## For The First Time We Have 4 Generations Working Side By Side

### Some could say 5 generations

(This is a challenge for brokers as well)

Let's take a look...

#### https://youtu.be/Dg99LxpLKkU



### Understanding = better relationships

- If we understand the different generations it becomes easier to learn how to work with them in business
- Would it be fair to say it is difficult to work with someone if you don't speak the same "language"?
- Difficult to create a relationship if you are not willing to communicate the way the client prefers?
- Is this relevant to OUR work environment? Age of broker to average age of agents in the brokerage?

The Oldest Generation is The Silent Generation a.k.a.

The Greatest Generation And the G.I. Generation (Government Issue)

#### **Silent Generation**

- Born between 1925 1945 (depending on resource)
- Grew up in a time when hard work kept everyone busy
- Children should be "seen and not heard"
- Today roughly 20 million people in their 70s and 80s
- WWII and the Holocaust
- About 95% are retired

Resource: 2019 NAR Home Buyer and Seller Generational Trends and Mary Donohue – TedTalks Other NAR research

### Silent Generation

- Rule followers
- Traditional
- Conformed with "social norms"
- Didn't take time away from work for unrelated issues
- Experienced fallout from 1929 stock market crash (Their parents were effected)
- Grew up with segregation, civil rights movements and women's liberation
- They like facts

Resource: 2019 NAR Home Buyer and Seller Generational Tren and Mary Donohue – TedTalks

A Boomer's Perspective	
	]
https://youtu.be/jitw0tZsEm0?list=FLUd6uL 9AszzG0YpeJIYluSQ	
(In-class Video)	
	]
Boomers –born 1946-1964	-
Name "boomers" is because after the war their parents had a baby explosion	
Boomers are also called the "sandwich generation"     Drive Gens X and Y crazy	
Many are technology challenged (not all don't assume)	
Due to retirement causing a shift in population	
Went from contributing to social security to collecting social security	
Resource: 2019 NAR Home Buyer and Seller Generational Trends and Man Donothue - Ted Tallas Other NAR research	

### Boomers -- born 1946-1964

- $\bullet$  Saw Alaska and Hawaii become the  $49^{th}$  and  $50^{th}$  states
- Women's lib
- Saw first transmission to the moon
- Focus on health and staying up with trends (relevance)
- · Don't want to age
- Vietnam war, political unrest, anti-war protests, Watergate, "free love"

Resource: 2019 NAR Home Buyer and Seller Generational Trend and Mary Donohue – TedTalks

Boom	ers –	horn	1	94	6-1	964

- Criticized and became mistrusting of government
- Accept not being happy at work
- Optimistic, team oriented, socially involved
- Like name recognition
- Status and rewards
- Recognition for long work hours
- Saw first color TV
- Birth of Rock and Roll
- "Nest Egg" disappeared for many

Resource: 2019 NAR Home Buyer and Seller Generational Trend and Mary Donohue – TedTalks Other NAR research

### Boomers -- born 1946-1964

- TV shows were Father Knows Best, Leave It To Beaver, Captain Kangaroo, Romper Room
- Tend to be spenders not savers
- Delayed retirement
- Will create shortage of skilled workers due to retirement

Resource: 2019 NAR Home Buyer and Seller Generational Trend and Mary Donohue – TedTalks

### Gen X - born 1965-1979

- "Baby Bust" generation slow down in baby population
- Common shows Seinfeld, Brady Bunch
- Movies ET, Spiderman, Karate Kid
- Witnessed Berlin Wall come down, Watergate, **Gulf War**
- Have a problem with Gen Y
- Boomers don't get them 🦨



### Gen X - born 1965-1979

- Beginnings of wave of technology
- Tend to be "doers"
- Independent and entrepreneurial
- At work, waiting for someone to leave so they can finally make changes
- Process visually
- Graduated during recession and mass layoffs
- High student loan debt
- · Last hired-first fired

NAR Home Buyer and Seller Gen and Mary Donohue – TedTalks Other NAR research

### Gen X - born 1965-1979

- · Sit in a meeting and just wait for it to be overnot necessarily engaged
- LOVE pictures!
- Their driver is money and work but have a fear of losing them

### Gen Y - born 1980-1998

- "Can do" kids
- Growing up in most child centric time in history where "feelings" are important. Everyone gets a trophy
- Higher % of only children
- Spend more time on internet/social media than with family
- Avoid long term commitments
- Life is not work

