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MARCH 2015

Inland Valleys REALTOR®

THE OFFICIAL PUBLICATION OF THE INLAND VALLEYS ASSOCIATION OF REALTORS®

NAR Generational Survey:

Millennials Lead All Buyers, Most Likely to Use Real Estate Agent

PAGES 16-18

INLAND VALLEYS ASSOCIATION OF REALTORS®

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MARCH 2015

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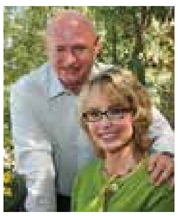

Two of America's most recognized heroes, **Gabby Giffords** and **Mark Kelly**, will discuss what it takes to transform personal tragedy into an endeavor in order to succeed.

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- His take on the current housing market

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Date: Thursday, April 30, 2015

Time: 11:00am
Location: Galleria at Tyler
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Go to my website to register, or contact me for more details.

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IVAR prepares for yearly visits with legislators to promote homeownership

MIKE STOFFEL,
2015 IVAR PRESIDENT

Each Spring, IVAR members join thousands of colleagues from across the state and the nation in visits to lawmakers in both Sacramento and Washington DC. These meetings help demonstrate the broad reach of the REALTOR community on issues such as property rights, homeownership and the myriad of state and federal policies which impact one of the core pillars of the American Dream.

On April 22nd, REALTORS® will hear directly from the leaders of the California Assembly. Assembly Speaker Toni Atkins and Republican Leader Kristin Olsen at a morning briefing before heading to the state Capitol to meet directly just about every elected leader in Sacramento. This day will feature some 2,000 REALTORS® engaging in more than 100 separate meetings with legislators.

A few weeks later, REALTORS® from across the nation will head to Washington D.C. to meet with members of Congress and the U.S. Senate. In more than 500 meetings over two days, REALTORS® will stress themes of homeownership, the importance of reliable and affordable mortgages, property rights and other topics that make the American Dream possible.

While specific legislation that members will discuss with lawmakers is still taking shape, there are a number of issues that are a regular part of these meetings and the broader message that REALTORS® bring to Capitols yearly. Here are a couple that remain part of REALTORS® priorities this year.

• This year, the California legislature will take up a proposal to create a sales tax on services. The primary point of the bill is to raise about $10 billion in new revenue. In fact, most of the proposal discusses how that money will be spent. However, a new sales tax on services would create significant new costs on real estate transactions. Commissions, lending, property inspections – virtually all aspects of a real estate transfer would be subject to a new sales tax. In addition to the revenue, these service providers would be subject to new compliance requirements and tax bills, raising costs even beyond the tax payment itself.

• In Washington DC, REALTORS® have been actively working to protect the 1031 exchange. This part of the tax code allows owners of any investment property to temporarily defer taxes by selling and buying "like" properties – essentially rolling one investment into another. The provision has been part of the tax code almost from the moment the capital gains tax was created. In more than 80 years, it has been an important way for small businesses and families to gain temporary relief as they build their investment.

While these events are high profile opportunities to make a difference, it doesn't stop there. Under the leadership of our Board of Directors, IVAR engages in these types of conversations daily at the local level and works with partners at C.A.R. and N.A.R. to support the mission at the state and federal level. You can be part of our team by joining our Housing Policy Committee, stepping up to be part of our Local Candidate Recommendation Committee or simply keeping up to speed on these and other issues. As always, please contact Government Affairs Director Paul Herrera at 951.500.1222 or pherrera@ivaor.com to learn more.

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GOVERNMENT AFFAIRS UPDATE

PAUL HERRERA,
GOVERNMENT AFFAIRS DIRECTOR

Since 1921 – or just a few years less than the existence of a capital gains tax – real estate investors in the U.S. have benefited from section 1031 of the code. In the world of real estate investing, section 1031 may as well have come down on stone tablets. It has survived nearly a century of tweaks in the tax code.

This year, Congress may have found a chisel. The 1031 exchange is getting close scrutiny. If this part of the tax code means anything to your business or your clients, it's time to get up to speed on the discussion.

For those unfamiliar, section 1031 allows real estate investors to roll from one investment to another, "like" property or property portfolio while deferring capital gains taxes. The key word here is "deferred." Capital gains taxes will be due someday. The specific details are, of course, more complicated than the theory. For more specific information on section 1031, its uses and eligibility, please look up the National Association of REALTORS® Field Guide to 1031 Exchanges at www.realtor.org/field-guides/field-guide-to-1031-exchanges; or simply look up 1031 exchanges at www.realtor.org.

Last year, Congress considered and discarded several tax reform options that would have eliminated or significantly restricted the use of 1031 exchanges for tax deferment. Those critical of the law see a tax loophole for the wealthy.

The reality is quite a bit more complicated – as is typical of the U.S. tax code. According to IRS data, individuals use this section of the tax code more often (sometimes at twice the rate) as corporations and partnerships combined. This is likely due to the broadly defined nature of 1031 exchange. It doesn't limit its use to those who can spring for a team of lawyers. Since most people prefer to stiff arm the tax man as long as they can, it's no surprise that, given the choice, individuals make use of 1031 exchanges more than corporations and partnerships.

Unfortunately, facts aren't always enough to keep good policy alive. That's why REALTORS® are going to work to help defend 1031 exchanges – first with knowledge, then with action. Please take a few moments to look up the field guide resources listed above to get up to speed on the issue. Then, if you or one of your clients are among the millions who have benefitted from the law, let us know that you would like to lend your voice to our efforts.

