

You have to stretch the limits

Gary Yokoyama, the Hamilton Spectator

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The Hamilton Spectator

(Mar 16, 2009)

Selling anything in a recession can be a tough order.

Selling houses can be near impossible.

It can be done, but you've got to bring something extra to the table something such as an extra measure of hard work or a real gimmick.

Across the country, real estate agents are doing just that as they try to cope with one of the worst economic downturns in decades.

Hamilton's Unique Realty Inc. has opted for the gimmick -- an executive stretched Cadillac limousine outfitted with three LCD screens, Internet, printer, fax, scanner and computer -- basically a mobile office to ferry clients to viewings.

"I've been doing real estate for years and I eventually realized it would be a lot better to have everyone in the same vehicle," explained Unique broker Darrin DeRoches. "I've always been the kind of person who wonders how to do something better."

By treating his customers with a little special care DeRoches hopes to overcome the image of a realtor pulling up to a house in a \$90,000 Mercedes to sell a family arriving in a minivan.

"When people are making the biggest purchase of their lives they deserve to be treated a little special," he said. "Besides, the cost of running the limo isn't as much as it costs to run a Mercedes. It uses less gas than an SUV, and it's a moving billboard as well."

Unique's "rolling office" gives customers the chance to check out updated listings as they visit potential homes and, since DeRoches is also a mortgage broker, "we can do the mortgage while you wait. I'll even stay with the kids while they eat pizza and watch SpongeBob in the limo while the parents tour the house."

Buy a house through Unique, he added, and he'll even lend you the limo for a wedding.

"I figure the least I can do is give you the limo for a day if you buy a house from me," he said. "We've done three weddings like that, and besides it doesn't hurt to have our name in front of 300 people."

However you look at it, this year and 2010 are going to be tough for the real estate business. Current forecasts are for a 13.3 per cent dip in sales this year and another 2.6 per cent next year. The average home price in the Hamilton area is expected to fall by 3.1 per cent this year to \$272,000 with another slight drop predicted for 2010.

February sales were down almost 28 per cent from the same month in 2008.

"The numbers don't lie, business is down for everybody right now," DeRoches admitted. "People are still buying and selling houses, just at a much slower pace. A lot of potential buyers are sitting on the fence right now waiting for the economy to turn around."

Bruce King, president of the Realtors Association of Hamilton Burlington, liked Unique's idea, even though it's not his kind of tool.

"That's the sort of thing that works in sales -- whatever everyone else is doing you have to do something different," he said. "It's still a gimmick though. It's still the value of the property that's going to close the sale."

"I'm old school about things like that," he added. "Advertising and gimmicks get your name out there, but it still all comes down to having what the buyers are looking for. You can wave as many flags as you like, but if you haven't got what the buyer wants he'll look at your flags and then go and do business somewhere else."

Bob McLean, director of communications for the Ontario Real Estate Association, also leans to "old school" methods for handling a downturn like this.

"In times like this you've just got to get back to basics and get knocking on doors again," he said.

Despite the value of the traditional, McLean admitted recessions are the times when many innovations appear in the real estate business -- new ideas such as online brokers and new ways of sharing commissions between agents and their brokers.

"Fifteen years ago, we operated under one pretty standard model where the agent shared the commission 50 per cent with the broker," he said. "Now there are all kinds of different models, including desk fees, deal fees and others. There's no one monolithic model any more."

One recent innovation, announced earlier in March, is the decision by Sears Canada Inc. to get into the real estate business. Working through QV Realty Inc., the department store chain is offering Sears gift cards worth 0.6 per cent of the value of any home bought or sold through its service.

That amounts to \$2,100 on a \$350,000 home.

The service is only available in the area bordered by Oakville, Newmarket and Oshawa.

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