Resource: 2019 NAR Home Buyer and Seller Generational Trends and Mary Donohue – TedTalks

### Gen Y - born 1980-1998

- 30% leave job after first year
- Want instant recognition/gratification
- Can make or break a business
- Huge generation
- Want to spend time in meaningful ways so will take unpaid days off to do what they want
- Many from divorced homes
- Will be loyal but you must earn it

Resource: 2019 NAR Home Buyer and Seller Generational Trends and Mary Donohue – TedTalks Other NAR research

### Gen Y - born 1980-1998

- Don't look over their shoulder but do give immediate feedback
- Loyal to people not necessarily their company
- Pragmatic
- Career lattice not ladder
- Adapt, adopt, improve
- Playdates not playtime

Resource: 2019 NAR Home Buyer and Seller Generational Trendand Mary Donohue – TedTalks

### Gen Y - born 1980-1998

- 2008 banking/mortgage failure. Everyone lied an nobody went to jail. Tend to not trust
- Been online since 5<sup>th</sup> grade
- Love technology
- Process info in terms of actions
- Create own entertainment
- Uber, Airbnb, TedTalks

Resource: 2019 NAR Home Buyer and Seller Generational Trends and Mary Donohue – TedTalks

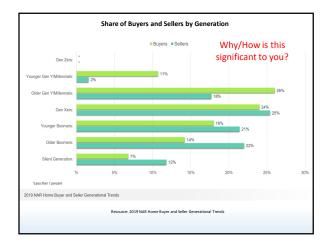
### Gen Z-1999-present

- Fear of being alone
- First to grow with 100% technology
- Witnessing mass murders and global terrorism
- Go to school knowing how to go in to lock down
- Tend to travel in groups
- Never without their phone
- 3 minute communications
- Phone connects them to other people use as comfort when infants/toddlers

Resource: 2019 NAR Home Buyer and Seller Generational Trends and Mary Donohue – TedTalks Other NAR research

What does this mean to us as REALTORS® when working with buyer and sellers?

-	-
1	1



### **Characteristics of Home Buyers**

- 33% of all buyers are 1st time buyer
- Of that 33%
  - 52% of 29-38 year olds were 1st time buyers
- 27% of 39-53 year olds were first time buyers
- 29-38 are the largest generational group of buyers
- Ages 39-53 have highest household incomes followed closely in income by 54-63 year old buyers
- •63% are married
- 18% single females (54-63 yrs old is highest %)
- •9% single males

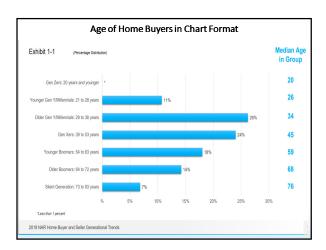
Resource: 2019 NAR Home Buyer and Seller Generational Trends

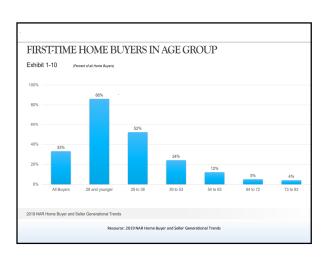
### **Characteristics of Home Buyers**

- 12% of buyers purchased multi-generational homes
  - Aging parents
  - Children moving back
- •Of these buyers (multigenerational homes)
  - 16% are ages 39-53
  - 15% are ages 54-63

Resource: 2019 NAR Home Buyer and Seller Generational Tree

# Let's Put All This In Chart Form For Easy Reference Discussion





We hear millennials and Xers want to be renters BUT statistically:

- 60% of buyers 28 and younger and
- 42% of buyers 29-38 DO have a desire to own their own home
- When they did purchase, both age groups just felt it was the right time

We also hear the younger buyers want to be in town with high walkability but the next chart shows a different dynamic

# 

### So what factors influence neighborhood choice?

- Across the board #1 is quality of neighborhood
- Next are convenience to job, affordability of homes, convenience to friends and family and quality of schools.
  - Highest percentage of importance for these is among 28-38 year olds
- Third in importance is design of neighborhood, convenience to shopping, schools, entertainment/leisure activities

### Are environmentally friendly features important?

- The most important features to MOST buyers across all generations are
  - Energy efficient appliances
  - · Heating and cooling costs
  - · Windows, doors and siding
  - Commuting costs
  - · Energy efficient lighting

### Are buyers willing to compromise?

According to the 2019 NAR Home Buyer and Seller Generational Trends:

- Less than 1/3 of ALL buyers in every age group are unwilling to compromise on features that are important.
- The feature buyers MOST may be willing to compromise on is condition of the home.
- Still includes only 28% of buyers in the 28 and younger group

-	
-	

## How long to buyers plan to stay in their homes and why is this important to you?

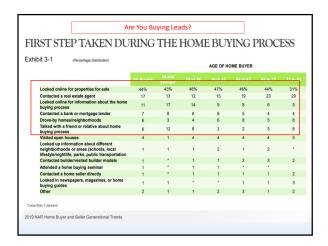
First – let's discuss
Why is this important information to you?

