

## Real Estate Article

"I'm mad as hell and I'm not going to take it anymore!"  
By Kyle Cascioli

Remember this famous line from the 1976 Oscar Award winning movie "Network" starring Fay Dunaway, William Holden, Peter Finch, and Robert Duvall?

In "Network", Peter Finch played an evening news anchor (Howard Beale) who, upon learning that he is about to be fired for low ratings, announces that he will commit suicide by "blowing his brains out" during an upcoming newscast. The fictitious network (UBS) fires him, but only after allowing him to apologize and bid farewell to his audience. Ratings skyrocket, and news executives decide to keep him on the air. In the movie, there is a landmark scene in which anchor Howard Beale sets viewers on a rage with his impassioned plea that they (viewers) open their windows during a lighting storm and shout out that they are "mad as hell and not going to take it anymore."

Just as Beale criticized network TV for dictating to consumers what programming they needed, today's consumers are angry about their lack of choices and the feeling that the residential real estate industry is dictating the terms for buying and selling homes.

And rightfully so!

What did the residential real estate establishment do to incur the wrath of today's home buyers and sellers?

- The National Association of Realtors (NAR) failed to embrace leading technology fast enough, resisting new business models favorable to consumers, and flexing its lobbying power as the world's single-largest trade organization

- The Mortgage Bankers Association (MBA) hasn't done enough to combat predatory lending practices, instead lobbying to preserve the status quo in residential lending, turning a "blind eye" for the need to license mortgage originators and brokers, and failing to use their political influence to promote the mandatory disclosure to consumers of yield spread premiums (YSP) in "good faith estimates (GFE)"

- The National Association of Homebuilders (NAHB) committed a multitude of sins including overbuilding, promoting disposable housing through urban sprawl, and enabling their home-buying consumer to bite off more than they can chew in purchasing power through builder-subsidized financing

- Both the department of Housing and Urban Development (HUD) and the Office of Federal Housing Enterprise Oversight (OFHEO) failed to properly regulate the secondary mortgage markets via Freddie Mac and Fannie Mae.

So where does this leave the once-venerable residential real estate industry today? In a colossal economic mess with REALTORS® leaving the industry in droves, mortgage bankers and brokers bewildered, homebuilders in a quandary, and federal regulators twiddling their thumbs!

But alas, every cloud has its silver lining and the silver lining today empowers the home buyer and home seller like never before!

New models are embracing the informed and proactive residential real estate consumer through:

- Transparent listing data readily available to conduct property searches online
- Online automated property valuation models (AVM's)
- Current market price trending data
- "For Sale By Owner (FSBO)" platforms
- Discount real estate brokerages
- Agent rebating
- Home auctioning

But perhaps the most promising of all of the new approaches to serving the new millennium residential real estate consumer is real estate consulting. While consulting has long been a prevalent business service concept in nearly every economic industry segment, it has rarely been available to the residential real estate consumer.

Until today!

Enabled by online technology tools, new millennium home buyers and sellers are taking matters into their own hands and questioning the value of real estate professionals. With the help of online technology platforms, and new business models the consumer now has options, which include a happy medium between "going it alone" as a buyer

or seller, and paying full commissions when only in need of limited real estate agent services.