

NAR 2022 Recap

DECEMBER 13

Krista Gionet, CAE, CRAE, Executive Officer

Mark Lalovich, WECAR President

Elica Berry, Past President

Maggie Chen, President Elect

Windsor-Essex County Association of REALTORS®



Emerging Tech and Strategic Trends You Must Know

Dan Weisman

About: REALTORS® have a tremendous opportunity to capitalize on strategic ways to utilize emerging technologies set to revolutionize the real estate industry over the coming years. They will discuss and analyze industry trends related to technology that REALTORS® must know!

We are here because

- Technology is essential
- To lead the industry
- To building relationships
- To educate and strategize
- Because REALTORS® agree

“The next big thing will start out looking like a toy”

-Chris Dixon

- Two of the largest emerging technologies are virtual/ Augmented Reality and Artificial Intelligence
- When talking about Artificial Intelligence, the focus is on Generative Artificial Intelligence which are algorithms which are learning to create digital images, artwork, or even videos using text prompts.
- How could this be used in real estate? Renovating previews, listing photo modifications, stock photo generation.
- Augmented and Virtual reality allows people to experience virtual walkthroughs. Could be used to create a totally different experience for clients. I.e. simulating the traffic on the street or allowing them to decorate the home to make it how they would like it to be.

The Post-COVID Cultural Dilemma and the Real Estate Market

Gonzalo Mejia, Cyndee Haydon, Alisha Harrison, Lorena Pena, Shannon Buss

About: COVID-19 affected our lives and our businesses. As we enter a new phase post-pandemic, we are not coming back to the same world. Cultural and personal values have changed as a consequence of everything that has happened since 2020. These shifts will also create new migrations trends and changes on housing expectations; locally, nationally and globally. During this session we will have a panelist of practitioners from across the country to share how different pandemic experiences have altered their vision of the real estate market, including global trends affecting US transactions. Most importantly, we will discuss ways to incorporate these new trends into agents and brokers' business plans to create a new road to success.

“We are not going back to anything; we are only moving forward”

-Gonzola Mejia

What main cultural change has affected real estate?

- As more people started working from home, a lot of people have decided to move into second homes more permanently or longer-term to work remotely which led to needing to work with local government to increase local bandwidth to keep up with internet needs.
- Lack of support from colleagues in field
- Affordability. There has been a large increase in multi-generational buyers. First-time home buyers are unable to afford homes, so they have been going in on homes with their parents or even grandparents to purchase their homes.

-
- Increased fear that parents will need to be put into nursing homes and if another pandemic happens, the child will not be able to visit.
 - Supply chain issues have led to a lot of at home gardens and making inquiries into what can be grown or what kinds of livestock can be purchased and kept within the city.

What are some new trends that you have been receiving questions about?

- One question that has been coming up a lot recently is questions about REALTORS® political leanings. REALTORS® need to learn to walk the line to ensure that the client feels safe, while still holding true to their own beliefs.
- We don't know what people are dealing with, they could be caring for a sick child or parents, so it is important to be flexible and open to help cater to those situations.
- Many clients have been immigrating or emigrating into states based on mask mandates and restrictions, depending on their own positions on the issue. Some people are moving states to a place where mask mandates are not in effect or vice versa.

What are the new housing requirements?

- More people are looking for spaces that are suitable for activities, such as pools or larger yards. During the pandemic, many people with children in smaller homes saw their children unable to go outside and fear that if a pandemic were to happen again, there would be a repeat of the situation. And the children growing up during the pandemic will remember being trapped inside all day and will not want that to ever happen to their children.
- An increase in people looking for office spaces for either themselves or children.
- The need for safe-spaces. People want to be in areas where they feel safe and can build a community, on both sides of the spectrum.

What opportunities and challenges are REALTORS® facing when working from home?

- People are feeling more isolated and alone, which is leading to people being more on edge and like they are not feeling heard.
- There are many REALTORS® who may have gotten their license during the pandemic, who are now having to learn skills that they were unable to learn during the pandemic. They have no grasp of what "normal" looks like currently and teaching them is crucial at this moment.