## 

### The Home Search How should this impact you?

- •All generations- first step is online
- •Seniors tend to contact an agent while looking online
- •Buyers looked 8-12 weeks before buying
  - Longest was 12 weeks for ages 54-63
  - Shortest was 8 weeks for ages 73 and older
  - All buyers said photos online were important

If you are struggling with how to get buyers the next graphic may help focus on where to spend both energy and money!



Analyze this!  WHERE BUYER FOUND THE HOME THEY PURCHASED  Exhibit 3-4 (Percentage Database)  Are YOU a secret agent??								
					AGE OF HO	ME BUYER		
			28 and younger					
	Internet	50%	62%	62%	52%	46%	36%	30%
	Real estate agent	28	27	20	26	33	35	38
	Yard sign/open house sign	7	3	5	7	7	10	11
	Friend, relative or neighbor	7	5	6	6	5	8	12
	Home builder or their agent	5	2	4	5	6	7	6
	Directly from sellers/Knew the sellers	3	2	3	3	2	2	2
	Print newspaper advertisement	1		•		1	1	2
	Home book or magazine				•	•		
	Other							
"Less than 1 p	ernent							

### Here's What Buyers Found Most Difficult In The Home Buying Process In Order

- Finding the right property
- Paperwork
- Understanding the process
- Saving for down payment
- Getting a mortgage (decreases with age of buyer)

### Here's What Buyers Found Most Difficult In The Home Buying Process In Order

\*\*Since so much is available online for the consumer YOU need to find a way to provide them with what they don't know they need or can't find on their own

That's how you gain trust and EARN loyalty!

More than 30% of buyers found their agent online

Question: How quickly do you respond to internet leads?

The following slides discuss very favorable data for us as agents. We'll discuss how to capitalize on all of it!

### **Good News!**

- •87% of ALL buyers purchased their home with an agent
- 92% of buyers between the ages of 28 and younger used an agent!
- What buyers needed most from us?
- Help find the right home and help in negotiating best terms
- Referrals still continue to be how most buyers found their agent

### Good News!

- ALL buyers wanted an agent that is honest and trustworthy (most important factors)
- •7 in 10 buyers interviewed only ONE agent
- 90% would use their agent again or recommend their agent to others
- BUT statistically, approximately 85% of homeowners do NOT remember the name of their agent within 18 months of the transaction!! Hmmmmm

### Good News!

- 62 72% of buyers were very satisfied with their experience
- Highest (72%) was among ages 73+
- Lowest (58%) was among ages 29-38
- Is there room for improvement?
- Who has control over that?
- How can we accomplish it?


How do you BENEFITS PROVIDED							HOM
PURCHASE PROCESS						ng sess	
Exhibit 4-5 (Percent of Respondents)				AGE OF HO	ME BUYER		
	All Buyers	28 and younger	29 to 38	39 to 53	54 to 63	64 to 72	73 to 93
Helped buyer understand the process	60%	87%	72%	57%	50%	48%	42%
Pointed out unnoticed features/faults with property	56	69	58	54	53	54	49
Negotiated better sales contract terms	47	51	49	46	41	40	35
Provided a better list of service providers (e.g. home inspector)	46	46	49	41	43	46	42
Improved buyer's knowledge of search areas	44	50	41	39	42	46	41
Negotiated a better price	38	38	35	36	34	33	32
Shortened buyer's home search	29	35	26	26	28	31	35
Provided better list of mortgage lenders	22	26	25	23	17	13	13
Expanded buyer's search area	20	20	18	18	24	24	20
Narrowed buyer's search area	15	14	14	15	17	15	16
None of the above	7	1	5	6	8	6	9
Other	2	1	2	3	4	2	2

