



# THE RIVER OF REAL ESTATE



**THREAT**



**SYSTEM**

## Real Estate Sales Will Plummet



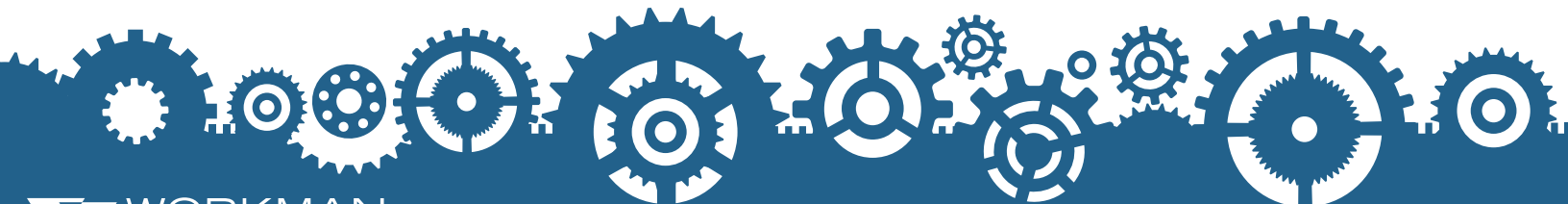
## The River of Real Estate



Agent Christos had been bombarded with all sorts of negative news regarding the residential real estate market. With many so-called experts predicting that the real estate bubble would burst and that rising interest rates would lock buyers out of the market, Christos had reason to be worried. As the sole income-earner in his household, he knew generating a steady income — even in good times

— was difficult for him. He worried he might have to listen to his brother-in-law and find a “real job.”

Instead of surrendering to his fears, Christos decided to take control of his situation. He knew he’d have to search for the truth and have information ready to provide to prospects who were held back by the naysayers. He believed it was possible to offer hope and real solutions during uncertain times.





He started his learning journey by talking to his broker, befriending successful agents in his area, and spending many late nights researching. He wanted to find the truth.

Here's what he found:

## HARVARD UNIVERSITY STUDY ON MOVING IN AMERICA

A whopping **13%** of the US population (homeowners and renters) moves *every year*. According to a study done by Harvard University, people move for the following reasons:

- Housing-related (40%)
- Family-related (27%)
- Job-related (21%)
- Other (12%)

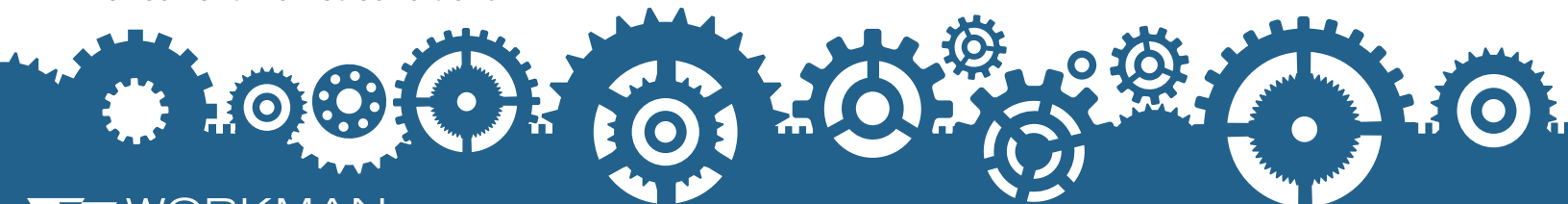
More specifically, people move for the following reasons:

- Relocation
- Relationship Change
- Retirement
- Starting a New Chapter in Life
- Military
- Becoming a Homeowner
- Job Change
- Marriage
- Education
- Starting a Family
- Divorce
- Seeking Adventure
- Upsizing
- Financial Crisis
- Downsizing
- Death
- Better Neighborhood
- Better Schools

These significant events happen **regardless** of the current real estate market — and often require a change in housing.

## SALES DECREASE DURING THE GREAT RECESSION (2008-2012)

Christos found information that challenged his view on market shifts. He learned that during the Great Recession, existing home sales in the U.S. fell an average of 20% annually, compared to before the recession. Christos realized that the reasons for moving, detailed by the Harvard Study, are what drive sales regardless of current market conditions.





