

BANKER & TRADESMAN

Reprinted from the issue of April 4th, 2009

IN PERSON

THE BEST IS YET TO COME

BY IAN B. MURPHY | BANKER & TRADESMAN STAFF WRITER

Walter Hall has been in the real estate business since 1960. He first built Walter Hall Realty with his father in the '60s, then a Realtor training company, Hall Institute of Real Estate, in 1968. In 1978 he started Relocation Resources Inc., which was the third largest relocation company in the country when he sold it to Weichert Realty in 2003.

His newest realty venture is HouseSavvy USA, an online realty and mortgage company that offers free MLS listings to its customers. Since its launch in 2004, Hall and his son, Jonathan, have explored different business models for HouseSavvy USA, each under the same philosophy.

"I think the best is yet to come in real estate practices," Hall said. "You see this dinosaur that essentially hasn't changed since back in the '20s. A one-size-fits-all service, it used to be 6 percent, now it's 5 percent, with no real flexibility. It's one of the few, if only, major service businesses that hasn't modernized."

The most recent iteration of HouseSavvy USA includes rental services and listings. The site will also help sellers decide whether they will use a Realtor or attempt to sell the house on their own. If they choose the latter, HouseSavvy offers support and a soft landing if they decide it's just too much work.

Walter Hall

Title: Founder

Company: HouseSavvy USA

Experience: 48 Years

Age: 73



Q: Your new site will help people sell their own house or refer them to a Realtor. How does that model make money?

A: The business models that we've tested over the years, we've found that the minute you get involved in any aspect of the traditional real estate activities – when you're offering a discount, or a discount commission, or a low fee – any time you get involved with any aspect of the traditional real estate service, like going out in the field and taking the listing info, or putting a sign up, or working with co-brokers, it's not going to be profitable. You're not going to get any margin at all. One of the key aspects that we're learning is that you don't have to leave your office. We can serve as a Massachusetts broker ... along as we have an accredited rep in that area. If somebody says, 'I want to use a Realtor,' at no charge to you, you can have us introduce you to one of our local accredited agents who has met our standards and gone through our training. If you want to use them, fine; if you don't, fine. Our revenue is a referral fee.

Q: These reps are realtors working under another company?

A: Yeah, just a local [Jack] Conway [office], or Coldwell Banker, or whomever. We've made arrangements with the company that says, 'When we refer somebody to you and you list their house and sell it, or we refer a buyer to you and you sell that buyer, you owe us a referral fee.' That's standard practice in the business.

Since we started this model, we can see the number of unique visitors and page activity go up and up – ergo it's a great venue for paid advertisers. People buying, selling and renting are some of the most attractive block of consumers, for a lot of people, a lot of industries and businesses. So that's one of the areas of revenue that we're looking at.

Also, owning our own mortgage company, that's a good revenue service for us.

We want to take this national as fast as we possibly can. [Once] we get this thing really humming, it's so duplicatable. You just need a broker to work for you in the state, and a central location: like in Hartford, you can handle all of Connecticut. This thing is transportable once you get this thing up and running.

Q: What goes into accrediting these agents?

A: Through the MLS we're able to find out the active [agents] within the active firms. You usually find that a good agent either excels at working the sellers, or with buyers, one or the other.

We go to the firm and we say, 'Would you like to set up a relation with us?' Then we say, 'These are the attributes we're looking for. Here are our standards, and you've got to give us agent candidates that you know meet these standards. Then they've got to come to our training program, and then we will determine whether we want to accredit them.'

Q: Have you had anyone say, 'No thanks'?

A: No. Well, I should qualify that. We pretty much know from our research going in that if you said to them, 'You want some good referrals?' they'll say, 'Oh yeah, of course we do.' The smaller brokers, unfortunately, they're not comfortable with the referral business, or the relocation business. The bigger ones, like [William] Raveis, or Coldwell Banker, or [Jack] Conway, or Weichert, they're all just clued in. And I have yet to find one that said, 'No, we're not interested in referrals.'



FIVE PRINCIPLES THAT HAVE MADE HALL'S BUSINESSES SUCCESSFUL:

1 Take care of everybody else first: If you take care of [your employees], they'll take care of you.

2 Self-discipline: That's what I look for in any manager. It's doing what you don't want to do when you don't want to do it.

3 Self-confidence: If I'm full of it, you'd better tell me. But the deal is I can reciprocate. We're not going to build a great business by holding anything back.

4 Micro-managing vs. Macro-managing: If you've got the horses, let them run. Give them the authority and the responsibility, essentially.

5 Trust is reciprocal: if you give it, you'll get it back. You've got to trust your employees.