

# ON THE MOVE



## President's Update: Goals



We are mid-way through 2019. Now is a great time to review your business plan.

Are you on pace to achieve your goals? Goals should be smart!

- Specific
- Measurable
- Actionable
- Reliable
- Timely

Goals should be written. Everything is a thought before it is a thing. Affirm them in print. Find visual images to support them for inspiration.

Goals should be a vision. You cannot go to your vision; you have to come from it. Live your vision in the daily actions you take and the decisions you make.

Be smart! Think like an athlete. They must see the win to win. Start with the win. Work backwards to the how! Real estate is competitive. See yourself as the preferred agent in your market. Claim what's yours. Champions are not made on the field; they are discovered there.

Success is your vision and action working together to achieve your goals.

Your President,

*Ursel Mayo*  
Ursel Mayo

## Featured REALTOR® Member

### John Meesseman

Even though he's officially a broker and owner of Real Living Kee Realty with offices in St. Clair Shores, Washington Township, Clinton Township, Troy and Rochester, John Meesseman refers to himself as the Chief Agent Happiness Officer.



"There are two customers in real estate: the external customers who buy and sell homes, and our agents who are the internal customers. Our business model is centered on the internal customer," said Meesseman, who is the GPBR Featured REALTOR® for July. "My job is to provide tools that make our agents' lives easier and help their careers progress. Essentially, agent happiness drives results."

Messeman, who joined the GPBR in 2014, operates six office locations serving more than 340 agents in Macomb and eastern Oakland counties. He said his team has a 98 percent customer satisfaction rating.

Giving back to the industry, he spoke on the "Broker Profitability" panel at the Michigan REALTORS® Broker Summit in 2018. He also piloted the Michigan REALTORS® "Invest Through Success" program last year to show how brokerages can encourage their agents to contribute to RPAC (REALTOR® Political Action Committee) on a regular basis by donating part of their commission check every time they have a closing. "The charity our company rallies around is Big Family of Michigan, who aides foster kids and kids aging out of the foster system. They provide winter jackets, Christmas gifts, scholarships and more."

Messeman became a REALTOR® because he wanted to be an entrepreneur in control of his own destiny. He reads 40 business or personal development books a year. "I believe it is important to learn new things every day," he said. "Successful leaders are learners."

When he's not working, he loves spending time with his wife and three teenage children, boating, and playing golf. He enjoys concerts, sporting events, and recently purchased a home overlooking Lake St. Clair.

## Market Trends

*(Featuring market data for Macomb County, Oakland County, St. Clair County and Wayne County)*

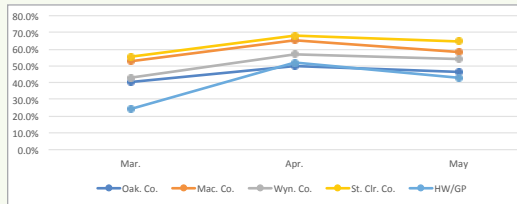
See Page 2 for more details on the current market trends.



# Market Trends

(Featuring market data for Macomb County, Oakland County, St. Clair County and Wayne County)

The chart below shows Absorption Rate (pendings ÷ inventory) for the last three months. A balanced market is 15.4% to 18.2%, below 15.4% is a considered a buyer's market and above 18.2% is considered a seller's market.



Absorption rates remain strong as inventories rise. Consistent with what we saw at the beginning of May when inventory increased 12.3% from April, June over May was up 10.6%. Compared to June of 2018 inventory is also up a healthy 18.6%. This indicates that low sales numbers may become a thing of the past with more homes on the market.

Confirming this was Dr. Lawrence Yun who spoke to the membership about housing across Southeast Michigan and specifically in Macomb County (see Article on page 4). Remaining a constraint on sales, however, is the lack of new construction in the area which has averaged approximately 11% of sales and 10% of available inventory.

The combination of increased inventory, low interest rates and high consumer confidence suggests that sales for June and through the third quarter of 2019 will be very good. In market conditions like this, current homeowners will be encouraged to sell, making more homes available for first time home buyers. For buyers and sellers alike, condition, location and price will remain the three primary factors taken into consideration, although it is likely condition will become more important.