We're specifically interested in learning how 1031 exchanges have helped small businesses to survive and thrive, or families building retirement savings. The data shows that many of the beneficiaries of 1031 tax deferments, help us put some names, faces and stories to that data.

To respond to the issue, contact Government Affairs Director Paul Herrera at pherrera@ivaor.com, or by phone at 951.500.1222.

Seller and Buyer Counter Offer Numbering; Revised Independent Contractor Agreement

Seller (SCO) and Buyer (BCO) Counter Offer Numbering

As part of the November forms release the former Counter Offer (CO) was replaced by two new forms, the Seller Counter Offer (SCO) and the Buyer Counter Offer (BCO). This was primarily done so that the proper parties' names could be inserted in the correct lines and the form could be pre-tagged for signature.

However, in the field, users were confused about how to number the counter offers. Should they be numbered SCO 1, followed by BCO 1 (since it is the first buyer counter offer), followed by SCO 2 and then BCO 2, etc? Or should they be numbered sequentially as with the former CO: SCO 1, BCO 2, SCO 3, BCO 4, etc? The Hot Line received many calls asking which was the correct or "legal" way to number the counter offers. In reality the numbering is merely a way to keep track of the sequence of counter offers and either method is legal. Of course the date of the counter offers can be helpful as well.

During the January Directors' meetings, the Standard Forms Advisory Committee presented this issue at the open Forum on Forms meeting and found that the sentiment was about evenly split as to the proper format. What the members really seemed to be asking was that the SFAC make a recommendation.

As a consequence, the SFAC recommends that the counter offers be numbered as follows: SCO 1, BCO 1, SCO 2, BCO 2, SCO 3, BCO 3, etc. In zipForms the SCO and the BCO will have six copies prenumbered 1 through 6, i.e. SCO 1, 2, 3, 4, 5, 6, and BCO 1, 2, 3, 4, 5, 6. The printed forms will not be prenumbered.

Revised Independent Contractor Agreement

In February 2011 a California appellate court found that arbitrations between a broker and a salesperson must be conducted under arbitration rules typical of employment agreements. To be valid the arbitration agreement must include cost caps and pre-agreed rules among other things. As a result C.A.R. removed the arbitration clause from its Independent Contractor Agreement (ICA). Since that time brokers have been subject to costly class action lawsuits challenging the independent contractor status of associate-licensees.

As a result C.A.R. has revised its ICA to include an arbitration agreement to address both the requirements of the 2011 case as well as other cases regarding class action waivers. The new page-long clause provides that:

- The parties must first attempt mediation before resorting to court or arbitration
- All unresolved claims must be arbitrated - except claims between broker and associate-licensee and a client
- JAMS (Judicial Arbitration and Mediation Services) rules shall apply
- Broker pays costs greater than those associate-licensee would pay if case brought in court
- The arbitrator will apply substantive law and statute of limitations
- Only individual claims - class action waived
- The arbitration is confidential
- Associate-licensee must initial separately for the clause to apply

Even though the new clause is drafted carefully, this area of the law is in a state of flux. Brokers may also be paying more than they would if the claim were brought by an individual in court. This must be balanced against the class action waiver and confidentiality. If brokers want to take advantage of the new clause, they will need to have existing associate-licensees sign new ICAs. Of course, brokers need to carefully consider the new clause and determine for themselves if it is beneficial to their business. If brokers do not want the arbitration clause to apply, simply instruct the associate-licensee to not initial the clause, and if the broker wants to make sure the matter will be heard in court, they may cross out the entire clause 12 and initial the cross-out.


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Housing Data – February 2015

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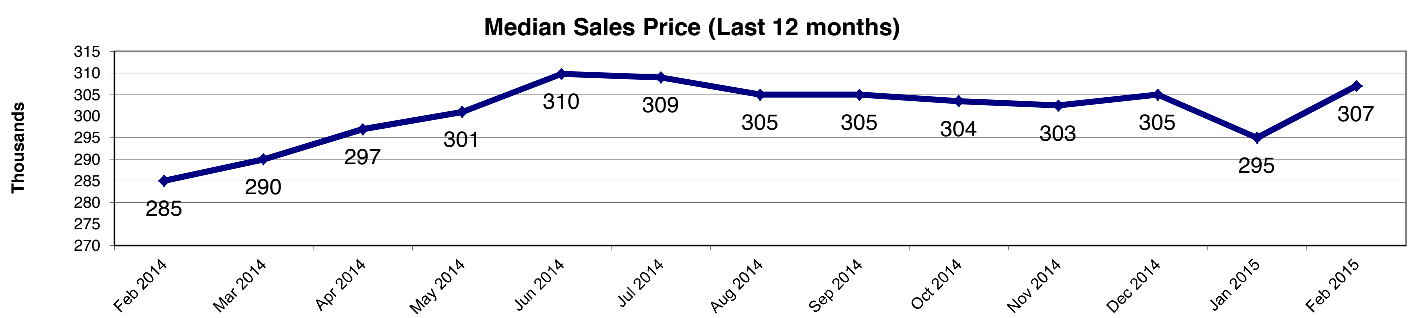
Mark Dowling, Chief Executive Officer

Welcome to the Inland Valleys Association of REALTORS (IVAR) monthly housing update. As a member benefit, IVAR produces monthly and quarterly housing reports to help members and area leaders better understand what's going on in the regional housing market. When reviewing the latest housing data from the region, there are a few noticeable trends emerging over the last several months:

