

The Boomtown Chronicles: Reflections On a Changing California

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Transcript: Interview with Bobbie Nelson, Realtor, 2004

BOBBIE NELSON: My name is Bobbie Nelson, and my title is realtor. Some of the things I do: I help buyers and sellers locate properties or sell them. I am with the SC association of realtors. I am the secretary treasurer this year and next year I will be the incoming president elect, and I am very active with the Women's Council of Realtors locally, statewide I am their treasurer and nationally I am a vice chair of one of their national committees.

RACHEL GOODMAN: How long have you been a realtor?

BOBBIE NELSON: For approximately eleven years.

RACHEL GOODMAN: To categorize the SC county housing market right now what would you say?

BOBBIE NELSON: It has pockets of availability, it's fairly swift and very much a sellers market at this point in time.

RACHEL GOODMAN: Have you ever seen anything like it?

BOBBIE NELSON: I continue to be amazed at what I see.

RACHEL GOODMAN: And what do you see? Tell me some of what you've seen, that might be typical this particular snapshot in time.

BOBBIE NELSON: There seems to be pockets of very hot price ranges because of the affordability crises I think that I think the whole entire nation's in, and in our area we're particularly seeing condos that are going up into the five hundred thousands and single family residents that 550 and above is pretty much common place.

RACHEL GOODMAN: Who are these people that can afford a half million condo? Are they a different tone of folk that live here now?

BOBBIE NELSON: I don't think so. I see people that are dedicated. There are families still that are buying condos. They're just changing the way they live a little bit to get into the market place. My snapshot in time for my business this year is basically it's been investment buyers and as well as first time homebuyers. And they're still ready to get in the market place.

RACHEL GOODMAN: It seems they are ready to make the leap no matter what. What's made it so hot now and go so fast? I guess it's supply and demand, but why now, what happened?

BOBBIE NELSON: Which I had an answer to why now, except supply and demand. The interest rates are particularly low right now and there is rumor on the horizon right now that they're going to be rising. I think people that have been on the fence or that are

going to do it have jumped in to take advantage of the lower interest rates, because you can buy more house with a lower interest rate.

RACHEL GOODMAN: What does that do to the fabric of the community to have home ownership be such a steep hurdle for so many people and for people who are working? What does it do to them to have to move out, or what are the impacts of this kind of level of median housing being 637 this month or something?

BOBBIE NELSON: It definitely impacts all of us. Even people that have really good jobs it impacts them because a large portion of what their income is going to subsidize their housing and long term I am sure it will impact, and we are seeing impacts with the schools closing and some of the other industries fighting, nursing especially fighting to get good people into the community. I would hope and I think there is hope on the horizon, that everyone is working toward finding some descent solution that is a win win for everyone.

RACHEL GOODMAN: What would that be?

BOBBIE NELSON: Making sure there's programs available for those people coming into the community. Making sure that those jobs are equate to what the cost of living is. I am not a real big proponent of government subsidies, but there are things on horizons I'm hearing about. They're in legislation right now, but they're not law or not actually on the books but you know the governor is definitely aware of the problems in our state and back from legislative days in Sacramento and hearing both Democrats and Republicans saying that they're very impressed with the types of kind of communication that he's having with these entities and his concern for their housing, their economy, their job status, its refreshing to hear everyone so upbeat. I've been there several years in the past, and everyone's like "We're dying, we're dying we're dying," and no one had that attitude. They were going to find a balanced budget. If not by yesterday, then soon. They were making progress.

RACHEL GOODMAN: Can you say again about solutions to the housing crises. What were some of the rays of hope you saw going to this session in Sacramento?

BOBBIE NELSON: The rays of hope that I saw when I went to the meetings was that the democrats and Republican people that we talked to were just really enthused with their job. They thought that the governor had done a good job so far in trying to make solutions with schoolteachers, with industry, and keep industry in our area. I think that's important to spur our economy in turn will help us stay solid and grow as a state.

RACHEL GOODMAN: What about interventions by local government into the housing market. Do you think that they should have low income housing that stays at a particular rate for 25 or 30 years so by the time they sell it, it wont go into the astral?

BOBBIE NELSON: It actually is a solution that has worked in the past. The disappointment for me as a person is that when you buy a home you hope that the equity

raises and so it really doesn't solve the problem long term because they are making payment on a certain property but the equity of the house isn't equating for them to equally turn it and move up like someone who buys it in a standard market place.

RACHEL GOODMAN: When they do sell it, it would be available to someone else who can't move up.

BOBBIE NELSON: I think one of the biggest things we can do, and I think the state is looking, is to really look at zoning and really look at areas that would accommodate high density. In SC County we need to talk traffic before we can talk high density.

RACHEL GOODMAN: You said you had a story about a bidding war. Can you tell one of those stories? Can you tell what happened?

