

January 2nd, 2024

What happened in 2023 and what can we expect for 2024?

2023 had about a 30% reduction in sales from the peak years of 2020 - 2022. 2023 also had flat appreciation instead of the 15% appreciation the local market was getting during 2020 – 2022. With dramatically less sales, why didn't 2023 have depreciation? The answer is the lack of inventory. Homeowners were often not willing to market their homes for sale, knowing they would have to leave a fantastic interest rate of 3% for a more expensive 7%. The buyers in 2023 who were willing to pay the higher interest rate had few homes to choose from. In economic terms, while demand was reduced, so was supply, leaving the home prices at equilibrium.

2024 will bring more sales and appreciation. The higher interest rates have masked a growing pent-up need of relocations for both buyers and sellers, and this undercurrent will soon be evident in the market. Although higher interest rates delayed the action of moving, new households have been formed and other households have grown bigger, also job relocations or promotions have been happening. 2024 will have more sales because the need to relocate will outweigh the higher interest rates. Yet, higher sales will only go to those real estate companies and agents who can succeed in 2024's industry disruptions.

We have had several industry disruptions since I began in 1994 that have caused sweeping changes: in technology used by both agents and clients, state and federal laws, the availability of information, broker – agent compensation models, the type of and amount of communication, services to clients, competition between brokerages, and MLS cooperation models. Some of these are great improvements for the public we serve. These disruptive changes are accelerating. The term "industry disruptor" was once reserved for a once-a-decade event, where now people talk of multiple industry disruptors each year. Most in our industry dread industry disruptions. Rob Brooks Realty welcomes them. Why? Industry disruptions are an opportunity for success to those who seize them.



How does a real estate company succeed in a disruptive industry?

Business visionary Lee Iacocca is known for saying, "In this business, you either lead, follow, or get out of the way."

In this environment of industry disruptions, many real estate companies put their head down until the disruptions pass and things settle down. This is a reaction of no action, and it is really a blueprint for eventual market failure. In this industry, they are getting out of the way.

Others find leaders to follow in how to change their business to meet industry disruptors. Depending on who they follow, they often survive but may lose market share.

Rob Brooks Realty leads. We succeed because we lead, and we lead during industry disruption. This means we forecast the disruptions and we have plans ready as the disruptions hit. This is strategy and

implementation. Our current and future clients respond well to our decisive actions in making sure they are well taken care of.

We also succeed because we remain true to the values that our customers value. Last week, a client and I were talking about the cost the client pays for choosing an agent that has honesty and diligence. But the client pays more when they hire an agent with dishonesty or sloth. We often hear of how people choose to do business with us because of our values of honesty, diligence, charity, and joy.

We have a company full of people who achieve these values at a high level. I'd like to introduce Kathy Baker, who shows complete charity in her work. By the time she has served clients to closing, they have endeared themselves to Kathy, appreciating all the extra that she does for them. Mollie Wolverton and Ryan Hamilton's joy seems to shine on everyone they contact either in person or social media. It's an infectious joy which comes from their heavenly Father. Mandy Spruell & Sara McCann



have an impressive diligence with clients which has caused growth in Property Management and company sales. Michael Gregg, Elizabeth Vermeychuk, and Linda Zhu have shown many times how they are truth tellers... giving honesty to clients and others even when it may cost themselves business. I'm excited to see what Mary Ann Hooten does in a real estate career. The 2023 Values Award goes to Sara McCann for her great diligence. In paperwork, in special marketing projects, in organizing the details of our company, she has consistently done her job well, thoroughly and with a smile on her face.

These values naturally cause people to want to do business with us and here are the production awards. In 2023, Rob Brooks Realty made 78 sales totaling \$32 million and managed 71 properties worth \$19 million. I would like to recognize each salesperson who achieved the Top Producers Award: Julia Holmes, Jackie Houseman, and myself. The Top Producers Award is given to each agent who achieves approximately \$5 million volume or more in sales. Of these, I'd like to recognize the salesperson who did the most in sales, our 2023 Agent of the Year Award goes to Julia Holmes. I would like to recognize the 2023 Sales Team of the Year, Jackie & Elizabeth. The special Rob Brooks Realty Market Share Award goes to the greatest area of growth for our company in 2023. Please give your applause for Michael Gregg, who along with the help Mandy Spruell, grew our property management by 10% in units and 30% in revenue. We are a seasoned company. Today we celebrate 15 years of serving clients.

We are leaders. We lead our local industry in sales per agent, in client service, in the values of honesty, diligence, charity, and joy, in agent and company profitability, in understanding of the local market, in perseverance, in producing solutions in difficult transactions, in useful technology, in innovative marketing, in reputation, in repeat clients, in satisfied rental owners and tenants.

In these times, our industry and society need true leaders. We, as leaders, have a responsibility. As our local industry looks to us, we need to show how to treat others well and how to succeed in this disruptive industry. This is our God given purpose in 2024. As we forge ahead doing these things, may God bless you all, and may God bless the clients of Rob Brooks Realty.