Top Ten Issues Affecting Real Estate

William McCarthy

About: The Counselors of Real Estate has identified the current and emerging issues expected to have the most significant impact on all sectors of real estate each determined through polling, discussion, and debate among the broad Counselors membership. Now in its 11th year, this signature thought leadership initiative is future tense, novel, and provocative.

- About the Counselors of Real Estate
 - 1000 Credentialed Real Estate Problem Solvers
 - 21 Countries
 - 60 Real Estate Disciplines
 - All Asset Types
 - Unbiased, Influential Real Estate Advice
 - Membership is Extended by Invitation, though you may apply
 - Top Ten Issues are identified, debated, and voted on.

- 1. ESG Requirements Forcing Change
 - a. Environmental, Societal and Governmental changes.
 - b. Most people tend to focus on environmental changes, but governmental changes are a huge factor, currently.
 - i. Globally, many governments are unstable at the moment, and it makes it nearly impossible to plan during such uncertain times
 - c. Who are these changes paid by?
 - i. In Canada, it is estimated that about 43-45% of housing costs is associated with government taxes, fees and levies

- 2. Cybersecurity Interruptions
 - a. These are both foreign and domestic
 - b. You need to continue to look at your buildings and their security systems because malware attacks are becoming more and more common.

- 3. Regulatory Uncertainty
 - a. Real estate craves certainty and real estate craves stability. However, because regulations are always on the move, both of these are in flux.
 - b. What are some of the impacts?

-
- i. Prices and costs go up
 - ii. Longer approval times
 - iii. Land-use and zoning uncertainty
 - iv. Discourages development and redevelopment
 - 1. In Canada, it is not uncommon that 80% for building permits approved by City Halls are held right now.

4. The Great Housing Imbalance

- a. A large imbalance in viable housing supply for migrant workers.
 - i. In the 1980's there was roughly one house for every 1.2 jobs
 - ii. In 2010 that increased to 1 house for every 2.6 jobs, creating a larger imbalance
 - iii. In 2020 this increased again to 1 house for every 3.9 jobs.
- b. In Canada, there has been a shift to residential developments.
 - i. Roughly 25% of Canadian GDP is tied to residential constructions (specifically condo towers)
 - ii. 52% of young adults are currently living with parents and multigenerational homes are fairly common in Canada.
 - iii. Huge market for 400-500 sq ft units in Vancouver which would cost about \$750,000
 - iv. Increase in rental properties because people cannot put up the down payments.
 - 1. It is estimated that in Canada we need about 4 million more rental units by 2035.

5. Labour Shortage Strain

- a. We are talking about labour and the hybrid workforce.
- b. This was a topic that we have been discussing since before COVID (in North America)
 - i. We have a low-birth rate
 - ii. An aging and retiring population
 - iii. Low skilled immigration
- c. 22 million jobs were lost during the pandemic and only 1 million of those jobs have come back, but they are not being filled by workers
 - i. Pre-pandemic there were approximately 20% more jobs than there were workers
 - ii. Now there are 90% more jobs than workers
 - iii. This is because there is a mismatch of skill and geography, changes in attitude

iv. Most importantly, there has been a huge increase in quit-rate (the amount of people who have quit working altogether). North America currently has a 25% quit-rate.

1. Roughly 300,000 people in Canada quit the workforce at the start of the pandemic.

6. Energy

- a. What is the cost of energy? What energy will be used in your homes? Is the supply chain affected? Do you have workers that will work in the energy industry?
 - i. The average price of a gallon of gas is roughly \$3.70/ gallon in America, which is roughly equivalent to \$7 in Canada.
- b. The cost to retrofit a building to make the building green-energy friendly is enormous.

7. Supply Chain Disruptions

- a. This affects everything, including energy and workers
- b. Because of these disruptions, this caused an increase in the number of warehouses and industrial buildings being built so that supplies may be stored locally.

8. Hybrid Work

- a. 40% of all positions have returned to work.
- b. 80% of the workforce would prefer to work hybrid
- c. Commercial property tax makes up about 50% budget, but what happens if we hollow out those downtown cores because so few people are working on-site.

9. Geo-political Risk

- a. Politics create uncertainty. America, much like Canada, is a divided country.
- b. If you plan on building a subdivision or making a big investment in real estate, you need to take a second look because there are so many political factors that need to be considered.