BOBBIE NELSON: Again, I know you didn't want me to talk about supply and demand. It's not so much the bidding war it's just people who find a place they really want to call home and they write contracts. I think they get somewhat lost in the achieving the goal and when I work with someone in a multiple counter situation. If you could pick a number what would be the number you would be comfortable with. And you have people that go all the way. It's not always the dollar figure. The bidding war situation is tough. It's tough for the client and it's tough for the realtor, and it's particularly tough on the seller. I mean, you can only sell it once. We now have a form that allows us to work with multiple counter offers. The market place is creating it because of the supply and demand.

RACHEL GOODMAN: Can you tell one particular story about it, you don't have to use their names if you don't want to but it would be nice if we can be specific,

BOBBIE NELSON: I was just in one just recently. The hundred percent financing make sure that all of that money is still gonna be there when you close 30-45 days later, but they wrote an offer that was over list price.

RACHEL GOODMAN: What was the offer?

BOBBIE NELSON: Oh no. We can't talk prices. But it was up in the Felton boulder creek area. There were 26 offers for that property and they countered 9 of them. It was an interesting situation, and it was substantially over what they countered back and my clients just made there way through to 900 square feet of really nice property.

RACHEL GOODMAN: You can't say what it listed at?

BOBBIE NELSON: I would rather not say what the price is. I don't want to create anymore hardship on this in this situation as it goes.

RACHEL GOODMAN: Anyway we know that the median is 637,000 dollars, and we know it was under that. For 900 Square feet. You can hear stories of 700 square feet for

425,000 dollars, so you hear these stories and you're kind of shocked. I imagine some of your clients, even though they know the market is like this, when they see what they can actually get for their dollar, do you have to kind of prop them up from fainting on the doorstep.

BOBBIE NELSON: You definitely have to assess, you go in, and it's like preparing for battle. You have to go in there and look at what the property has for them personally, and then you just have to write your offer based on how it's going to work for you.

RACHEL GOODMAN: What kind of things do you use to get them ready for battle?

G: I shouldn't probably use the word battle, but basically preparing them for what the market place is and letting them see things that were listed at X and listed for X and looking for Comps; comparable prices in the same area. Comparable prices that have sold in the surrounding areas, and giving them a realistic picture of what is actually happening in the market place today because that's what is going to affect their outcome.

RACHEL GOODMAN: What does the average realtor in your association make each year? Do you have statistics on that? Do you know what they're making?

BOBBIE NELSON: I don't really know.

RACHEL GOODMAN: They don't have to disclose that in any public format?

BOBBIE NELSON: There's no way, I mean unless you get to their IRS records.

RACHEL GOODMAN: Do you know which commissions in general they're making 6% or what?

BOBBIE NELSON: Commissions are negotiable between the seller and the listing agent. So there are varied levels of commissions out there.

RACHEL GOODMAN: I think the public not knowing the real estate business real well would look at the housing crises and say it's the realtors, and the sellers who are making a killing here, but mostly the sellers. Would you agree it's a good time to be a realtor if you're selling?

BOBBIE NELSON: I'm sorry I don't understand?

RACHEL GOODMAN: Selling, money wise because the prices have gone up so far, is it a good time to be a realtor in terms of making money?

BOBBIE NELSON: It's a good time to be in a profession that is actually having a good economic time and that's good with any profession. You always want it to be a good time to be in that profession. Is it particularly easy to make money? Absolutely not. There are times when I'll work with someone for over 6-8 months to place them as a buyer, and

taking them out to look at houses fairly regularly. There are costs involved in all the processes. I mean I have costs that, you know I have a desk fee and that type of thing. When you look at a the dollar figure on a piece of paper it might look like a lot of money but talk to some realtors that actually aren't making it in the profession, which there always are. It's tough to make ends meet if you aren't making money. It's not like we get a paycheck. We only get a paycheck when the buyer and seller close escrow. That kind of money is good. You get paid well; it's like consulting.

RACHEL GOODMAN: Has it also gotten extremely competitive because of the few houses that there are? You all scraping over the few inventories that are out there to try to get to sell the ones that are going to make you the most, or that are going to be easiest to sell. How does that work? Has it changed the tone amongst realtors? I know you're a collegial bunch and you're head of an organization that gets everyone together. But there's also competition right for the clients, for the sale?

BOBBIE NELSON: Sure there is, but there's also those people, I mean I work probably 95 percent on referral so the competition when you have been referred to someone has been minimized, because they want you to help them, and you've helped someone else and that's what I pride myself in is actually doing a good job for the client. You mentioned something back there about the price range and those types of things, and I never take into account the price range, I take into consideration the client and if I can match their needs with what the county has to offer. Ultimately the really cool thing is if I match, and create a match then I get paid. Very few professions you have to actually satisfy everything before you get paid.

