

**Real Estate, The Next Generation**  
Becoming an Expert in the  
New Real Estate Marketplace

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**Matthew Ferrara  
& Company**

*"In today's society and organizations, people work increasingly with knowledge, rather than with skill. Knowledge and skill differ in a fundamental characteristic – skills change very, very slowly. Knowledge, however, changes itself. It makes itself obsolete, and very rapidly... This not only means that the equipment of learning, of skill, of experience that one acquires early is not sufficient for our present lifetime and working time. People change over such a long time span. They become different persons with different needs, abilities, perspectives and therefore with a need to "reinvent themselves." ... You have to make something different out of yourself, rather than just find a new supply of energy."*

*- Peter Drucker, Drucker on Asia*

*List three things you have "always done" in real estate that just won't work any more.*

*What has changed that makes these "skills" less effective than in the past?*

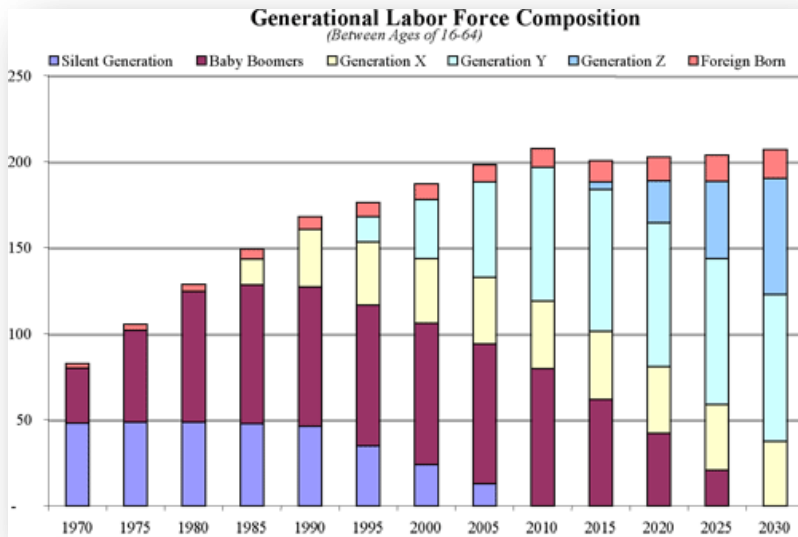


Figure 4.

### 1990-2012 Buying Power Increase by Percentage

Source: University of Georgia Selig Center

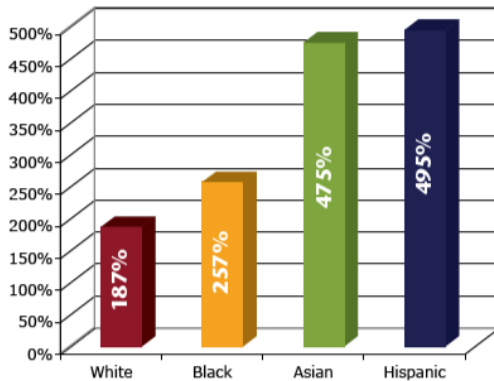
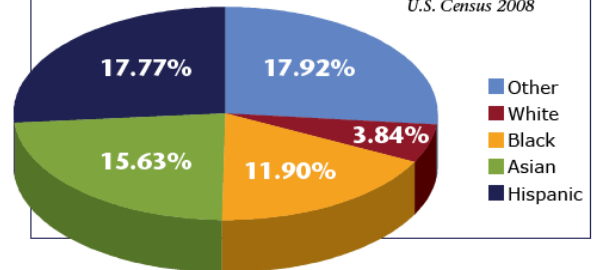


Figure 1.

### U.S. Increase in Homes Owned By Race 2008-2013

U.S. Census 2008



When we consider the Next Generation of real estate consumers, we must ask:

How will they define value?

How will they build relationships?

How will the real estate industry connect the two?

