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REAL ESTATE CHAT

To top broker, Florida has strong real estate future

Clark W. Toole III is president and chief operating officer of Sarasota-based Coldwell Banker Residential Real Estate, Florida's largest residential real estate brokerage.

A native of Jacksonville, Toole has been with Coldwell Banker since 1986. The longtime real estate executive has seen many real estate cycles and likes what he sees on the horizon for Florida. Staff writer Stephen Frater corresponded with Toole recently.

QHow would you characterize Coldwell Banker's performance in 2007, as compared with 2006?

AAlthough I expect our 2007 sales volume to be less than the \$14.7 billion we closed in 2006, I believe we have made significant progress in positioning our company and our agents for long-term success. Over 50 percent of our approximately 6,000 agents achieved a greater volume of sales in 2007 than they did in 2006, and we increased our market share by an average of 21.5 percent across the state.

QDo you see a recovery in the real estate market in 2008?

AThe basic fundamentals driving Florida's real estate market, which are historically low interest rates, stabilizing prices and reductions in inventory, indicate a positive environment for a recovery.

People purchase real estate as a result of positive events, like births, marriages and promotions, and because of unfortunate situations, including death, divorce and financial difficulties. These are the natural factors that influence the real estate market.

Today, more customers are interested in purchasing a home as a long-term investment, as real estate continues to be an outstanding long-term wealth generator. According to the Florida Association of Realtors, the statewide median sales price for single-family homes has increased by 52.5 percent over the past five years, as of November 2007.

While real estate is a commodity, it cannot be traded like a stock. I think overzealous investors and speculators found that out the hard way, and now, we are returning to a more traditional market.

I believe a balanced market is more sustainable and better for our business over the long haul. I agree with economist Hank Fishkind's statement, which appeared in the Sarasota Herald-Tribune last Tuesday, that "Florida tends to generate more jobs and population growth than any other state in the Southeastern United States, so turnaround for some parts of Florida ... will take place ahead of many other states in the

Southeast." And that "both Manatee County and Sarasota County are still in considerably better shape than many other areas."

QAre the increasing numbers of foreclosures in Florida a significant concern for a real estate recovery in 2008?

AWhile the number of foreclosed properties may have increased significantly throughout the state, the total is less than 5 percent of all residential properties. Our affiliated lending service companies, Coldwell Banker Home Loans and Sunbelt Lending Services, opted not to get involved in the subprime lending market, and we are very pleased that they made this very prudent decision.

QHow much of an impact will international buyers have on the market in 2008?

AAccording to the 2007 National Association of Realtors' "Profile of International Home Buying Activity," Florida accounts for the largest percentage of international home buying transactions, with a 26 percent share of the total.

Over one-third of all Realtors in the U.S. reported they had conducted business with foreign clients. In a recent internal survey, 47 percent of our 1,237 sales associates who responded reported working with international home buyers from 90 countries in the last six months, which is significantly higher than the national average.

Local brokerage companies are really at a disadvantage when it comes to competing with an internationally recognized brand, such as Coldwell Banker. Consumers in Canada, Great Britain, Germany and any of the 46 countries where we have a local presence are familiar with Coldwell Banker and our reputation for excellent service.

Another factor influencing international buyer behavior is the value of the various global currencies versus the U.S. dollar. International home buyers who are looking at Florida properties realize they can buy a lot more for their money. With the great selection currently on the market, we are confident that we will experience increased interest from international home buyers.

QHow important is technology to the success of today's real estate companies?

ATechnology will continue to play an important role in our business, and the companies and sales professionals who are able to cogently utilize these tools will enhance their competitive advantage. Coldwell Banker has always been a leader when it comes to innovation. In 1995, Coldwell Banker became the first national, full-service real estate brand to have an online presence with the launch of www.coldwellbanker.com.

We have created a comprehensive online marketing strategy for our customers. Our listings are exposed to over 10 million potential home buyers every day through an extensive portfolio of Web sites. Over the past four years, we have enhanced our eMarketing Advantage, both through strategic partnerships and by marketing our homes on leading search engines, such as GoogleBase and Yahoo! Real Estate Classifieds, and on leading Web sites, including NYTimes.com, Realtor.com and Trulia.com, just to name a few. We recently announced a new partnership with Frontdoor.com, a new real estate listings and content Web site powered by HGTV.

We will continue to evaluate carefully how our listings are marketed online and focus on maximizing the value of our investment through an emphasis on SEO (search engine optimization) and new and innovative Internet marketing strategies.

Because Google and Yahoo! account for over 73 percent of all searches on the Internet, we continue to purchase key real estate search terms, not only on Google, but also on Google .co.uk (United Kingdom), Google.ca (Canada), Google.de (Germany) and others. ...

Our company Web site, FloridaMoves.com, receives more visitors because we are able to present all participating brokers' listings in the markets we serve (over 275,000 throughout Broward County, Miami-Dade, Palm Beach, Fort Myers, Naples, Orlando, Panama City, Tampa Bay, Sarasota and Charlotte County) in addition to our 25,000-plus listings.

QWhat steps has Coldwell Banker taken to position its agents for success in the coming year?

AOur Realtors' focus is on sharpening their sales skills. I like to talk about a simple yet effective concept called "practice." We work with our associates to understand the theory of practice and how it applies to their business. Whether you play a sport or a musical instrument, you understand the importance of practice. Unfortunately, when it comes to people's professional lives, they tend to shy away from that. All of our branch managers are noncompeting, professionally trained business coaches who are dedicated to ensuring our associates' success.

In addition to practicing their sales skills, it is very important that our sales professionals are prepared to provide the consumer with the information they need to make an informed decision.

More than 3,000 of our Florida sales associates have attended advanced "Power Positioning and Presentation" seminars. By empowering our associates to serve sellers with the latest marketing techniques and sophisticated market data tools, we have been able to outperform the market substantially.

Over 33 percent of our homes sell within the first 30 days.

QWhat advice would you give to a seller in today's market?

AWork with a full-service real estate professional to properly position your home to create a perception of

value in the mind of buyers. Remember that in this market, your sales associate may encourage a list price in accordance with other homes currently on the market, rather than those previously sold. If so, don't worry. Properly priced homes that stand out from the competition are selling.

QDo you see a continued trend toward consolidation in the real estate brokerage business?

A I believe we are likely to experience additional contraction and consolidation in our business. This is a natural occurrence during a depreciating market cycle. We recently acquired Prestige Realty Group in our Greater Palm Beach market, and we have received an unprecedented number of inquiries from Florida real estate companies expressing an interest in joining forces with our company. Strength and stability are attractive qualities in a real estate brokerage right now. We feel confident in our position and continue to explore acquisition opportunities.

QWhere does Coldwell Banker stand with regard to the pending property tax legislation (Amendment 1)?

A We fully support passage of Amendment 1. Is it perfect? No. But why wouldn't one vote for legislation that provides immediate tax relief and portability to all Florida homeowners? This legislation is a significant step forward in restoring confidence and stimulating activity in the real estate market.