By the way, if you have any suggestions on what other types of market data you would like to see, e-mail [Bob@GPBR.com](mailto:Bob@GPBR.com). Those providing suggestions will have their name entered into a drawing for a \$25.00 gift card at our September Membership Meeting (09-19-19).

# Keep Your Clients for Life: Property Taxes and Buying a Home

## Setting the stage:

- A Buyer is looking for a home and finds one priced higher than where they were looking, but the taxes are really low, making it affordable. They qualify because the tax escrow will be \$500.00 per month. Buyer makes an offer, it is accepted, and they close.
- The following February the new homeowner gets a notice in the mail that the taxable value of the home has increased 75% and the taxes will double. The buyer goes to their local municipality's March Board of Review and gets no relief.
- To avoid foreclosure, the buyer calls an agent, not the one who sold them the house, and sells it for more than they paid but nets \$30,000 less than they put down.
- Buyer calls 1-Got-Lawyers

Buyer Agents own the buyer obedience, loyalty, confidentiality, accounting, **disclosure, reasonable care and diligence**. An expert witness on real estate will testify that reasonable care & diligence includes knowing about a 20-year-old law on how property taxes are calculated, and that disclosure includes telling a client that property taxes the year after they buy can increase significantly.

## What to do:

1. Know how property taxes are calculated (it is not based on what the buyer paid).
2. Understand the tax appeal process in Michigan.
3. When discussing financing with the buyer, mention that the taxes on any home they buy can change significantly (you may be the only one who does, which is a plus).
4. Before you show homes, look at public record data regarding Taxable vs. Assessed Value.
5. Pay attention as a buyer zeroes in on a selection and discuss Taxable & Assessed Value.
6. Include a disclosure regarding taxes in your buyer packet with a place for the buyer to initial or sign, indicating that you reviewed it with them.



## GPBR UPCOMING EVENTS & CLASSES

### July 2019

- Happy Hour Member Meet-Up  
July 11th at Miles on the Water (5:00pm - 7:00pm)
- Roundtable Luncheon **\*FREE\***  
July 12th at GPBR Board Office (12:00pm - 1:30pm)
- RPR Basics Class **\*FREE\*** – July 16th at WCCCD Center for Learning Technology (10:00am - 11:30am)
- New Member Orientation (by invitation)  
July 17th at KW Lakeside Training Center (6:00pm - 9:00pm)
- Electronic Lockbox Class for REALCOMP Users **\*FREE\***  
July 23rd at GPBR Board Office (1:00pm - 2:00pm)
- Electronic Lockbox Class for MiRealSource Users **\*FREE\***  
July 23rd at GPBR Board Office (3:00pm - 4:00pm)

# Differentiate Yourself

## Want to stand above?

Want your professionalism to be tangible and demonstrable?

At the end of 2018, the National Association of REALTORS® put the finishing touches on a program which, for the first time in its more-than-100-year history, establishes a benchmark within the association that differentiates members.

Known as the Commitment to Excellence (C2EX) it recognizes those who achieve mastery of 11 core competencies. They are:

Client Service  
Broker  
Advocacy

Professional Reputation  
Real Estate Law  
Safeguard Policy

Article 10 (Fair Housing)  
Code of Ethics  
Areas of Practice

Trust & Integrity  
Technology

“Commitment to Excellence” is not a designation, certification, or membership requirement. It simply allows you to credibly brand yourself as competent and professional. And while it has no costs associated with it other than your time, it is not a cake walk. Currently only 0.08% of all NAR members are C2EX “endorsed.”

Buyers responding to research inquiries indicated in the NAR 2018 *Profile of Home Buyers and Sellers* that what they sought most when selecting an agent was:

- Honesty & integrity 97%
- Knowledge of the purchase process 92%
- Responsiveness 94%
- Knowledge of the real estate market 91%

C2EX gives you the ability to demonstrate that you understand all of this and much more. It empowers you by endorsing a commitment to professionalism and the conducting of business according to the highest of standards. And because the industry changes the endorsement is only for two years, requiring members to requalify.

Want to stand out (or above) the crowd? [Become C2EX Endorsed.](#)



## Featured Affiliate Member



### Noel Selewski

GBPR's Featured Affiliate for July, Noel Selewski is a long-time Grosse Pointe Woods resident who wants to see his community thrive, which is one reason he founded Noel Selewski Agency in 1979. The independent insurance agency offers coverage for

homeowners, renters, landlords, commercial properties and auto and life policies to customers in Southeast Michigan and several other states.