10. Inflation and Interest Rates

- a. Average interest rate today is 7.24%, which has increased remarkably since 2021 at 2.65%.
- b. In the US 72% of mortgages at fixed rates (similar to Canada)
- c. Buyers have evaporated because of interest rates.
- d. Inflation is at a 40-year high in Canada, at 14%. Rates are predicted to continue to rise, then level, then fall.

How to Write Inclusive and Impactful Content

Alexander Camelio

About: Even with a solid understanding of Fair Housing rules, writing property descriptions and promotional materials can be difficult! In this workshop, we'll share a simple process to use to ensure your content is both inclusive and impactful. Plus, we will provide examples and templates that you can use in your everyday business.

“Diversity is the Mix. Inclusion is making the mix work”

- Andres Tapia

- Some of the best intentions of what we’re doing, if we don’t consider everyone, some of our marketing will simply not exist for them.
 - Ex, creating graphics that are certain colours may be lost on someone who is colour blind

- What we’ve been taught:
 - Talk about specific uses for the space
 - Identify unique features of the surrounding community
 - Create scene people can picture themselves in
 - Speak specifically to, or about the buyer

Learning Objectives

- 1**
EXISTING PROTECTIONS
An overview of Fair Housing rules as they relate to promotional material
- 2**
INCLUSIVITY MATTERS
Understand why being inclusive is not only easier, it's better for your business
- 3**
IMPACTFUL STRATEGY
A simple process to write impactful and inclusive content

8

NA NATIONAL ASSOCIATION OF REALTORS®

- There are a number of protected grounds on which people are protected against discriminations nationally, such as race, colour, national origin, religion, sex family status, and disability. There may be more grounds depending on the state that you live in.
- While these ethics are great, it is better to go above and beyond the bare minimum when it comes to ethics
- You can do better business when casting a larger net and making sure that everyone is included
- Objective Writing
- When it comes to inclusive writing your best tool is objective writing.
 - Objective writing in Real Estate means that statements use impartial language, which is not personal, judgmental, or emotive. It avoids exaggeration and bias, and shows respect for the views of others
- There are 5 strategies for picking the right words and how to use them:



Marketing to Everyone, Everywhere

- ! Don't Assume the **Use of Space**
- ! Avoid **Gendered Language**
- ! Don't Assume any **Limitations**
- ! Don't Use Terms Reliant on **Negative Connotations**
- ! Be Careful When Using **Idioms & Ability-Specific** Calls to Action



Don't Assume Use of Space

- Instead of “walk in closet”, “play area for kids”, “mancave”, “she shed”, or other phrases that specifies ability, family or gender you could say “enough room for all your hobbies”
- The purpose is that we do not know what anyone plans to do with those spaces and we cannot make the assumptions. People are capable of filling in the blanks for themselves.
- We can however, explain what the benefits of the space are: good lighting, large room, etc.

Gender Neutral Terms

- There are certain words in the English language that we can easily swap for other words that are not gendered
 - Mankind = Humankind

Don't Assume Limitations

- Describe someone as a person with albinism rather than as an albino, or a person with a disability instead of a disabled person
- This way shows that a disability is a characteristic of the person, rather than an entire identity.

The Way We Interpret Words

- Words have meaning beyond their definition that range from positive, to negative, to neutral
- We react consciously and interpret words differently based on our own life experiences.



Denotation Versus Connotation

Same Definition, Different Meaning

Egghead

bright, clever, brilliant, cunning, smart, intelligent, brainy

Thin

slim, lanky, skinny, gaunt, slender

Aggressive

Assertive, domineering, pushy, forceful



- “Master” versus “Primary” Bedroom
 - “Master has connotations and could lose audience
 - Primary, main, and largest are denotations that everyone will clearly understand.

“The single biggest problem with communication is the illusion that is has taken place”

- George Bernard Shaw

Avoid Idioms

- Most common phrases stem from historic roots, which may have negative or positive connotations, and their meanings evolve over time
 - “Rule of thumb”
 - In 16th century Britan, it was legal to abuse your wife with a stick, as long as the stick was no larger than your thumb
 - Tipping point

- 1950-60's term used to describe the point where white people would start moving out of a neighbourhood because too many people of colour were moving in
 - Long Time no See
 - Comes from a book making fun of the speech patterns used by Aboriginal People
 - Spirit Animal
 - Cultural Appropriation of Aboriginal People

Choose Your Words with Empathy

- Be caring, understand bias, discover commonalities and challenge prejudice.
- Accept that nobody is perfect and we all have the best intentions.

