

How to Keep a Positive Perspective in a Negative Market

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"Whether you think you can or you think you can't, you are right" --Henry Ford

I am sure you've heard the expression, *"Attitude is everything."* This is very true. Right now, **it's simply your attitude and mentality that will give you the edge** over others who are trying to invest in this highly volatile market.

You've undoubtedly heard the importance of thinking positive and having the right attitude. Most people are intelligent enough to know that this statement is true.

Some people reading this will argue that a positive attitude doesn't always work. Well, maybe not, but I know one thing for sure--negative thinking and a negative attitude NEVER works!

So your only choice and your only chance for success in this market are to pick the positive things in life and maintain a positive attitude at all times.

I once read a fortune cookie that said: *"An optimist is someone who tells you to cheer up when things are going his way."* I know that if you are reading this article, times may be difficult and you need serious answers to your burning questions such as... *"How can I profit in a slow market?"* There are many answers to this question, but first I need to impart to you some relative perspective.

A History Lesson on Real Estate Cycles

About every ten to twelve years, as an average, real estate values tend to double in most major metropolitan areas. For example, in the 1920s, the original colonial homes sold for just under \$2,500 in Long Island, New York.

Since then, real estate prices have doubled almost eight times over the last 80 years. That averages out to a 100% increase approximately every ten years. An interesting note is that about every ten to twelve years, real estate values must correct before they enter their next "doubling cycle." It's not a matter of *if*; it's a matter of **when**.

The evolutionary process is three steps forward and one step backwards. For example, imagine a 100% increase occurring in three steps of one-third parts each.

The last market cycle of the 1980s was one in which real estate values doubled, followed by a correction of the early 1990s, which equated to a 20% to 30% decrease over a three to five year period.

This cycle was then followed by the post-millennium cycle boom of 100% from the last high point of the previous cycle. We are now in the naturally-occurring phase of a correction in the cycle. This essential and beneficial adjustment gives the market pause to reflect and re-gather momentum and strength for the next doubling cycle.

This has occurred time and time again because the long-term demand for housing is growing an exponential rate based on population growth to almost double in the United States by 2050. This will continue to drive prices higher as it has for the last 100 years. Since we now know based on history that nearly all real estate prices will double again, it's not a matter of *if*, it's a matter of **when** your existing houses will sell.

Sharing these facts with your prospective buyers will put them in the right frame of mind

to buy now versus next year if they plan on staying in the home more than five years. If a buyer is apprehensive about being the right time to buy, ask him if he'd like to buy his parent's home for the price they paid for it--the answer will be obviously "yes."

Keep a Positive Attitude Assuming a Negative Result

In *Winning Through Intimidation*, author Robert Ringer talks of the importance of maintaining a positive attitude through the assumption of a negative result. In other words, Ringer suggests that you be prepared for the worst-case scenario while at the same time putting your best foot forward to get the best possible result.

This will take the mental pressure off of you and allow you to focus on getting the job done. This approach, I believe, allows you to be positive and realistic in your mental assessment buying and selling houses.

If it Bleeds, it Leads

There's an old expression in the media business, "*If it bleeds, it leads.*" In other words, the media loves to cover negative news more than positive because it sells better. When the real estate market is in turmoil, the media loves to run these negative headlines to keep reminding people how bad things are.

When buyers hear the bad news, it affects demand because the negative news drives fear, which makes buyers worry about whether the time is right to buy a home.

Is the media simply reporting the news or does the media actually affect the news in this regard? The answer is obviously both. The media reporting negative news alone can't shape a real estate market. However, since perception is often reality, when buyers are spooked, they may shy away from buying.

This affects lenders, builders, real estate agents, and other professionals who rely on the real estate business for their income. It becomes almost a self-fulfilling prophecy because things get worse, and the media again reminds us how bad things are.

But, are things really as bad as the media reports? At the time of this article, the numbers certainly do reflect falling home prices and rising foreclosures.

When you hear that foreclosures have doubled or even tripled in a particular area, this may sound catastrophic at first until you realize that the vast majority of homes (97% to 99%, depending on the local market) are NOT in foreclosure.

Despite the doom and gloom, there's always a buyer for a well-kept home offered at the right price and terms. In short, don't read the paper if you want to keep a positive attitude and sell your homes fast!

Ready, Fire, Aim

Well done is better than well said. You have to take a whole lot of action to get your houses sold in a slow market. In a good real estate market, people can sell a house fast, so when things slow down, they figure, "Oh well, there's nothing I can do."

Nothing could be further from the truth. Not only is there something you can do, but there's a lot you MUST do to get your house sold. However, it's not just about working hard; it's about working SMART. You need to do things in the right order and in the right way to get the proper results.

However, don't focus too much on perfection before you take action. You're probably familiar with the phenomenon of the "C" student who outperforms the "A" student in real

life. This is because the "C" student is often satisfied with doing a mediocre job at something, but just getting it done.

The "A" student mentality often leads to paralysis of analysis and inaction. In other words, the bottom line is getting your house exposed to as many buyers as possible, not necessarily getting it done perfectly.

For example, many sellers want to show their house only when it's convenient for them and the house is in perfect shape to be shown, instead of when a buyer is ready. While showing a house in its best condition is a priority, it doesn't make sense to put off a ready, willing, and able buyer for too long.

Fear

Many people reading this are prone to inaction because of fear of doing it incorrectly. Remember, it's not a matter of doing it perfectly, but putting forth your best effort. A lot of effort at a "C" level beats doing fewer things at an "A" level.

Lack of knowledge certainly makes it difficult to sell a house fast in a slow market. In fact, it is probably the single biggest drawback for the average person. Most people only have the opportunity to sell a few houses in their lifetime and often rely on professionals to do the work.

The average home seller does not have enough practice to get really good at the job. In fact, most real estate agents who sell houses for a living are hardly good at it. The top 5% of agents in any market do the vast majority of the business.

Taking the time to learn what to do is a very important part of the success in selling a house. In the classic book Think & Grow Rich, Napoleon Hill writes about the importance of learning the right things and distinguishes between general knowledge and specialized knowledge.

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[In The S.O.L.D. System, Bill Bronchick's experience at selling thousands of homes reveals the specialized knowledge you'll need to get your house sold fast and at the highest price you can get for your market.]