## CALCULATING THE RIVER OF REAL ESTATE

Christos decided to create a formula he could use to calculate the number of existing and new home sales that should take place in his market area each year. Through his research, he learned:

- The average U.S. household has 2.51 occupants
- The homeownership rate in the U.S. is currently 66% (Q3 2022)
- The percentage of homeowners that sell each year in the U.S. averages at 7%.



As he sat and pondered all he learned, Christos imagined the flow of a great river. Having grown up along the Mississippi River, he remembered the day his dad told him that the river spanned over two thousand miles and deposited more than a half million gallons of water per second into the Gulf of Mexico. As a child, he couldn't even imagine the power of such a mighty river.

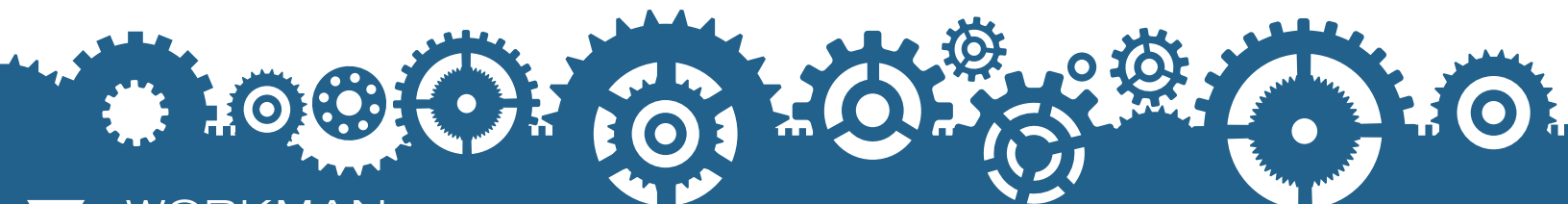
Inspired by his memory of the powerful Mississippi, Christos named his new system **The River of Real Estate**. He wanted everyone to know that new and existing home sales flow like the mighty Mississippi, regardless of market conditions. He created a worksheet so that any real estate agent could calculate **The River of Real Estate** in their market.

Christos prepared a script you can use when speaking with buyer or seller prospects who don't want to move forward in today's market because of the fear that real estate sales will plummet.

For access to our FREE resources, visit [www.WorkmanSuccess.com/THESHIFT](http://www.WorkmanSuccess.com/THESHIFT)

### THE RIVER OF REAL ESTATE RESOURCES:

- Story
- Worksheet
- Article *Who is Moving and Why?* from Housing Perspectives from The Joint Center for Housing Studies at Harvard University
- Report *Home Buyers by Metropolitan Statistical Area* from the National Association of REALTORS®
- Calculator (*private clients only*)
- Script (*private clients only*)
- Assignments (*private clients only*)





# CALCULATING THE RIVER OF REAL ESTATE

1. Take the total population of your market area and divide it by 2.3. This will equal the approximate number of households in your market area.
2. Then take the number of households and multiply it by 65.5% (the percentage of homeownership in the U.S.). This will give you the total number of owner-occupied households - where a homeowner instead of a renter lives in the home.
3. Then, take this number and multiply by 7.0% (the average turnover rate / annual sales rate) in the average US community. This will give you the expected River of Real Estate in good times or bad (the number of closings annually).

## A REAL LIFE EXAMPLE:

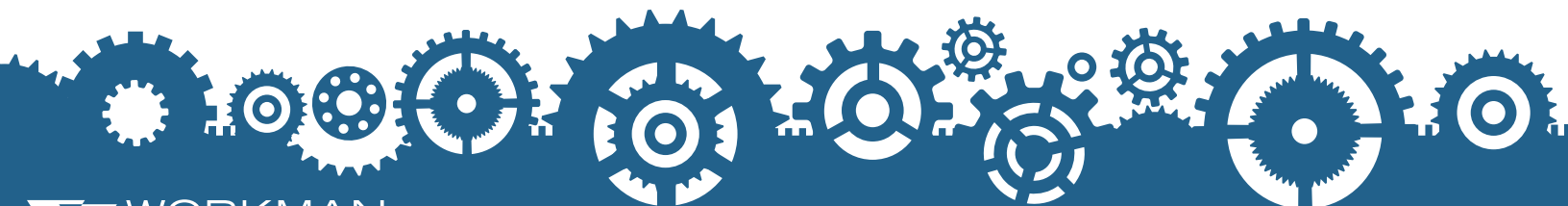
We'll use metro Atlanta.