The following sentences were taken from actual MLS listings:

Before	After
As you enter from the covered porch, the views of the Adirondacks are outstanding.	The views of the Adirondacks are outstanding from the covered porch.
You'll have a beautiful view of a lovely babbling brook over breakfast.	The kitchen overlooks a lovely babbling brook.
This 4-bedroom 2-bathroom colonial is a perfect fit for any family.	This 4-bedroom 2-bathroom colonial provides plenty of space to meet all your needs.
Just a short walk from a number of local amenities and attractions.	Close by to a number of local amenities and attractions.
Imagine your kids playing in this beautiful backyard with a built-in playground.	The home has a beautiful backyard with a built-in playground for hours of fun.
This beautiful bedroom boasts high ceilings and his and her closets.	The beautiful bedroom boasts high ceilings and dual closets.
With a walk-in closet and plenty of morning sun, this bedroom is perfect for a young couple.	There's plenty of morning sun in the primary bedroom that sports an attached closet.
This 1 bedroom, 1 bathroom is perfectly set up as a bachelor pad	This 1-bedroom, 1-bathroom condo is in a busy building that hosts networking events for their residents.

Cryptocurrency, Blockchain, and NFT's

Kristin Smith

About: What is it? How is it used? How does it impact the real estate industry? You will walk away with basic knowledge and comprehension of cryptocurrency, blockchain, and NFTs by the end of this session.

Why We're Here

- Basic session about cryptocurrency to help understand blockchain scenarios and how they are very similar to real-world scenarios that we are all very familiar with.



CRYPTOCURRENCY

WHAT IS CRYPTOCURRENCY?

A digital currency in which transactions are verified and records maintained by a decentralized system using cryptography, rather than by a centralized authority.

"Decentralized cryptocurrencies such as bitcoin now provide an outlet for personal wealth that is beyond restriction and confiscation"

- No one really knows who the inventor of bitcoin is, only that they go by the pseudonym Satoshi Nakamoto. They had hoped that bitcoin would be widely adopted by the world to protect against inflation.

“A stack of \$100 bills can finance a drug deal or be donated to an orphanage. Bitcoin is not different, despite its perception as an outlaw currency”

- Crypto helps break down the barriers faced by brick and mortar, traditional banking.
 - Allows for easier, instantaneously money transfers from anywhere in the world. We are no longer limited to the 9-5 hours of traditional banking

What is the blockchain?

- Blockchain is a shared, immutable ledger that facilitates the process of recording transactions and tracking assets in a business network. Assets can be a house, car, cash, land or it can be intangible, such as intellectual property.
- Blockchain is the technology that enables the existence of cryptocurrency!
- When on the blockchain, everyone has an address to keep it anonymous.
- A blockchain requires a large network to store all the data. When we talk about “mining”, we are effectively sending our computers to work in this global record keeping system.
 - Sending our computer to “dig” in the “mine”
 - Our computers do this work by solving a math equation that is distributed every 10 minutes or so and can only be solved through a massive process of trial and error.
 - The first computer to find the answer, broadcasts that answer to all the other computers and that answer becomes the latest block. The block contains the math question, the answer and the latest record of bitcoins
 - For the trouble of going through all the work, the “miner” gets a stash of the bitcoin (size depending on the block that was created)

How can you find bitcoin?

- Coinbase!
 - Acts as a technical middle-man to make the process significantly easier for every day people to get involved in cryptocurrency.

What are “Wallets”?