· "Pending Sales" experienced a significant year-over-year increase of 21% for the month of February.
· Although "Sold Listings" were down 4%, due to the increase in "Pending Sales", there should be a resulting increased in "Sold Listings" in the coming months
· January's "Median Sales" price dropped below $300,000 for the first time in seven months, however February's "Median Sales Price" jumped back up to $307,000
· "Cumulative Days on Market" continues to exceed 70 days, demonstrating a slight decrease in demand

	Feb-2014	Feb-2015	Annual Change
New Listings	4,362	4,541	4%
Pending Sales	3,030	3,857	21%
Sold Listings	2,461	2,364	-4%
Median Sales Price	$285,000	$307,000	7%
Sales Volume ($M)	$773	$789	2%
Price/Sq.Ft.	$162	$170	5%
Sold $/List $	98.98%	97.73%	-1%
Days on Market	41	59	31%
CDOM	50	73	32%

All data used to generate these reports comes from the California Regional Multiple Listing Service, Inc. If you have any questions about the data, please call the CRMLS Customer Service Department between the hours of 8:30am to 9:00pm Monday thru Friday or 10:00am to 3:00pm Saturday and Sunday at 800-925-1525 or 909-859-2040.



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The following monthly data shows "YEAR-OVER-YEAR" (YOY)changes as well as current conditions in the real estate market

	YOY Sales Transactions	YOY Median Sales Price %	Median Sales Price $	Price per Sq.Ft.	Total Days on Market
Alta Loma	50%	24%	$ 500,000	$ 267	120
Banning	-5%	18%	$ 180,000	$ 136	89
Beaumont	14%	13%	$ 265,999	$ 122	72
Bloomington	22%	-16%	$ 235,000	$ 160	42
Canyon Lake	12%	-10%	$ 349,900	$ 174	70
Chino	-17%	3%	$ 395,000	$ 207	78
Chino Hills	51%	14%	$ 565,000	$ 281	77
Claremont	11%	-16%	$ 435,000	$ 307	57
Colton	-3%	31%	$ 229,000	$ 162	31
Corona	-8%	3%	$ 385,000	$ 208	77
Diamond Bar	-5%	20%	$ 628,000	$ 344	89
Eastvale	-10%	-4%	$ 460,000	$ 165	72
Fontana	-18%	11%	$ 315,000	$ 183	64
Grand Terrace	500%	6%	$ 316,500	$ 168	85
Hemet	6%	29%	$ 175,000	$ 113	90
Highland	-6%	-6%	$ 222,000	$ 166	80
Jurupa Valley	-6%	33%	$ 339,900	$ 210	62
Lake Elsinore	4%	10%	$ 275,000	$ 145	86
Loma Linda	22%	20%	$ 320,000	$ 175	97
Menifee	2%	3%	$ 285,000	$ 141	68
Montclair	-13%	-3%	$ 321,114	$ 201	25
Moreno Valley	-3%	8%	$ 245,000	$ 139	68
Murrieta	-3%	1%	$ 327,500	$ 153	80
Norco	13%	19%	$ 509,000	$ 222	106
Ontario	-20%	7%	$ 320,000	$ 225	56
Perris	-5%	19%	$ 240,000	$ 127	70
Pomona	-37%	0%	$ 295,000	$ 235	57
Rancho Cucamonga	-12%	8%	$ 400,000	$ 235	67
Redlands	18%	2%	$ 299,900	$ 198	68
Rialto	7%	8%	$ 260,000	$ 163	73
Riverside	-2%	14%	$ 310,000	$ 183	90
San Bernardino	-18%	9%	$ 180,000	$ 145	70
San Dimas	25%	10%	$ 473,000	$ 293	60
San Jacinto	15%	14%	$ 210,000	$ 104	96
Sun City	-48%	13%	$ 186,000	$ 148	80
Temecula	-5%	3%	$ 378,000	$ 180	71
Upland	2%	-19%	$ 420,000	$ 254	72
Wildomar	-10%	5%	$ 292,500	$ 137	53

