



## BUILDER REALTY COUNCIL OF METROPOLITAN DENVER GENERAL BOARD MEETING MINUTES

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<b>Date of Meeting:</b>	February 18, 2020
<b>Location:</b>	6300 S Syracuse Way, #120, Centennial, CO 80111
<b>Report submitted by:</b>	Susan Sechrist, Treasurer & Acting Secretary
<b>Attendance:</b>	Approximately 10 people in attendance

The meeting commenced at 9:15 a.m.

Ron Meier opened the meeting and went around the room and asked for updates:

- DMAR – Sandra Jarock: Excellence Awards coming up; classes online; they have meetings north, south, east, west; came out with an affiliate brochure.
- 2-10 Home Warranty - Kathy Leroy – New products; she works with the builder side.
- Stewart Title – Kelsey McMaster – Opening offices everywhere; just opened one in Castle Rock.
- REColorado – Maggy Andrews – Biggest discussion point is Clear Cooperation; not effective until May 1<sup>st</sup>; must be in the MLS after one day of taking a listing; goal is to get as many listings into the database; builders: if you represent a buyer you can enter the information through Realist or Public Records.

Ron Meier then gave his presentation. Some highlights:

- Why should you add buyer representation in new home transactions? Giving our clients more options to have happier, satisfied clients, which gives us referral sales. You could be missing income from these sources: 1) You miss 19% of prospects who want to buy new; 2) You miss listings of buyers who are buying new; 3) You miss 35% of buyers who would buy new if you told them about benefits of new construction
  - Everyone loves to buy new things—what about buying a new home? 2018 homebuyer survey by NAHB – 55% of respondents would prefer to buy new; 28% buy new in a master planned community; 27% from a custom builder; 45% planned to buy resale
  - 2012 Homebuyer Survey by Hanley-Wood - 19% of respondents would prefer to a buy new home; 35% would buy either new or resale; 84% will have Realtor representation
  - 2013 NAR Profile of Buyers & Sellers – 63% of all new homes purchased, a Realtor bought the buyer to the homebuilder
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- Past HBA Denver & BRC Surveys – Only 15% of Denver Metro Brokers regularly participate in new build transactions
- Denver area homebuilders all have minimum 65% broker coop goals; most enjoy 75% to 90% broker coop transactions annually
- Agent Benefits: Only found in new home transactions
- Builders will help your cash flow
- Cycle of Sales – Starts off slow and peaks in the middle and levels off at the end of the year; majority of closings take place 3<sup>rd</sup>, 4<sup>th</sup>, and 1<sup>st</sup> quarters. A cash flow analysis
- Builders enhance your productivity – Builder representatives direct schedule
- Arrange buyer appointments with Builder team; informs agents of appointment times
- Buyer benefits 0 Energy efficiency is essential – Heating, cooling & lighting of existing buildings consumes nearly 25% of US Energy Output
- HERS Score – Home Energy Rating System – Measuring a home's energy; developed in 1970s
- This standard was going to become a standard throughout the rest of the country; CA first state to develop energy efficiencies in their legislature
- Most builders are building 30 to 50% better than what the energy codes require
- Net Zero – Electricity – Builders put enough solar panels on the roof to produce as much as it uses
- Each 1 point decrease in HERS score equals 1% reduction in energy consumption
- Sustainability is Essential – What is building green? More natural products, less carbon footprint
- 5 Concepts of Green Building - Energy Efficiency; provide healthier indoor air; reduce water usage; preserve natural resources and reduce pollution; improve home durability and reduce maintenance
- Building codes now require fan systems; air exchange system
- Builder Warranties - Colorado says 6 years for a home warranty; most builders have coverage for 8-10 years; need to be provided by 3<sup>rd</sup> party vendors; some larger builders are self-insured and have their own policies
- Top 10 Reasons I Bought a New Home – Personalization and Customization
- Agent Concepts & Knowledge
- Homes are unique – Most expensive product; hand-built and assembled right in front of the buyer; buyers love to shop by comparing dollars per square foot
- Denver is a very competitive market – Nearly 20% of the top 100 build homes in Denver
- There is a disparity between resale and new homes; about a 5% difference
- Build Your Brand – Offer quick-close homes often not listed in the MLS; can add to the inventory
- NewHomeSourceProfessional.com – The builders' MLS – feeds into an IDX feed; register yourself and create your own landing page so you can use a widget – FREE
- To protect my commission, I must understand the role – Production builders – multiple homes built versus a custom builder building 1 home for 1 buyer
- Production builders – least financial risk for buyer
- Custom builders – Business model is pay as you go; greatest financial risk for buyer
- Broker Commissions - Customary to be paid 3% on the base price – before options and upgrades and using the price list; higher commissions or rewards
- Builders use their own contract – does comply with Colorado law; won't allow any changes to their contract; real estate commission has no jurisdiction over builders' contracts
- Set Buyer Expectations

- Set an ethical standard – You can go to builders’ websites and register; train your buyers – give them your electronic V-card
- My Client has decided to buy new...
- Set/Manage expectations about future events
- 2020 New Build Market Projects: Attainability; Strong Employment; Avg. Rents - \$1606 per month; Average Price - \$554K; Average Price Condo/Townhome - \$372K; Avg. Price New SFD Home - \$584K
- More of the same but slower; 25-30K New Neighbors – 20K-25K new jobs; rents continue to grow; home appreciation 5-6%; more attached product being built for affordability
- 10,076 new home closing in 2017; in 2018 16,591 new home closings; 16,011 new home closings in 2019; 2020 estimate is 12,000 to 15,000 new home starts

The meeting adjourned at 10:45 a.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Susan A. Schist". The signature is written in a cursive, flowing style.