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Home builders are spending big bucks and dishing out heaping helpings of hospitality during what has become the summer of love in the Phoenix new-home market.

The objects of their affection? The real estate agents they spurned during last year's housing boom.

The wooing has agents sipping wine and tossing down hors d'oeuvres in Buckeye, networking to live music in Chandler, munching free sandwiches in Florence and cashing fat commission checks.

It was a different world in Phoenix housing last year at the peak of the boom. With buyers camping out at subdivisions, builders didn't need agents to bring them prospects. Builders, looking to maximize their profits, cut agents' commissions or started paying flat fees, if they paid any fees at all.

That angered a lot of agents, who felt that builders were abusing the long-standing relationship between the people who sell homes and those who build them.

But the tables have turned. Demand has evaporated, and builders are trying to get cozy with agents again, throwing parties and offering big fees - commissions of 4 to 5 percent - for selling houses fast. The typical commission is 3 percent.

"I've been in the business over 23 years, and I haven't seen these kinds of commission incentives," said Margie O'Campo de Castillo of Arizona Dream Realty in Phoenix. "There's a lot of crazy stuff out there right now."

Maybe not crazy enough. Agents say builders don't realize the depth of the lingering animosity. At a time when new-home sales are down 22 percent in the Valley and Wall Street is pushing for better performance, builders need all the shoppers they can get.

Yet some agents are steering clear of new subdivisions unless clients ask to see homes there. It's payback, they say, for builders who got greedy in a runaway market in which builders raised prices with impunity and slashed commissions. Money and parties may not be enough to restore the relationship.

"It's not a good feeling to feel like you are expendable," said Brett Barry of Realty Executives in the northeast Valley. "We don't get a lot of respect anyway, and the builder community, at that time, didn't show us any respect. They said, 'We really don't need you.' Maybe the builders don't feel they are in a crisis, but right now they need every buyer they can get."

Builder events on the rise

Home builders and real estate agents have always maintained a connection. Builders and developers have established programs for showing their product, giving agents an advance glimpse at special events.

The events have the elements of a time-share presentation and happy hour.

Some developers have "thank you" events such as golf outings to help keep agents happy.

Agents say builders have drastically increased the events this year as traffic and sales have slumped and cancellations have driven up the number of unsold "spec" houses across the Valley.

The number of new empty Valley homes is up 50 percent from the end of 2005, according to real estate analysis firm Metrostudy. The homes included in the analysis are typically ones built on the speculation that buyers would come or presold homes where deals fell through.

Missy Cox of Keller Williams Professional Partners in Goodyear said she sometimes goes to builder events to catch up on new-home offerings.

"Just the fact that they are even inviting you is different," she said. "They didn't do anything last year."

The Verrado community in Buckeye recently hosted an event for agents. DMB Associates, the Scottsdale company that developed Verrado, wanted to give agents the lowdown on two new neighborhoods in the growing West Valley and show off Verrado's new wine-and-pizza restaurant.

DMB overhauled its agent-relations program four months ago. Ryan Peterson, marketing manager for DMB at Verrado, said the update wasn't prompted by agent discontent.

"It's not a reaction to that," he said. "It's a reaction to 'Are we providing what they need?' We haven't heard of any problems."

Repairing relationships

It's unclear whether builders will be able to mend fences with agents. Some agents note that there are more reasons than leftover bad vibes to show resale, rather than new, houses.

Builders pay their co-broke percentage on the base price of the house, before the buyer adds the thousands of dollars in options that typically go into a new home. Also, agents don't receive their commission on the new home until the sale closes. Valley construction times are running six months, often longer. Resale deals close faster and the house is fully valued, at least by current market conditions.

"I feel like we get gamed a little bit by the builders," Barry said. "I get my commission check from the builders and roll my eyes and say, 'I know my buyers paid more than that.' But it's better than nothing."

Builders talk up the importance of agents, saying they create buzz for a new project. Jacque Petroulakis, spokeswoman for Pulte Homes, said her company has a new newsletter that is e-mailed to agents. Pulte also is continuing its special events.

"Realtors are a renewed focus for many builders."

Pulte's customers typically are not buying their first home, Petroulakis said. She said many of them have relationships with agents, making it important for Pulte to cultivate agents.

"We sell to the demographic that is heavily co-broked," she said. "That buyer is typically not buying for first or second time. They are the repeat buyer and see value in having Realtor expertise."

Some real estate professionals believe that builders and agents will patch it up. They say there's too much financial and professional incentive not to do so.

Kevin McClure, owner of Powerhouse Realty in Scottsdale, said some of the resentment by agents against builders is dissipating just because there are so many new agents coming into the business who didn't live through last year's boom. Count him as one who thinks agents and builders will kiss and make up.

"The relationship we share with home builders is so symbiotic," he said.

"If they stop building, we're going to run out of houses. Our relationship is a long-term relationship. We need builders whether we are happy with what they did or not. And the builders need us."

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