Working with buyers across the generations – summing it up

- To increase you base of buyers you need to
  - Communicate how they want you to
  - Be sure TO communicate! Respond timely
  - Understand their behaviors
  - Show them how you can provide them with information they may not have access to or don't know they need
  - Share your knowledge of the purchase process and the market

Working with buyers across the generations – summing it up

- To increase you base of buyers you need to
  - Explain ways you will negotiate for them
  - Demonstrate your ability to use technology
  - Keep them updated on changes
  - STAY IN TOUCH!
  - Be top of mind at least 75% of buyers say they would use their agent again or recommend them!
  - Consider putting together a buyer's book and actually go through it with them!
  - Establish a relationship with them up front BEFORE you get in the car

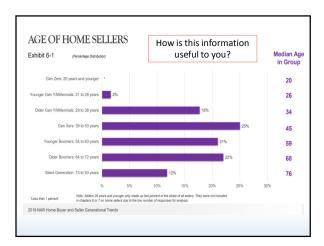
We will move to working with the sellers of different generations but first	<u> </u>
<ul><li>Any questions or comments?</li><li>Are there a few things you have as "take aways" so</li></ul>	
far?	-
	$\neg$
	-
This are to be according with college of	
Things to know when working with sellers of different generations	
	_
General Stats and Facts Regarding Sellers	
• Ages 39-53 make up 25% of home sellers	
<ul><li>Median age is 45</li><li>Highest medium income is \$123,000</li></ul>	
<ul> <li>Ages 64-72 is second largest at 22% of sellers</li> <li>Median age of 68</li> <li>73+ had lowest incomes</li> </ul>	
•71% are married and 84% of them are 29-38	
years old	

### General Stats and Facts Regarding Sellers

- Reasons for selling
  - House too small
  - Desire to be closer to friends/family
  - Job relocation
- Most lived in home 9 years before selling
  - 29-38 year old stayed in home for 5 years
  - 73 and older for 17 years
- 9/10 worked with an agent to sell their home across all age groups

### General Stats and Facts Regarding Sellers

- Final sales price was a median of 99% of final listing price
- Recently sold homes were on the market for 2-4 weeks (this is currently changing)
- 34% offered incentives to attract buyers
  - 73+ were less likely to offer incentives
  - 29-38 most likely
- 64% were very satisfied with selling process across all age groups



### What are they selling?

- 80% of ALL homes sold were single family across all generations
- Only 7-11% were townhomes or apartments
- Why is that significant to your marketing and business building?

### When are they selling?

- 91% of ALL homeowners sold when they wanted to sell without delay due to value or mortgage rates
- We've stated that among ALL sellers, the average length of time they remain in their home is 9 years
  - 5 years for 29-38 year olds
  - 9 years for 39-53 year olds
  - 12-17 years for 54-73+
- How would you use this data if you are trying to assess which subdivisions or neighborhoods to market to?

THOD USED TO SELL H	OME	1			oout u t but	
			AGE OF HO	ME SELLER		
	All Sellers	29 to 38	39 to 53	54 to 63	64 to 72	73 to 93
Sold home using an agent or broker	92%	90%	91%	89%	88%	88%
Seller used agent/broker only	90	88	90	87	86	87
Seller first tried to sell it themselves, but then used an agent	2	2	1	2	2	1
For-sale-by-owner (FSBO)	7	6	7	11	10	10
Seller sold home without using a real estate agent or broker	6	6	6	6	7	8
First listed with an agent, but then sold home themselves	1	•	1		1	1
Sold home to a homebuying company	1	2	1		1	1
Other		2				

-	
-	
_	

How do sellers find us?						
TETHOD USED TO FIND R	EAL E	STAT	E AGE	NT		
thibit 7-1 (Percentage Distribution)			AGE	OF HOME BU	YER	
	All Sellers	29 to 38	39 to 53	54 to 63	64 to 72	73 to 9
Referred by (or is) a friend, neighbor or relative	39%	40%	41%	38%	36%	37%
Used agent previously to buy or sell a home	24	28	25	24	24	19
Personal contact by agent (telephone, email, etc.)	5	4	4	6	6	7
Internet website (without a specific reference)	4	4	4	4	5	2
Visited an open house and met agent	4	3	3	4	3	5
Referred by another real estate or broker	3	3	2	2	3	5
Saw contact information on For Sale/Open House sign	2	2	3	2	1	2
Referred through employer or relocation company	2	4	2	2	1	1
Direct mail (newsletter, flyer, postcard, etc.)	2	1	2	1	2	3
Walked into or called office and agent was on duty	2	1	1	1	3	4
Newspaper, Yellow pages or home book ad	1	•		1	1	3
Advertising specialty (calendar, magnet, etc.)			1			1
Crowdsourcing through social media/knew the person through social media	1	1	•	1		
Saw the person's social media page without a connection	•	•	•	•	1	٠
Other	12	8	10	13	15	12

Do they use us when they sell and buy?