RACHEL GOODMAN: How about some points of light in this whole mess, because there are certainly enough stories of people who are very depressed by the housing market and are unable to get in and unable to really make it work for them, but you said on the phone that you had some clients who were not particularly rich who managed to find a place to live and make all the numbers line up for themselves without having to skip meals.

BOBBIE NELSON: I have a particularly darling couple that I just finished working with, and they had been working for about a year, they gave up, and in the last multiple offer frenzies could not quite get it going. How things come there's always a time and place. She lost her job. They were really glad they didn't buy and were suffering with a really heavy house payment. She got a better job and then they qualified for enough to be able to buy something. We got them together and put them in with a hundred percent financing. We made 3 offers and the third offer we finally were the, we had the best offer and it worked for everybody, and they're happily living in their place and they're delighted. It's hard work and it's emotional. Upfront they were freaking out needing someone to talk to almost every day on the phone. To understand, as a realtor, when you select one, you want to pick one for you that is going to work in the actual style that you want to work in and I'm particular good working with people who need to be hand held. Actually he wrote me, "You were a mom you were mentor, thank you for all of that." They were a referral from a client who I actually encouraged them two years ago not to

buy this particular house and buy a condo they're actually living in a single-family house that I helped them buy six months ago.

RACHEL GOODMAN: So you have become a psychologist?

BOBBIE NELSON: I'm not accredited for that but we definitely say we need a psychology license to practice in some places. I mean it is high stress. It's right up there with someone in your family passing away. Moving upsets a whole applecart.

RACHEL GOODMAN: What else is going on psychologically for people buying a house. Obviously it's stressful from the money angle, but something more fundamental is going on here. People are looking for their home place it's not just a purchase, a place to sink roots down. Some people are just looking for an investment and they're easy to deal with psychologically they're cold in calculating is this going to make me enough money. That's more easy to deal with than someone like those people.

BOBBIE NELSON: It's not that I don't like those people, but I would rather work with people buying their home.

RACHEL GOODMAN: What do you think they're looking for as far as the basic emotional impact of security? What do you hear from them when you're showing them a place? They're probably spilling some of their psychological stuff about where they're going to live and how their life is going to work out. And the house is part of that right? It's part of the whole equation. It's where your life is going to unfold. I imagine they're trying to place themselves in all these physical places; you know they're plopping themselves down into a physical environment, it has to do with where they're going to raise their families, where they're going to have B-day parties, deaths even.

BOBBIE NELSON: I think one of the most exciting things is for someone to walk in and experience that feeling. Their eyes kind of light up about place and furniture. They walk out on the deck and they linger. They linger in spots and you can see that they are kind of pleased with what is happening. The home buying process is kind of a strange one because it is a process of elimination. And when you go through that elimination you are constantly trying to discount. That's one of the initial preparatory things that I talk about at an interview before we actually go out is that we will be looking to climate properties. I also tell sellers that they don't want to be the property that they eliminate. There is strategic placing of things and there are things that eliminate your personal life so that they don't get hung up looking at the baby pictures so they can see that picture looking at the backyard apple tree. Those are some things that you see that are really interesting. There are all sorts of life changes that come when you buy or sell a home. Some people are getting married; they have a good job so they can move in. It's their first stretch of freedom away from their parents. They raised their children, or health wise they have to move away. The grandchildren selling a home or a grandma. Or it's as simple as we were out last week and we need this house. People say what are you going to do when this market slows down, or the economy goes down. If you look over the history of what's happening, you always live in a place or a home, and there's always a

place that you will call home. Although the housing market, I truly hope it doesn't keep going up so rapidly. I think it's alarming to anyone. How are we going to have our kids? I have a 21-year-old son. How are we going to live here? How is he going to get housing. People with adult children that's one of the thoughts that they have "How is my son going to stay in this county?"

RACHEL GOODMAN: I spent a lot of time in Sun Valley Idaho. Nobody lives there except for the millionaires. It would be sad to live in a community where nobody that lives there works there. Any final thoughts of what might change if you follow this trajectory or the earthquake it dampened things down.

BOBBIE NELSON: It didn't change the prices hardly at all; it just slowed down the process. I guess I'll probably leave you with what I leave with my sellers and each one of my buyers, and when anyone comes into an open house, and when they ask what's going to happen I say I don't have a crystal ball and I certainly if I did I would be doing something more meaningful like curing cancer. I don't have a crystal ball of what's going to happen. Real estate remains a solid investment and has proven so over time 40 or 50 years over time tried and true solid long term investment that you make in yourself and your future so I would encourage anyone at any time especially young people, really start saving, getting a down payment, keeping your credit clean and that wish of everyone is to own your own home.

RACHEL GOODMAN: Thank you so much for coming.