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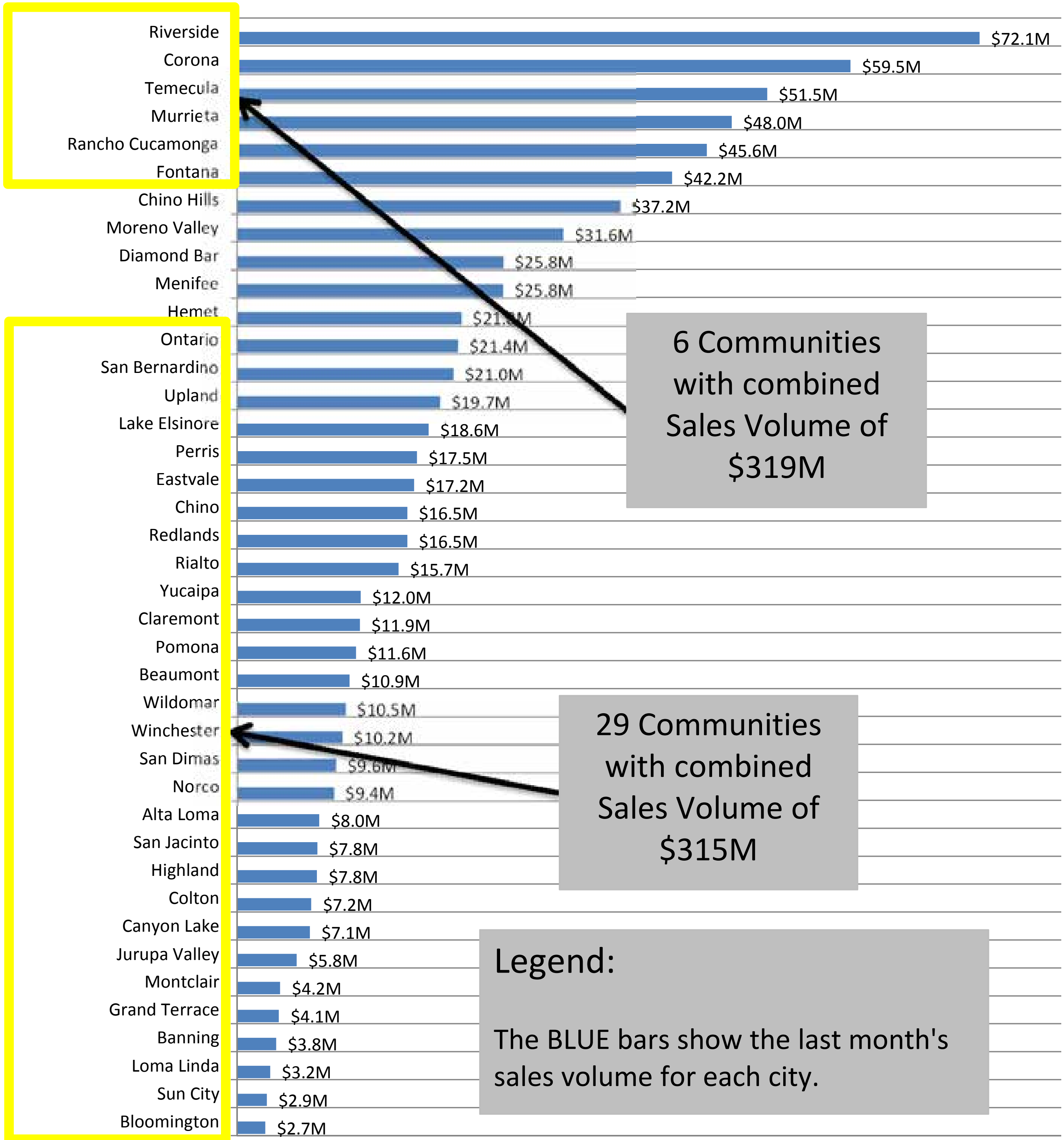

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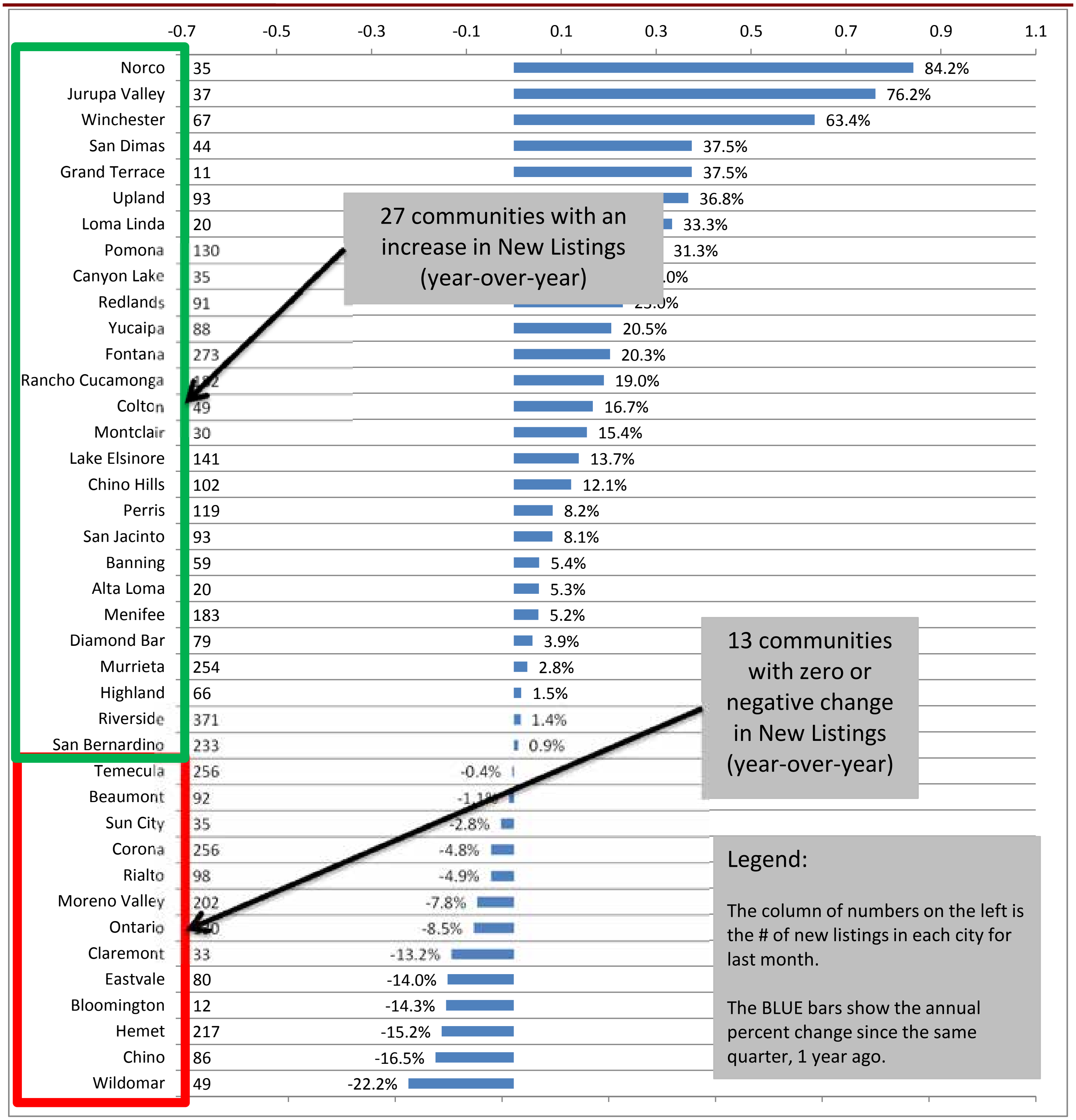