- Of ALL sellers, only 53% used the same agent for both the sale of their home and their purchase
  - Ages 29-38 65% used same agent
  - Ages 39-53 58% used same agent
  - Ages 54-63 47% used same agent
  - Ages 64-72 42% used same agent
  - Ages 73-94 50% used same agent
- What do you make of this set of data?
  - Are these numbers acceptable?
  - How do we change the %

What do sellers want from us?

- 20% of all sellers want help marketing their home within a specific time frame at a competitive price(consistent across age groups)
- 14% -18% want help finding a buyer for their home
- 13-15% want help in finding ways to fix home before sale. This drops off at age 73
- 6-8% want help negotiating with the buyers but drops to 4 and 5% from ages 64 and up

24

What do sellers want from us?

- Most homes sellers did not feel they needed help with paperwork, inspections or preparing for closing.
- •Less than 1% were interested in help creating videos or tours. This is across all age groups but increases to 3% among 73+
- Do sellers feel they need less assistance than buyers? Your thoughts?

What's Important To Sellers When They Choose an Agent?

- Reputation
- Honest and trustworthy
- Knows someone they know
- Knowledge of the neighborhood
- ONLY 4% were interested in commission
- $\bullet\,4\%$  cared about the firm the agent is with

	Your Thoughts?						
NEGOTIATING THE COMMISSION RATE OR FEE WITH THE REAL ESTATE AGENT Exhibit 7-9 Processing distribution							
				AGE	OF HOME BU	IYER	
		Aii Sellers	29 (0.38	SS (U 5S	54 to 63	64 to 72	75 to 95
	Real estate agent initiated discussion of compensation	47%	46%	45%	47%	52%	48%
	Client brought up the topic and the real estate agent was able and willing to negotiate their commission or fee	21	16	20	27	21	21
ľ	Client brought up the topic and the real estate agent was unwilling or unable to negotiate their commission or fee	6	2	5	6	7	8
	Client did know commissions and fees could be negotiated but did not bring up the topic	11	16	10	9	9	9
	Client did not know commissions and fees could be negotiated	15	20	20	11	12	14
"Less tha	*Less than 1 percent						
2019 NA	2019 NAR Home Buyer and Seller Generational Trends						


Thoughts on this?		
<ul> <li>On average about 69% of sellers say they would use their agent again</li> </ul>		
• In reality, on average, only 53% actually do!		
• What does this tell us??		
We haven't really talked about Gen Z		
<ul> <li>Gen Z will be the next, first time homebuyer generation</li> </ul>		
<ul><li>The oldest Gen Zer was born in 1991</li><li>What are your thoughts on Gen Z?</li></ul>		
•Let's take a look		

### Wrapping UP ©

- How will today's class influence what you do?
- What changes will you make to your business model/plan? (do you have one)?
- What can we do as an industry to better serve the public and at the same time, grow our businesses?
- What will you do differently when meeting buyers for the first time? How will you plan?
- What will you do differently when meeting sellers for the first time? How will you plan?

Follow up – retain them...

- ✓ Best way to communicate with each generation and how to keep them engaged.
- ✓ Systems
- ✓ Be consistent! Be their "REALTOR® for life!

Thank you!!

Carol

### Georgia Association REALTORS® - Partners in Education

Student Course / Instructor Evaluation

# Course Name \_\_\_\_\_\_ Instructor \_\_\_\_\_

Please do NOT u	se check marks, x's or any other type of mark.
	uraged my participation through questions and answers or exercises.
The instructor prese Strongly Disagree Disagree Neutral Agree Strongly Agree	nted ideas clearly and made the subject matter interesting.
The use of the outlin Strongly Disagree Disagree Neutral Agree Strongly Agree	e / handouts for study and / or reference was helpful.
The topic is relevant Strongly Disagree Disagree Neutral Agree Strongly Agree	/ helpful to my real estate activities.
would want this ins Strongly Disagree Disagree Neutral Agree Strongly Agree	tructor back.
Additional Commen	s:

Thank you for your input. (Revised 5-2017)