



## Watters International Realty Predicts 2019 Real Estate Trends

*CEO Chris Watters Sees Rising Interest Rates, Downward Pressure On Pricing And More*

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With recognition from publications such as Inc. 500 and The Wall Street Journal through its ranking in the Top 100 in both Sides and Volume of the REAL Trends 500, Watters International Realty has its finger on the pulse of the real estate industry.

Since founding Watters International Realty in 2010, CEO Chris Watters has successfully navigated a myriad of industry changes and fluctuations, growing the company to one of the most compelling in real estate today. That's what led Watters to write *The Million Dollar Real Estate Team*, detailing his experience going from zero to earning \$1 million after expenses in just three years. Watters now heads one of the fastest growing real estate franchises in North

America, and he credits the success of his company's team model to its continued ability to stay in step with and ahead of trends.

According to Watters, an increased amount of capital was infused into real estate from business and financial institutions in 2018. As a result, companies are now buying homes in bulk with no agents representing the seller. "These companies are raising hundreds of millions of dollars in test markets around the U.S. in an effort to solve the issue of liquidity for homeowners. The downside to this, however, is that these homes are selling at below market value," he said, adding that he is not convinced this business model is recession-proof. The CEO noted that national real estate companies are attempting to scale as discount brokerages but are having a difficult time. While third-party platforms continue to offer discounts to sell homes, Watters says they are losing money and therefore narrowing in on the price points and areas where they will service clients, leading to restrictions that are off-putting to the masses. He notes that these companies usually charge more than advertised and upsell in commission, diminishing their models' sustainability. Watters said that technology will continue to help agents automate processes to increase efficiency this year. "Currently, about 80 percent of an agent's time is spent trying to find clients as opposed to actually servicing the clients," said Watters, adding that because identifying qualified clients is incredibly time-consuming, automation, artificial intelligence-powered bots and other technology built to help systematize the lead follow-up process will create more time for client engagement and communication. This can valuably enhance user experience and help clients feel better about the home buying or selling process. According to Watters, a major real estate trend in 2019 will be rising interest rates and downward pressure on pricing. "From the economic perspective, pricing will be more stagnant and we won't see much appreciation," he said, adding that while lower priced homes will continue to appreciate, homes over \$400,000 will take much longer and ultimately be harder to sell. "This doesn't bode well for the luxury market," said Watters. Watters credits his company's ability to be ahead of trends to extensive market research, noting that every market is different. "Our agents are trained to calculate market absorption rates for every neighborhood they are selling in. We have created a sales model based on this information and as a result, we can advise clients on how to price their homes to capitalize on the appreciating market, or, to the contrary, how to avoid the downside of a depreciating market," he said.

Watters said that calculating these numbers for specific locations, beyond just pulling comps, helps consumers stay ahead and prevents them from chasing the market down. "Historical results don't dictate future results," said Watters. "This education and trained expertise will continue to be a key differentiator for us."