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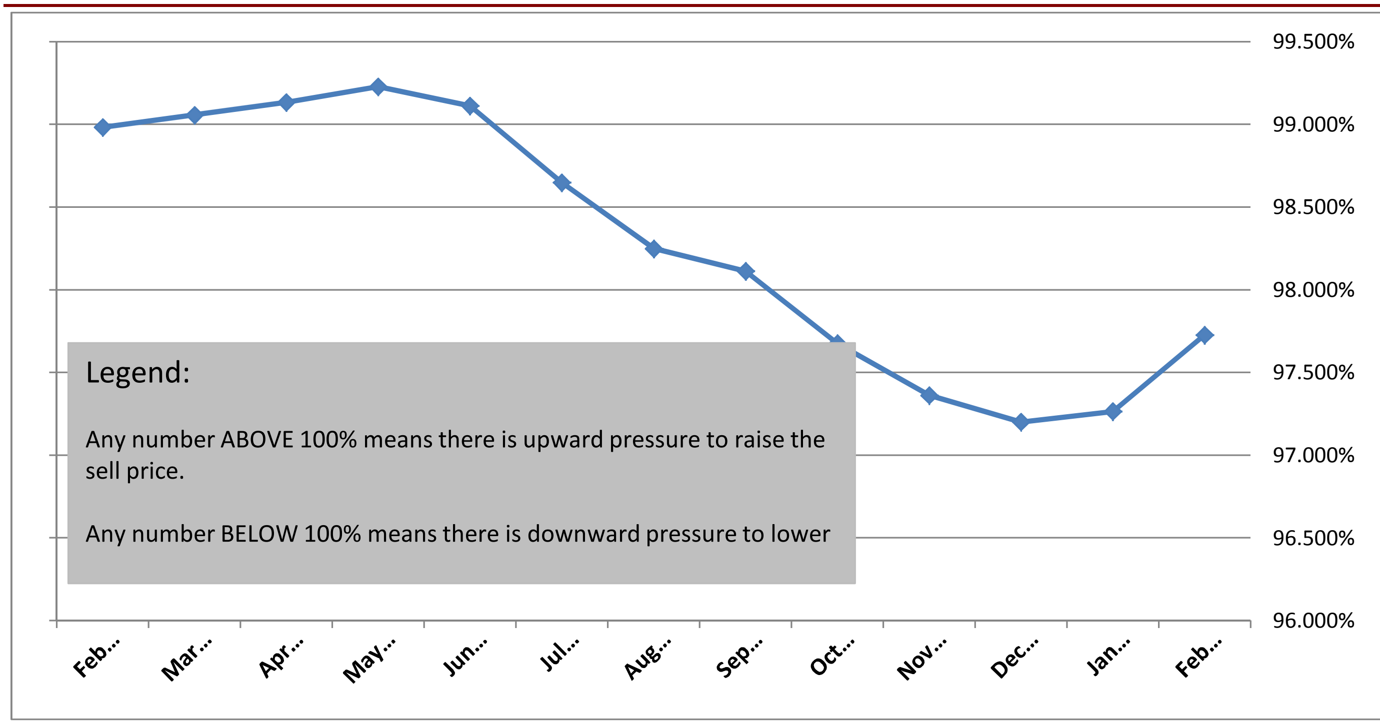