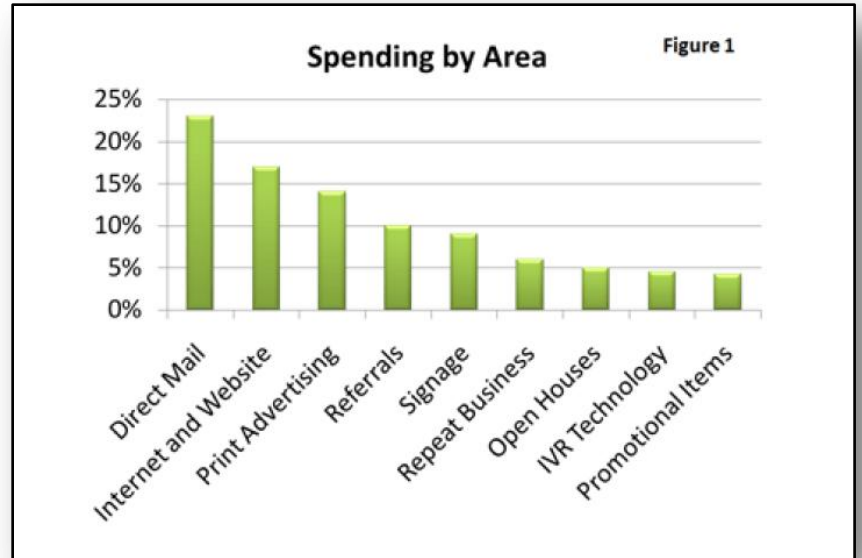
The standards of performance are always set by the consumer. Therefore, knowing as much about the consumer's profile, needs and desires is paramount to implementing a successful real estate strategy – and using the right tools – in any market conditions.

Exercise: Fill in the blank with the correct answer from the answer key.

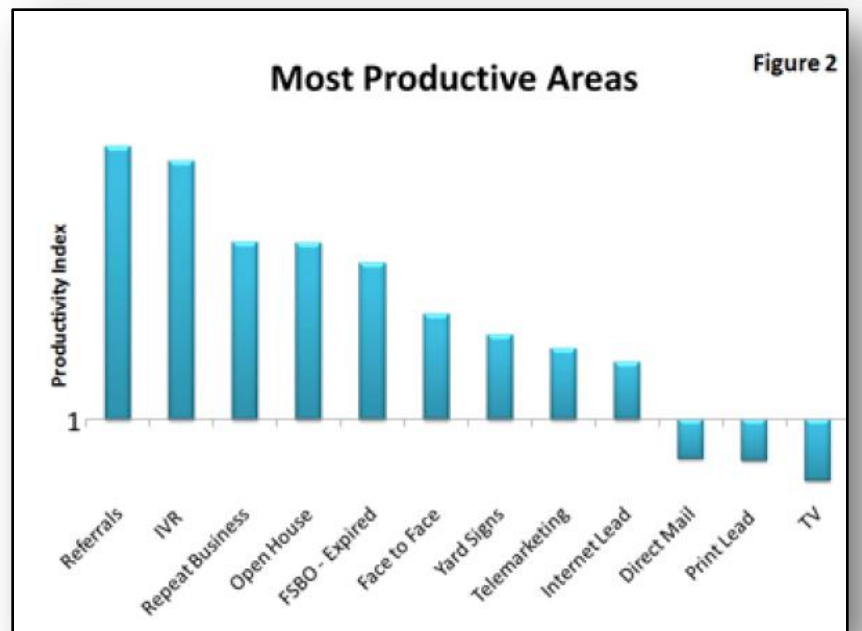
### Key

- 30**     \_\_\_     Median age of first-time home buyers.
- 47**     \_\_\_     Median age of sellers.
- 41**     \_\_\_     % of recent buyers with no children under 18 at home.
- 60**     \_\_\_     % of buyers in 2008 who were by *first-time* buyers.
- 64**     \_\_\_     % Sellers who used previous agent or were referred to the agent by friend/family
- 67**     \_\_\_     % of sellers contacted only one agent before selecting an agent to list their home.
- 21**     \_\_\_     % of buyers who were over the age of 55.

Review the two graphs from a recent study of 50,000 REALTORS by Baylor University regarding their *lead generation activities*.