**The Metro Population:** 6.2 million

1. Divide 6.2 million by 2.51  
= 2,470,119 households
2. Multiply 2,470,119 households by 65.5% = 1,617,928 owner-occupied homes
3. Multiply 1,617,928 owner-occupied homes by 7.0% (the expected rate of home sales on average in the U.S. annually) = 113,254 potential closings.

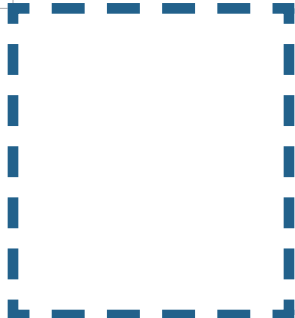


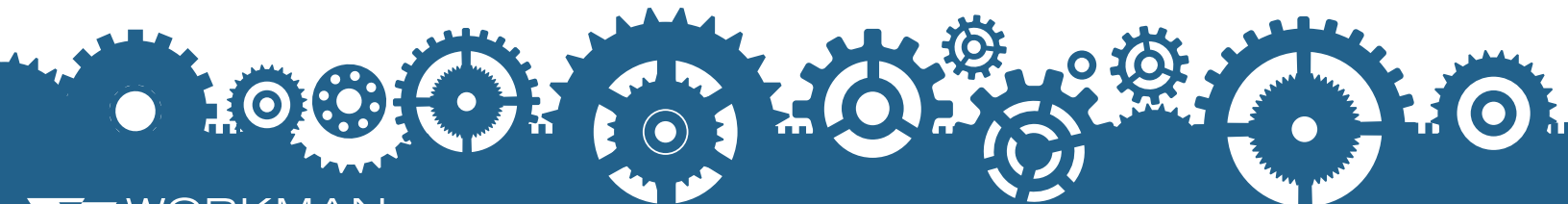
This number is REALLY close to the actual number of closings in the market in 2021. The actual number of closings for your market area could be slightly more or less, but there will be a steady number of closings even as the market shifts.





# THE RIVER OF REAL ESTATE WORKSHEET

STEP	QUESTION/ACTION ITEM	MATH	ANSWER
1	What is the total population of your market area?		
2	Divide the total population by 2.3 (average U.S. household size) = the number of households in your market area	Population divided by 2.3	
3	Multiply the number of households in your market area by 65.5% (the U.S. homeownership rate) = the number of homes that are owner occupied in your market area.  (Households X .655)	Households multiplied by 65.5%	
4	Multiply the number of homes that are owner-occupied in your market area by 7% (the average annual turnover (sales) rate in the U.S.)  (Homes X .07)	Owner Occupied Homes multiplied by 7%	





# SCRIPT FOR

# THE RIVER OF

# REAL ESTATE

**CLIENT:** I'm going to hold off and see what happens with the market before jumping back in.

**AGENT:** I understand that. With all the negative news lately, many people in your situation are afraid of what might happen. The problem is they feel **STUCK**. Is that the way you feel?

**CLIENT:** Yes, I'm thinking I can get a better deal if I wait a couple more months.

**AGENT:** That makes sense, but have you ever heard about what really drives real estate sales? Believe it or not, it's not the market.

**CLIENT:** Oh really? Then what is it?

**AGENT:** It's all of the changes that occur in people's lives. Whether it's marriage, divorce, having a baby, changing jobs, or other things, the real estate market continues to flow — almost like a big river.

