



\$100,000 Mistakes Home Sellers Make Before Listing | Gina Mullen

Transcript

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ROBERT CASEY: Today we are joined by Gina Mullen, founder of Gina Mullen Realty Group. Gina has been recognized by Real Trends and D Magazine as one of the top real estate professionals in the DFW area. She and her team have also been recognized as one of the top real estate companies in the entire nation. We are thrilled to have her here, and we're going to take a deep dive into the seller side of the market today.

So, if you're thinking about putting your house on the market and selling it, or you already have it on the market, this conversation is for you. Gina, welcome.

GINA MULLEN: Thank you so much, Robert. Thank you for having me.

ROBERT CASEY: Before we jump into the questions, I would love to hear a little bit about you and how you got into this industry. What made you the beast you are today?

GINA MULLEN: Sure. I was in the legal industry for twenty years, and I was a board-certified paralegal. In the last ten years of my career, I ran a high-volume litigation department. That gave me really good negotiating skills and a really good knowledge base for contracts. And one thing that sometimes gets lost with real estate agents is, if this were ever to go into a courtroom, how it translates, so one of my jobs when I'm working with people, whether sellers or buyers, is to protect them legally as well.

After my legal career, we moved out to Denver. I sold my business, at that point I had a consulting business, and I was consulting with multiple law firms to make them more efficient

and productive in their litigation departments. I sold that business and stayed home for ten years. What I did was swap out working full-time and getting paid for it to volunteering at my son's school forty, sixty, eighty hours a week. When we moved back here, my son went to a private Christian school, and I spent all of my time there. When it came time for him to go to college, he was my last one, I needed something to do with my time.

I had a friend in the real estate industry, and she said, "I think you'd be really great at this. Because you're honest, which is very hard to find, and you say what you mean and you mean what you say, and that will go a really long way in this industry." I said, "Give me some time to think about it," because I hadn't really pondered what I was going to do. But my husbands in oil and gas, so we moved eight times in the first twelve years we were married. We were young, in our twenties. And I realize now that those were not great real estate transactions, and they should have been better.

So, I entered real estate really just wanting to serve people, to help them in what is, for most people, the largest financial transaction of their lives. To save them from a bad real estate transaction, to make sure they're protected legally, and to make them feel like they're in the loop all the time and have all the information they need to make an informed decision. That's how I ended up in real estate, and it's been very rewarding for me.

ROBERT CASEY: More than a decade now, right?

GINA MULLEN: More than a decade, yes. I'm going on year twelve. Our goal is that we'll have a significant positive impact in people's lives long after the real estate transaction is complete.

ROBERT CASEY: I have a question, this wasn't even one I wrote down, but you said something. Going back to the legal side of it: I've bought and sold a few homes over the last twenty years we've lived in, and I've never had a legal issue. How often do you see a legal issue? I don't know if there's a percentage, but is that something that's common?

GINA MULLEN: I wouldn't say it's common, but it's not uncommon. One of the phrases we used to use in the legal industry all the time is: it's not a problem until it's a problem, and then it's a big problem. When something does happen, it can usually blow up pretty quickly, and that's when it goes into the legal realm. Our goal is to do everything we possibly can, so it never heads in that direction. But if I had to guess, probably less than ten percent of transactions does that happen to. However, when it happens, there's a disruption to life and a financial cost. One of the statistics is that eighty percent of post-closing lawsuits are due to what's believed to be a seller non-disclosure of an item.

ROBERT CASEY: An issue with the house they knew about that they didn't disclose.

GINA MULLEN: Correct, or they knew or should have known. That's another legal phrase: knew or should have known that there was an issue.

ROBERT CASEY: How can you prove somebody should have known something?

GINA MULLEN: Well, I'll give you an instance, this was a conversation I was having coming in here today, with somebody who had a transaction years ago. Disclosure, or lack thereof, is one of the most common lawsuits. There was a person I know who sold a home, and on the day of

closing they left the buyers a list of all the things they needed to be aware of in the house, all the little nuances houses have. One of the things they put on there was that every now and then the dishwasher gets a smell of mold, and here's how to get rid of it. Well, the buyer pulled out the dishwasher nine months later because it broke, and found there was mold all behind the dishwasher in the wall. So, that seller, thinking they were doing a great thing by leaving a tips-and-tricks list, actually alerted the buyer to the fact that there was a mold issue, and the seller really should have had that checked out before they went on the market. Now we've got a statement from the seller saying they were aware there was a mold smell, there was mold behind the dishwasher, and a lawsuit was filed to recoup the money needed to remediate it.