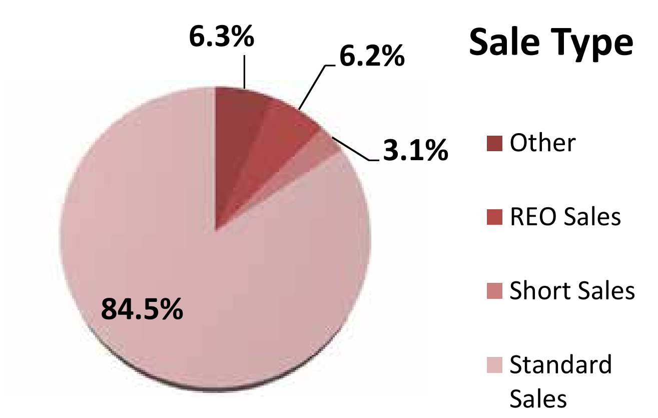

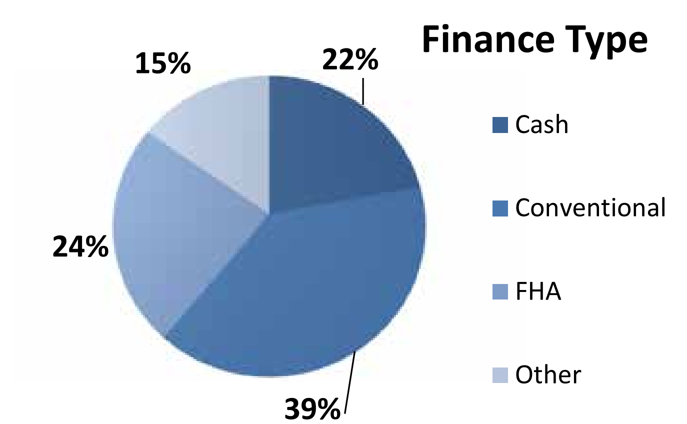

The IVAR team has worked hard to improve services and make IVAR a better business association. IVAR is committed to defining its service and building member relationships not with promotional gimmicks and giveaways, but rather by refining a business-minded approach to serve our members' professional needs with our problem-solving approach. By focusing on value-added services, IVAR is committed to being the board of choice for Inland Empire REALTORS.

If you have any questions or suggestions on how IVAR can provide better services, please feel free to contact us.

Mark Dowling, Chief Executive Officer

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NAR Generational Survey:

Millennials Lead All Buyers, Most Likely to Use Real Estate Agent

MEDIA CONTACT: ADAM DESANCTIS / 202-383-1178

WASHINGTON (March 11, 2015) – Despite the economic and financial challenges young adults have braved since the recession, the millennial generation represented the largest share of recent buyers, according to the 2015 National Association of Realtors® Home Buyer and Seller Generational Trends study, which evaluates the generational differences of recent home buyers and sellers.

The survey additionally found that an overwhelming majority of buyers search for homes online and then purchase their home through a real estate agent, with millennials using agents the most.

For the second consecutive year, NAR's study found that the largest group of recent buyers was the millennial generation, those 34 and younger, who composed 32 percent of all buyers (31 percent in 2013). Generation X, ages 35-49, was closely behind with a 27 percent share. Millennial buyers represented more than double the amount of younger boomer (ages 50-59) and older boomer (60-68) buyers (at 31 percent). The Silent Generation (ages 69-89) made up 10 percent of buyers in the past year.

Lawrence Yun, NAR chief economist, says the survey highlights the untapped demand for homeownership that exists among young adults. "Over 80 percent of millennial and Gen X buyers consider their home purchase a good financial investment, and the desire to own a home of their own was the top reason given by millennials for their purchase," he said. "Fixed monthly payments and the long-term financial stability homeownership can provide are attractive to young adults despite them witnessing the housing downturn and subsequent slow recovery in the early years of their adulthood."

With millennials entering the peak buying period and expected to soon surpass boomers in total population, Yun believes the share of millennial purchases would be higher if not for the numerous obstacles that have slowed their journey to homeownership. "Many millennials have endured underemployment and subpar wage growth, and rising rents and repaying student debt have made it very difficult to save for a downpayment. For some, even forming households of their own has been a challenge."

According to the survey, 13 percent of all home purchases were by a multi-generational household, consisting of adult siblings, adult children, parents and/or grandparents.

The biggest reasons for a multi-generational purchase were cost savings (24 percent) and adult children moving back into the house (23 percent). Younger boomers represented the largest share of multi-generational buyers at 21 percent, with 37 percent of those saying the primary reason for their purchase was due to adult children moving back into their house.

"Even though the share of first-time buyers has fallen to its lowest level since 19871, young adults in general are more mobile than older households," adds Yun. "The return of first-time buyers to normal levels will eventually take place in upcoming years as those living with their parents are likely to form households of their own first as renters and then eventually as homeowners."

Characteristics of Buyers

The median age of millennial homebuyers was 29, their median income was $76,900 ($73,600 in 2013) and they typically bought a 1,720-square foot home costing $189,900 ($180,000 a year ago). The typical Gen X buyer was 41 years old, had a median income of $104,600 ($98,200 a year ago) and purchased a 1,890-square foot home costing $250,000 (same as last year).

Seventy-nine percent of all buyers considered their home purchase a good financial investment, with millennials (84 percent) and Gen X (82 percent) having the highest share, followed by younger and older boomers (both 77 percent), and the Silent Generation (72 percent).

Generation X buyers (68 percent) were the most likely to be married, younger boomers had the highest share of single female buyers (23 percent), and millennial buyers were more likely (compared to other generations) to be an unmarried couple (14 percent).

When asked about the primary reason for purchasing a home, a desire to own a home of their own was highest among millennials at 39 percent. Younger boomers were the most likely to buy because of a job-related relocation or move, and a change in a family situation – likely the birth of a child – was the highest (13 percent) among Gen X buyers. Older boomers (at 15 percent) were the most likely to buy because of retirement.

Searching for and Buying a Home

Regardless of their age, buyers used a wide variety of resources in searching for a home, with the Internet (88 percent) and real estate agents (87 percent) leading the way. Millennials were the most likely to use a real estate agent, mobile or tablet applications, and mobile or tablet search engines during their search; Gen X buyers were the most likely to use an open house.

Although the Internet was the top source of where millennials found the home they purchased (51 percent), they also used an agent to purchase their home at a higher share (90 percent) than all other generations.

NAR President Chris Polychron, executive broker with 1st Choice Realty in Hot Springs, Ark., says the survey results highlight the fact that while the Internet is widely used during the home search process, the local market knowledge and expertise a Realtor® provides is both valued and highly sought by buyers of all ages.

"Nothing can replace the real insights and guidance Realtors® deliver to help consumers navigate the complex buying and selling process," adds Polychron.

