

# INTRODUCTION

*The worst that happens to you can be the best thing for you, if you don't let it get the best of you.*

UNKNOWN

THE REAL ESTATE MARKET has shifted drastically and dramatically. Sales volume and the number of transactions have dropped significantly. Inventory has reached an all-time high. Buyers have never been more reluctant. Fear is rampant, anxiety is high, and people are getting out of the business left and right. Sound familiar? Sure it does. The year was 1979 and that's what was happening all around me.

I was 22 years old, new to the industry, and new to Austin. I basically knew nothing and no one and still I sold six houses my first month in the business, five of which closed. Then the market collapsed—interest rates soared to over 18 percent, the marketplace fell into chaos, and I didn't close a sale for five straight months. By Christmas I was six months into my real estate career and broke.

My dad offered to help. Based on my growing database and the business I had in the pipeline, he loaned me \$500 to keep me going. The very next day my dad's faith in me was validated and I wrote a contract on a home for Jack and Dorothy Saul. Ultimately my hard work paid off and I ended my first twelve months hitting all my financial goals.

## **EIGHT YEARS LATER**

Fast forward to 1987 and it happened again. This time the government

changed tax laws, which had a disastrous effect: the market shifted. Seemingly overnight, the listing inventory went through the roof, sales transactions fell to the floor and our local real estate board went from over 5,000 members to below 2,000. Panic and confusion reigned. It felt like everybody was running helter skelter, looking for shelter but finding no place to hide. There was no escaping the shift.

By this time in my career I'd started my own company and we had become the tenth largest in the market. My competitors were going bankrupt all around me and the number of agents in my office abruptly dropped from more than seventy to below forty. To make matters worse, in the midst of getting my feet back under me and reestablishing my profit margin, a new competitor entered the picture. Five of my top ten associates and my entire administrative staff walked out the door. My business world was being assaulted from all sides. As bad as my first market shift experience was as an agent, it was even more devastating as an owner.

In the end I found my way through this shift just as I had before. And once again, I not only survived, I thrived and ultimately emerged stronger, more capable than ever. Less than two years after the shift, our company became number one in our market—a position never to be relinquished.

Are you facing a shift? If you are, you shouldn't be surprised. History repeats itself. This is not the first time real estate professionals have been in this position. What's happening to you today has happened before and is destined to happen again. Real estate markets shift. They always have and always will. And the business goes on. As bleak as things can look during shifts, when I look back I believe they've served as the genesis for everything I've become and the catalyst for all that I've achieved. In fact, I've come to see them as opportunities. So can you.