**CLIENT:** Well, I don't know if I agree.

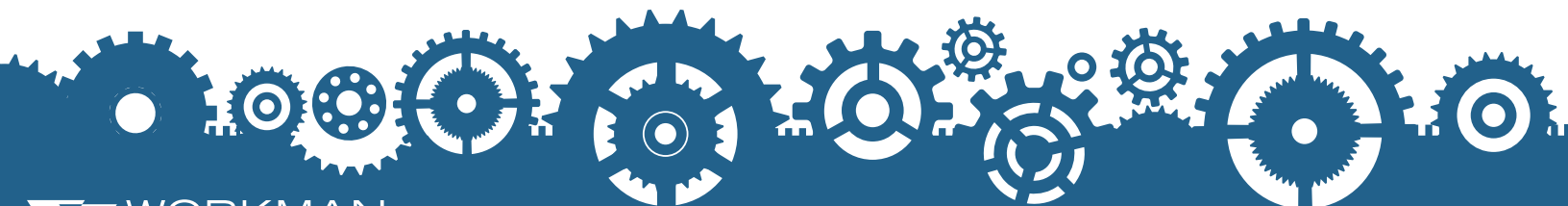
**AGENT:** I get it. I did some calculations recently about the (name of specific market area) and determined that (number of annual closings) will take place even in a changing market.

**CLIENT:** Oh really, I didn't know that.

**AGENT:** If you believed that real estate sales would continue to stay strong, would there be any other reason you wouldn't go ahead and move forward?

**CLIENT:** No, I guess not.

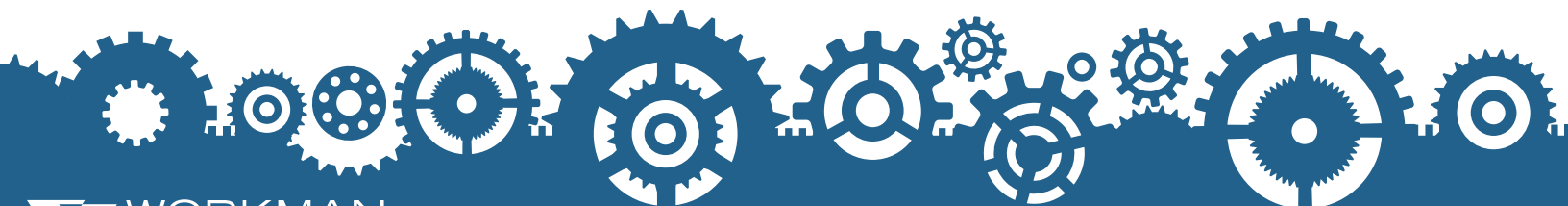
**AGENT:** Then let's get something on the calendar to get out and take a look at homes that meet your needs so you can be **FREE** to move on with your life. What's your availability on Thursday — would morning or mid-day be better?





# ASSIGNMENTS FOR THE RIVER OF REAL ESTATE

1. Download the Story and Resources.
  - a. **The River of Real Estate** Story
  - b. Article *Who is Moving and Why?* from Housing Perspectives from The Joint Center for Housing Studies at Harvard University
  - c. Report *Home Buyers by Metropolitan Statistical Area* from the National Association of REALTORS®
  - d. Calculating **The River of Real Estate**
  - e. Worksheet for Calculating **The River of Real Estate**
  - f. Script for **The River of Real Estate**
2. Role-play the script and practice using the resources with team members a minimum of five times.
3. Role-play with safe people (friends, family, Top 50, etc.) a minimum of five times. Practice overcoming the objection “real estate sales will plummet” (or something similar) utilizing **The River of Real Estate**.
4. Use the system in live prospecting calls. Have a minimum of three conversations per day about **The River of Real Estate** each day you work over the next 30 days.
5. Include discussion of **The River of Real Estate** and any updates during your daily huddles and weekly team meetings.