Although most purchases by all generations were in a suburban area, the share of millennials buying in an urban or central city area increased to 21 percent in the past year (19 percent a year ago), compared with only 12 percent of older boomers (unchanged from a year ago). Older boomers

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and the Silent Generation were more likely to buy in a rural area (18 percent each). Buyers' median distance from their previous residence was 12 miles, with older boomers moving the furthest at a median distance of 30 miles.

The majority of all buyers (79 percent) purchased a detached single-family home. Gen X buyers represented the largest share of single-family homebuyers (85 percent), and the Silent Generation was the most likely to purchase a townhouse or row house (10 percent). A combined 7 percent of millennial buyers bought an apartment, condo or duplex in a building with two or more units.

Among the biggest factors influencing neighborhood choice, millennials were most influenced by the quality of the neighborhood (75 percent) and convenience to jobs (74 percent). Convenience to schools was most desired by Gen X buyers and proximity to health facilities by the Silent Generation.

Millennials plan to stay in their home for 10 years, while the baby boom generation as a whole plans to stay for a median of 18 years.

Financing the Purchase

NAR's study found that 88 percent of all buyers in the past year financed their purchase. Millennials (97 percent) and Gen X (96 percent) were more likely to finance than older boomers (72 percent) and the Silent Generation (61 percent). The median downpayment ranged from 7 percent for millennial buyers to 20 percent for older boomers.

Younger buyers who financed their home purchase most often relied on savings for their downpayment, whereas older buyers were more likely to use proceeds from the sale of a primary residence. Younger buyers also were more likely to receive a gift from a relative or friend, typically their parents, cited by 25 percent of millennials and 15 percent of Gen X.

Twelve percent of all recent buyers had delayed their home purchase due to outstanding debt. Among the 22 percent of millennials who took longer to save for a downpayment, 54 percent cited student loan debt as the biggest obstacle – down slightly from 56 percent a year ago.

Younger buyers were more likely to finance their purchase with a low downpayment Federal Housing Administration-backed mortgage, whereas older buyers were more likely to obtain a mortgage through the Veterans Affairs loan program.

Characteristics of Sellers

Gen X homeowners represented the largest share of sellers in the past year (27 percent), followed by older boomers (23 percent) and younger boomers (20 percent). The older the seller, the longer he or she was in the home. Millennials had been in their previous home for a median of five years, while older boomers and the Silent Generation stayed for 13 years.

Younger sellers were more likely to need a larger home or move for job relocation. In comparison, older buyers wanted to be closer to family or friends, said their home was too large, or were moving due to retirement.

The survey additionally found that Gen X sellers were the most likely to have wanted to sell earlier but were stalled because their home had been worth less than their mortgage (23 percent compared to 16 percent for all sellers).

Sellers moved a median distance of 20 miles, with boomers and the Silent Generation moving further distances and downsizing to a smaller-sized home.

A combined 60 percent of responding sellers found a real estate agent through a referral by a friend, relative or neighbor, or used their agent from a previous transaction. Eighty-three percent are likely to use the agent again or recommend to others.

While all sellers wanted help in marketing their home to potential buyers, younger sellers were more likely to want their agent to help with pricing the home competitively or selling within a specific timeframe.

NAR mailed a 127-question survey in July 2014 using a random sample weighted to be representative of sales on a geographic basis. A total of 6,572 responses were received from primary residence buyers. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 9.4 percent. The recent homebuyers had to have purchased a home between July of 2013 and June of 2014. Because of rounding and omissions for space, percentage distributions for some findings may not add up to 100 percent.

All information is characteristic of the 12-month period ending in June 2014 with the exception of income data, which are for 2013.

The 2015 NAR Home Buyer and Seller Generational Trends study is posted at: http://www.realtor.org/reports/home-buyer-and-seller-generational-trends.

The National Association of Realtors®, "The Voice for Real Estate," is America's largest trade association, representing 1 million members involved in all aspects of the residential and commercial real estate industries.

1NAR's 2014 Profile of Home Buyers and Sellers found the share of sales to first-time buyers dropped 5 percentage points from 2013 to 33 percent, representing the lowest share since 1987 (30 percent).

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Networking
IVAR Breakfast Meeting
8:00am – 9:30am
IVAR Riverside Office

MONDAY, APRIL 6TH
Education
CRMLS Free Training
10:00am – 12:00pm
IVAR Rancho Cucamonga Office

THURSDAY, APRIL 9TH
Education
45 Hour License Renewal
9:00am – 10:30am
IVAR Rancho Cucamonga Office

WEDNESDAY, APRIL 15TH
Education
Fundamentals of Transaction Coordination
9:00am – 12:00pm
IVAR Riverside Office

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Where Are You Leading Your Online Leads?

First, choose the right method for generating Internet leads. Then, here's what to do next.

NOVEMBER 2014 | BY GRAHAM WOOD

It's unlikely that every lead you get online is an actionable one. Leads pour in from real estate portals and other sources, but many of them aren't buyers or sellers who are anywhere near taking the plunge into the market. So how do you get higher-quality leads, and what do you do to get the best chance at snagging their business?

At the "Building the Intelligent Internet Lead" session during the REALTORS® Conference & Expo in New Orleans, four top-producing real estate professionals opened up about where they find leads and how they go after them. What became clear is that there is no "silver bullet," as one of them put it. You can refine your lead generation with a fine-toothed comb, but it's up to you to decide the most effective way to spend your time — whether you should buy leads or troll for them yourself — and where you should go from there.