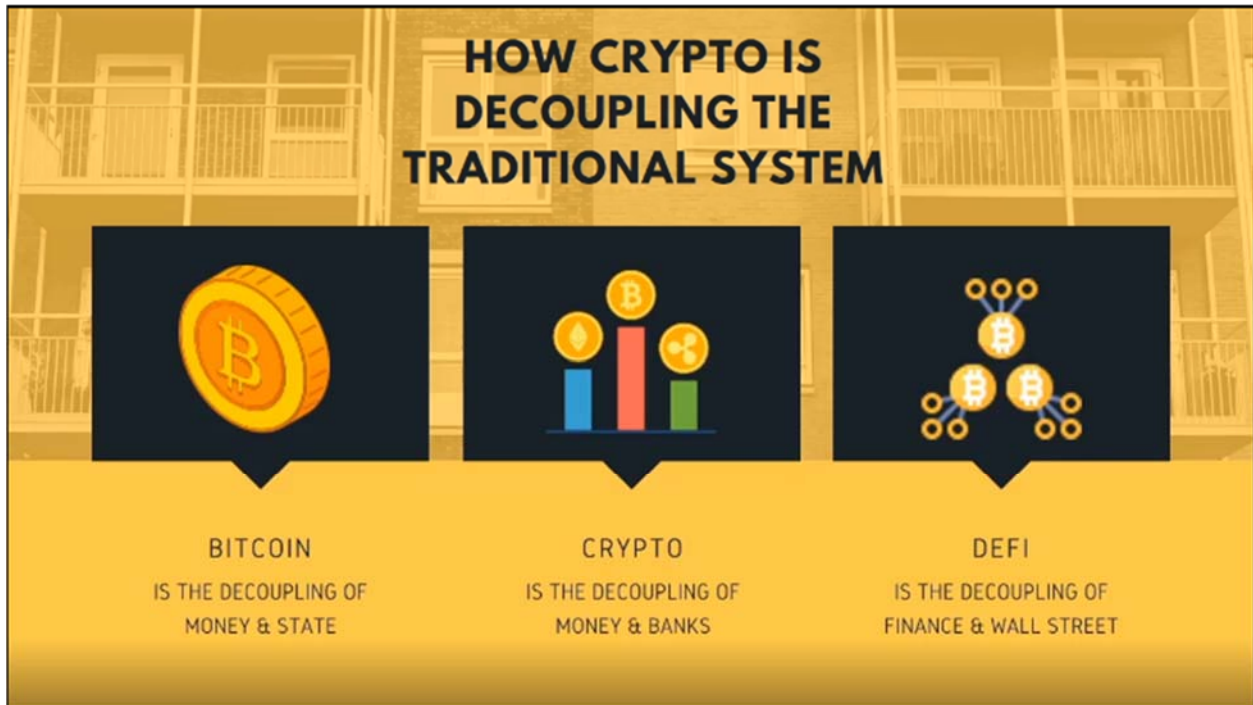
- Wallets are where you store your cryptocurrency. There are two main types of wallets.
 - Hot wallets
 - Hot wallets are wallets that are still connected to the internet. These wallets are more susceptible to things going wrong. Hackers or simply forgetting your password could make it disastrous.
 - Cold wallets are not connected to the internet. This is similar to a USB drive that contains all your information.
- The two most common types of cryptocurrencies are Bitcoin and Ethereum.

Uses for Cryptocurrency

- Cryptocurrency bypasses the need for background checks or bank loans. You can access your money instantly, when normally trying to access such fund could take up to 45 days or more.
- In some countries, children are playing games where they mine bitcoin and it allows them to support their entire families.
- Over 12% of millennials used cryptocurrency to pay for houses over the last year.
- 25% of all transactions came from cryptocurrency gains.

How is it different from an NFT?

- A NFT is a non-fungible token
 - There are 21 million bitcoins, similar to 21 million pennies, they are all worth the same amount. A NFT, however, is one-of-a-kind and unique in their own way. That is the main difference between the two. Non-fungible means they are unique.
 - Think of collector cards. If you have a rare baseball card, you need to find someone who can authenticate that card. With NFT all the information is there to verify that it is, in fact, genuine.
- Sales of NFT’s are down 97% from when they were first introduced.
- In their simplest forms, they are similar to a fancy PDF.



- Historically, the US currency was backed by gold, but that is no longer the case. Because of that, people have seen an opportunity to create their own funds because US dollars only have weight because we have all bought into the dollar.
- In real estate, it takes 30-days to close on a house because of title searching. However, because of the blockchain, you can almost instantly find a verify titles, which could eliminate that 30-day period in the future.