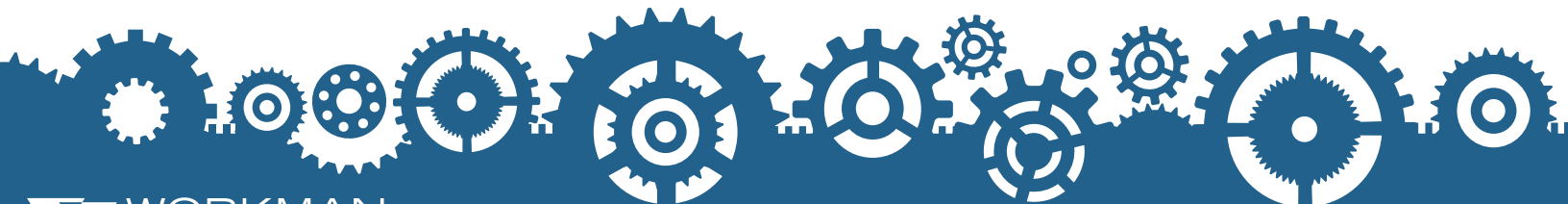
6. Track dials and appointments in **Daily Success Habits** and on your **Top 50** tracker, if applicable.
7. Keep the prospect's information up to date in the **Lead Tracker** or in your **CRM**.
8. Identify and implement marketing activities for this system in your **Four Pillars Of Income**. How can this messaging be used in one of the marketing avenues below in all of your four pillars?
  - a. Social media
  - b. Videos
  - c. Phone calls
  - d. Text messages
  - e. Postcards or other mailings
  - f. Open houses
  - g. Other marketing activities
9. Report results and issues during coaching sessions. Discuss victories and challenges, then make course corrections for improvement.
10. Add success stories to **THE SHIFT** Community Page.
11. Upload to **THE SHIFT** Community Page any examples of effective marketing materials you used with this system.



**Real Estate Sales Will Plummet**



**The River of Real Estate**



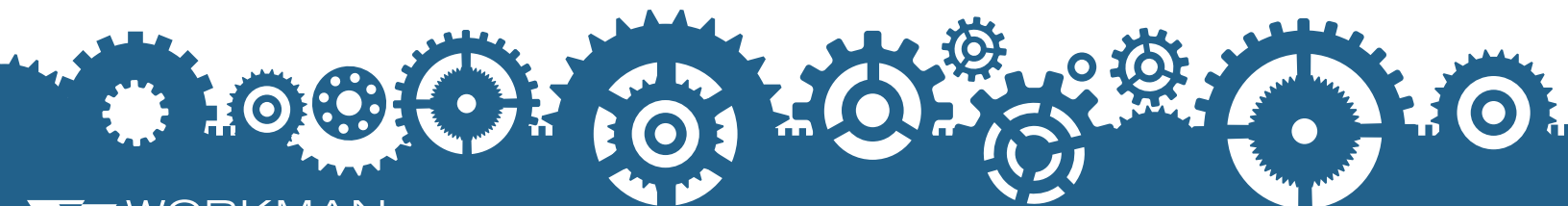




# COACHING

# THE RIVER OF REAL ESTATE

1. Have the coaching client (team leader and team members) download **THE SHIFT Success Systems for a Changing Market** and read the section on The Threat: **Real Estate Sales Will Plummet**. They should download the following:
  - a. **The River of Real Estate** Story
  - b. Calculating **The River of Real Estate**
  - c. Article *Who is Moving and Why?* from Housing Perspectives from The Joint Center for Housing Studies at Harvard University
  - d. Report *Home Buyers by Metropolitan Statistical Area* from the National Association of REALTORS®
  - e. Worksheet for Calculating **The River of Real Estate**
  - f. Script for **The River of Real Estate**
2. Schedule time during a team meeting or training session to **review** the resources above with the team leader and team members. Do they **understand** the concept, or is there any pushback (any reason they believe it might not work)? If there is any pushback or issues of understanding, you must stick with *Review and Understanding* until they are **committed** to using the system in their prospecting efforts. Note: This commitment might come only after they give it a try.
3. Role-play how to use each of the resources above, including the script. Begin with the team, then move to safe people (friends, family, Top 50, etc.), and finally move to live prospects.





4. Add “Discuss **The River of Real Estate**” to daily huddles, weekly meetings, and role-plays.
5. Make sure the team is using the **Lead Tracker**, **Daily Success Habits**, **ABC’s of Lead Management**, **Double-Looping**, and the **Top 50** program to ensure the success of this new system.
6. Have the team leader ask regularly how **The River of Real Estate** system is helping to keep prospecting conversations moving forward when the objection “real estate sales will plummet,” (or something similar) comes up.
7. Have the team download the **Objection Skillset Journal** (from **SLAM**) and update the spreadsheet weekly with common objections and potential solutions (many of which will come from **THE SHIFT**).
8. Ask the client to share any success stories with you and ensure these success stories and marketing examples are uploaded to the **Community Page**.



**Real Estate Sales  
Will Plummet**



**The River of  
Real Estate**