What's the Best Method for Getting Leads?

Mariana Wagner, Keller Williams Realty, Colorado Springs, Colo.: "I used to spend my time going after more organic leads, and that worked well for me," Wagner said. But as she built her real estate team, the Wagner iTeam, with her husband, Derek, she needed to manage her time more efficiently. She found the spending a little more money on lead generation was the right route for her.

"The best use of my time and my money is to buy leads," she said. Wagner uses Leads Today, a company that creates neighborhood maps pinpointing FSBOs and expired and new listings, along with all the sellers' relevant contact information (including names, phone numbers, e-mail addresses, and social media profiles). "People who log in to these lead-generation systems and put their information in — they're serious. They've been the best sources for us."

Wagner said she also gets a lot of listing leads through Facebook ads that she creates. These two methods have helped her team close four to six transactions a month, she said.

Lane Hornung, e-PRO®, founder and CEO of 8Z Real Estate, Boulder, Colo.: "Organic SEO has been a great lead generator, but that world is changing because the big real estate portals are playing at a very high level nationally," Hornung said. "Getting your search results in the top 10 is getting harder."

Particularly for new agents, Hornung recommended not focusing on SEO because of the overly competitive landscape — "unless you're trying to win on a hyperlocal level, which agents can still do," he said. Hornung says he focuses most of his company's lead-generation efforts on pay-per-click Google ads and Facebook ads.

"We feel like we can control the experience there" as opposed to advertising on real estate portals, where you lose a lot of control over how the ad is placed, Hornung said. "Plus, Google and Facebook are not real estate brands."

Christine Dwiggins, SRES, vice president of marketing at NextHome, San Francisco: For a franchise like NextHome, which provides its members with their own real estate websites, the key is to not overwhelm potential clients with bothersome forms. Dwiggins said that's an easy way to turn off potential clients.

"People don't want to be hounded by filling out forms and being captured as a lead," she said. "They want to ask questions when they're ready."

Dwiggins said NextHome gets leads from several different sources and distributes them to its brokers and agents. One big source is online real estate portals. But the company doesn't focus on capturing leads coming to its own sites. Instead, it focuses on "creating an experience for our users," Dwiggins said.

Audie Chamberlain, vice president of marketing at The Partners Trust, Beverly Hills, Calif.:Online leads aren't the bread and butter of Chamberlain's company, he said. "In our market, 80 percent of leads come from referrals," Chamberlain noted. "We see Internet leads as an emerging market."

But he sees two sources as primary when thinking about where consumers go to find a practitioner: LinkedIn and the big real estate portals. "For organic online leads, you have to get your LinkedIn profile bulletproof," he said. "But you have to think about where the audience is going. In our market, they love to go to the portals."

So The Partners Trust, he said, is beginning to advertise more on portals. In four months, such advertising has brought the company more than 100 leads a month. But it's still early, and the company is still refining its strategy to get online leads.

"We're not putting much more of an effort into it other than time," Chamberlain said.

What Do You Do After You Get the Leads?

Wagner: "You have to follow up with a lead within five minutes," Wagner said. She knows that when she gets a lead, she's usually not the first agent that lead has made contact with. "Way more than half the time, the seller says, 'You are the first person to call me back.' We pretty much have the listing then if we want it."

She cautioned pros not to rely on e-mail as a primary means of first contact with a lead. "We get leads in our spam boxes sometimes," she said. "So can you imagine how many of our follow-up emails land in spam boxes?"

After making an initial phone call, Wagner sends a handwritten card to a lead the same day. But what you call a lead back and don't get an answer?

"We keep calling until we get a hold of them," Wagner said. "If they don't respond in a week, we drop them into our 'long-term nurture plan,' so they start receiving our newsletters and other correspondence."

Hornung: Real estate professionals aren't lazy, Hornung said. They just can't respond to every lead that comes there way because it doesn't make much economic sense.

"One of the decisions we have to make is whether this person is worth our time right now, and maybe you don't need to follow up on that person right now," he said.

Hornung's company employs a "client care team" staffed with people who make the first point of contact with a lead. They call leads and find out whether they are selling or buying or both and which neighborhoods they are looking in, and then the client care representatives tell the leads a little bit about the agent they will be working with.

"It gives our agents what I call 'hand-crafted leads,'" Hornung said. "They've got even more information about the lead before the agent makes the first call. When the hand-off from client care to agent happens, we expect the agent to act quickly."

He cautioned, though, that hand-offs can be fumbled. It's important that the client care team fully understand their duties, he said.

"Whether you're an individual agent, a team, or a brokerage, you can put someone in between you and the raw lead," he said. "It makes a better experience for the agent and the client. But it's not a good use of your time to follow up on unscrubbed Internet leads."

Chamberlain: "There is no silver bullet" when it comes to how to pursue a lead, Chamberlain said. "We live in an Uber world — consumers today can get anything in real time at the touch of a button. For real estate, we're not there yet with all of these other apps that our clients are using."

Ultimately, it's about the personal connection, he said. And he encouraged "newer, hungrier associates" to take on the challenge of making faster, smarter contacts with leads.

He spoke of an agent only seven months into his real estate career who decided to double down on leads he was paying for from real estate portals. It wasn't as much about how quickly he contacted them but the quality of his message once he got them on the phone.

"He goes into each lead fearlessly: 'I know you've sent this inquiry to three or four other people, but I'm here to help you,'" Chamberlain relayed. "That agent has closed six deals in seven months. Your goal is to take that Internet lead offline."