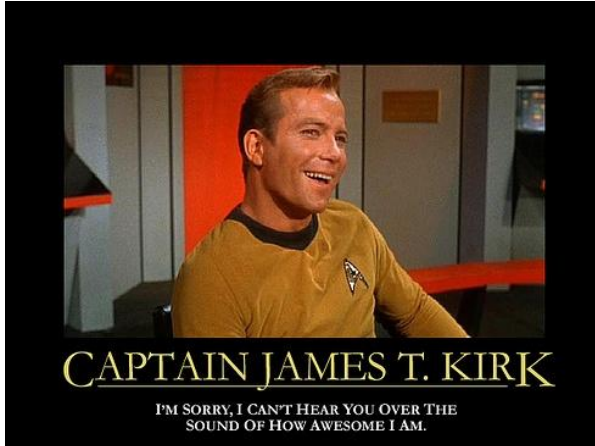
What can you conclude?





Matthew Ferrara  
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## Critical Demographics



### **Gen X:**

- 1965 – 1976
- *Real Estate positioning:*
  - *First time and move-up seller/buyer population*

### **General Cultural factors:**

- Highly independent
- Consumed by image, brand
- Savvy about technology
- “Question everything,” skeptics
- Distrustful of authority
- Prefer / “Certain” in own beliefs
- Information age mentality, skill
- Individualists, Competitive
- Image Conscious

***How do Gen X traits manifest in real estate?***

***What kinds of actions can you take to manage/leverage these traits to create relationships and clients?***



### **Gen Y:**

- 1979– 1994
- Second in size only to Baby Boomers
  - 2 billion worldwide
- Real Estate positioning:
  - Oldest are entering prime purchasing years now; University today
  - Buying homes at 26 years old (3-5 years younger than the X'ers)

### **General Cultural factors:**

- Highly structured lives (play-dates)
- Group, Parents oriented
- Consumed by entertainment
- **Technology is “normal”**

### **Economics**

- Accustomed to abundance
- Love to shop (longer online)
- Purchase “Disposable”

***How do Gen X traits manifest in real estate?***

***What kinds of actions can you take to manage/leverage these traits to create relationships and clients?***

**Where did the buyer find the home they ACTUALLY purchased?**

Highest

\_\_\_\_\_ Newspaper

\_\_\_\_\_ Agent

\_\_\_\_\_ Friend

\_\_\_\_\_ Internet

\_\_\_\_\_ Yard Sign

\_\_\_\_\_ Magazine


Lowest

**What buyers wanted to see most on internet listings:**

- Photos: 86% (88)
- Property Details: 84% (80)
- Virtual : 68% (60)
- Agent contact info: 45% (31)
- Area info: 44% ( 37)
- Maps: 43% (43)

# Are you keeping up with the times?





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There are 7,758 available Boca Raton, FL Real Estate Listings and Homes for Sale Search Results Page 152 of 153

\$3,200,000 [8751 HORSESHOE Lane](#) 100% Match

Boca Raton, FL 33496

7 Bed, 5 Bath  
6,607 Sq. Ft.  
5 Acres

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Property Type: Single Family Home  
Single Family Property, Area: 4750, Subdivision: HORSESHOE ACRES, County: PALMBEACH, Approximately 5 acre(s), Year Built: 1972, Single ... [View details.](#)