A GBPR member since 2014, Selewski has participated as an exhibitor at the Home & Garden Expo and sponsors the Annual Golf Outing each year. It is always worth a

visit to his table to say hello and select from Noel's wide assortment of promotional goodies, including pens, magnets, flashlights, water bottles, ice scrapers, rulers and more.

He enjoys working with GPBR and will continue to support the organization, he said. "REALTORS® are a great source of referrals and have all of the important information we need to give accurate quotes," he said.

He also praises his agents, Kevin Jenkins and Casey Bulak, whom he calls the backbone of his company. "Without strong support, a small company cannot survive," he said.

Contact Noel Selewski Agency Inc., located at 15206 Mack Ave in Grosse Pointe Park by calling 313-886-6857.

## LOOKING AHEAD...

### Looking Ahead...Additional Classes & Events:

- Happy Hour Member Meet-Up **\*FREE\***  
August 1st at WaterMark Bar & Grille (5:00pm - 7:00pm)
- Title Insurance 101 Class **\*FREE\***  
August 8th at GPBR Board Office (1:00pm - 3:00pm)
- RPAC 2 Summer Networking Event  
August 8th at Country Club of Detroit (4:00pm - 7:00pm)
- Roundtable Luncheon **\*FREE\***  
August 9th at GPBR Board Office (12:00pm - 1:30pm)
- New Member Orientation (by invitation)  
August 21st at GPBR Board Office (9:30am - 12:30pm)
- 1031 Exchange Class **\*FREE\***  
August 22nd at GPBR Board Office (1:00pm - 3:00pm)

# Economic Outlook Remains Favorable

At our General Membership Meeting on June 5th, Dr. Lawrence Yun, Chief Economist for the National Association of REALTORS® and Senior Vice President of NAR Research provided a very favorable look into [Southeast Michigan's real estate future](#).

Below is a summary of his presentation. The full presentation is available by clicking on the link above:



Pictured from left to right: Lori Jaglois, 2019 GPBR Vice President; Dr. Lawrence Yun, Chief Economist and Senior VP of Research for NAR; Ursel Mayo, 2019 GPBR President; Bob Taylor, GPBR Chief Executive Officer

## Pluses

- Consumer confidence is the highest it has been in almost 20 years
- 21 million jobs have been added since 2010, 2.6 million in the last 12 months
- Michigan has added more than 800,000 jobs since 2010, approximately 300,000 of those in SE Michigan
- Hourly wages are accelerating
- After-tax corporate earnings are highest in 20 years
- Mortgage rates remain low at around 4%
- Buyer traffic index for Michigan is strong
- Home prices are increasing (good for sellers, buyers need to buy sooner than later)
- Inventory is growing
- Foreclosed and Seriously Delinquent mortgages are back down to traditional levels of less than 2%
- Cap on state and local tax deduction will impact only a small number of communities in Michigan

## Headwinds

- Affordability is decreasing (but still higher than in 2000)
- Existing home sales remain constrained by lack of inventory
- New Home Construction remains far too low to meet demand
- Home prices outpace income growth
- Long term debt remains high (student loans)
- Tax Reform means fewer homeowners will use mortgage interest deduction

Dr. Yun also added that the inverted yield curve currently existing between short-term and long-term interest rates may be a non-issue because it has never occurred with interest rates at such low levels. He concluded with the following two forecasts:

### Economy – No Recession

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
GDP Growth	1.5%	2.2%	2.9%	2.5%	2.0%
Job Growth	+2.5 million	+2.2million	+2.4 million	+2.2 million	+1.5 million
CPI (inflation)	1.3%	2.1%	2.4%	1.2%	1.8%

### Housing – Moderate Growth

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
New Home Sales	560,000	613,000	627,000	667,000	720,000
Existing Home Sales	5.4 million	5.5 million	5.3 million	5.3 million	5.5 million
Median Price Growth	+5.1%	+5.7%	+4.9%	+2.3%	+3.3%
30-year Interest Rate	3.6%	4.0%	4.5%	4.3%	4.6%

We express our sincere appreciation to Dr. Yun for his visit.