\$4,150,000 [1280 E ROYAL PALM WY](#) 100% Match

Boca Raton, FL 33432

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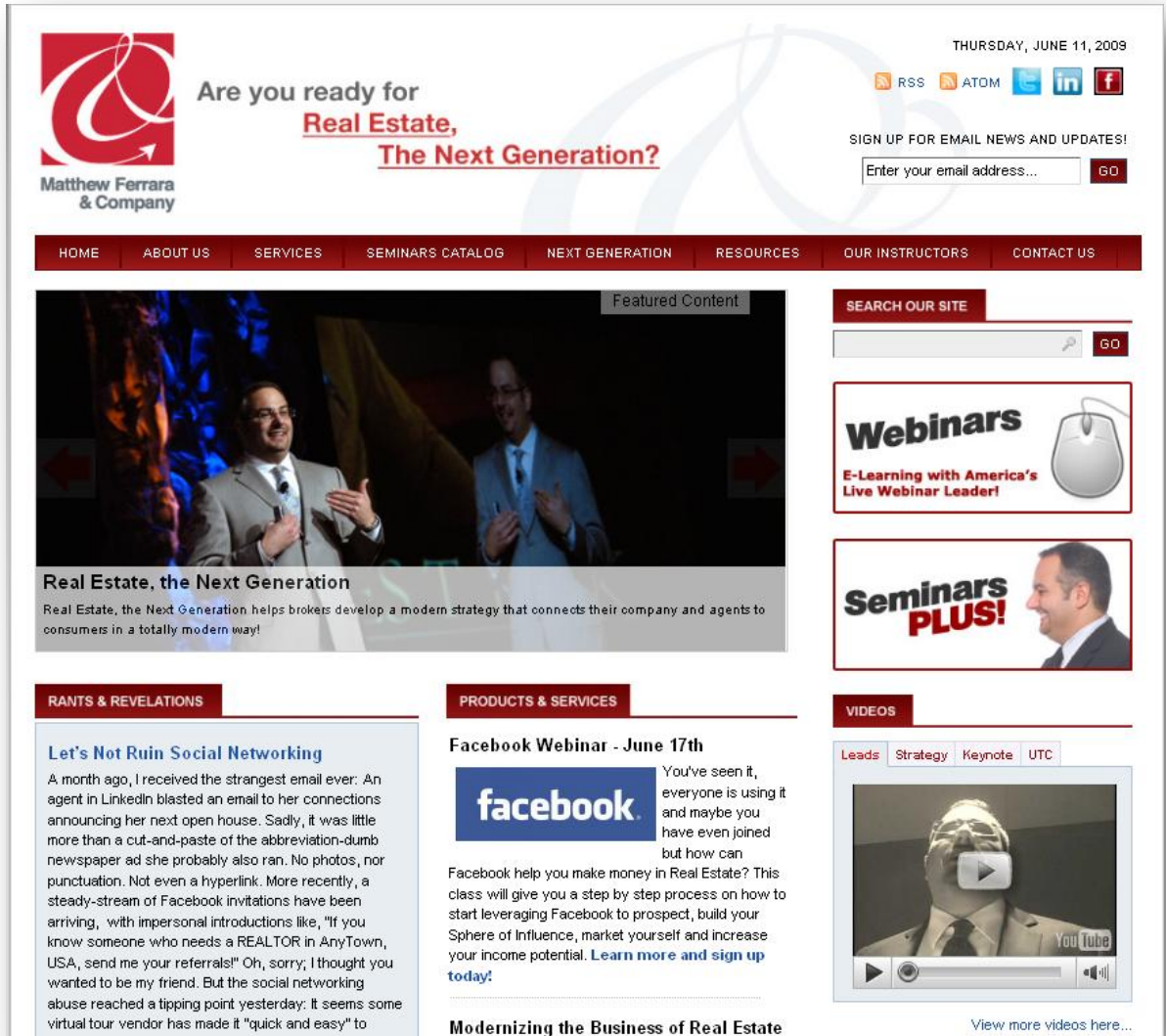
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Now let's put the three parts together – the consumer, the technology and the real estate professional.

1. List three critical features of the modern consumer that present opportunities for you to position yourself as an expert in relation to those traits.
2. Now select one of those features and identify three ways to pursue those opportunities within the next 90 days.
3. Identify resources, people and actions you can take to begin the process.
4. What “success factors” will you measure to indicate progress / achievement of these opportunities?



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**Let's Not Ruin Social Networking**  
A month ago, I received the strangest email ever: An agent in LinkedIn blasted an email to her connections announcing her next open house. Sadly, it was little more than a cut-and-paste of the abbreviation-dumb newspaper ad she probably also ran. No photos, nor punctuation. Not even a hyperlink. More recently, a steady-stream of Facebook invitations have been arriving, with impersonal introductions like, "If you know someone who needs a REALTOR in AnyTown, USA, send me your referrals!" Oh, sorry; I thought you wanted to be my friend. But the social networking abuse reached a tipping point yesterday: It seems some virtual tour vendor has made it "quick and easy" to

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## Websites

- [www.matthewferrara.com](http://www.matthewferrara.com)
- [www.emarketer.com](http://www.emarketer.com)
- [www.marketingcharts.com](http://www.marketingcharts.com)

## Reading List

- National Association of REALTORS® Annual Profile of Buyers and Sellers
- The Trophy Kids Grow Up, Ron Alsop
- Now Discover Your Strengths, Marcus Buckingham
- The Effective Executive, Peter Drucker