ROBERT CASEY: That's crazy. I wouldn't have even thought about that. I would have thought I was doing a service, I don't know if I would have said anything, but I thought I was doing a service for somebody.

GINA MULLEN: Absolutely.

ROBERT CASEY: So, let's fast-forward. You're getting ready to sell the home. What are the non-negotiables you'd tell a seller they have to spend money on, where, if you spend money in these areas of your house, it'll either hold its value or maybe even get you a little bit more money? What does that look like?

GINA MULLEN: Sure. This changes as the market shifts. We've been in a buyer's market for a while, but the last six months, and especially this year's busy season, has been such a heavy buyer's market that our team has some non-negotiables now that are part of our success formula. One of those is a pre-listing inspection.

What we really want is for sellers to have the house inspected before we go on the market. According to Texas law, any inspection done on the house in the last four years has to be provided to the buyer. That can sound really scary to the seller. However, if we have an inspector we know and trust come in and inspect the house and let us know what's going on, then we can repair items before we go on the market, and decide what our strategy is going to be when a buyer brings their own inspector in. What that does is cut down on the chaos during the option period, the option period is when a buyer performs all of their inspections, usually five, seven, maybe ten days. When you find out about something really big with the house, all of a sudden, you've got foundation issues, or you need a \$50,000 roof, and you have to make a decision about what to do, even if your option period is ten days, you may not have all the information from the buyer until day eight. Then you've got two days to figure out how you're going to handle this really big thing.

So, what we're telling sellers is: have your pre-listing inspection, and let's figure out what you're going to do now, versus a random buyer bringing in a random inspector we don't know and then telling us what's wrong with the house. It puts us more in control of the information, and it allows us to protect the value of the home by addressing these issues ahead of time. Because once a buyer has an inspection, even if small things get flagged, if there are multiple small things, buyers in today's market perceive that as issues, and in their mind, it decreases the value of the home. So, we're trying to prevent that ahead of time.

ROBERT CASEY: I've got multiple follow-ups on this one, I think.

GINA MULLEN: Sure.

ROBERT CASEY: Okay, let's start with the buyer's market. You said there's a strong buyer's market now, and excuse my naivete on this, is that good for sellers? What does that mean? Because when you say it's a buyer's market, it means they have tons of options out there. They've got their pick of the litter, I would think. If it's a strong buyer's market, does that mean there's an influx, an overflow of houses, So, they have an even bigger pick of the litter?

GINA MULLEN: So, historically, yes, but the nuance we have right now is that inventory has increased over what it's been the last couple of years, but there's still not a lot of inventory. And yet it's still functioning as a heavy buyer's market, meaning buyers have the power and control right now. The National Association of Realtors put out their 2025 statistic, and there was forty percent contract fallout across the nation.

ROBERT CASEY: What does that mean?

GINA MULLEN: That means forty percent of contracts terminated. Four out of every ten contracts terminated, and the number one reason was over repairs. These are items we keep track of as a team, to make sure we have all the information we need on how buyers are showing up in the market. Our job is to help the seller overcome those objections before they're ever brought up, which is one of the reasons we do the pre-listing inspection.

But the other thing is, buyers do not want a project right now. Because they have the power and control, they're either waiting for the perfect house, or the house has to be priced in such a way that they can do all the work they want and still have equity after they've put the money in. So, we go in and do a walkthrough with our stager, who's also an interior designer, to determine what needs to be done in the house that will give us the most bang for our buck. The last thing we want is a seller deciding on their own what needs to be done, because usually those are things that bothered them but not necessarily the things buyers think are important right now. We'll come in sometimes a year before a seller is going to list, walk through, and say, "Here's what we think you should do, these are the things with the least financial output that will give you the most bang for your buck."

Now, sometimes, like painting a whole house, that could cost \$35,000. But the return could be an additional \$125,000 in listing price. We won't recommend anything unless we know there's a return. And it doesn't have to be a straight financial return; sometimes it's that it's going to reduce days on market because it shows better than another home on the market. So, it's not always a dollar amount on the rate of return, sometimes it's some of these other factors we look at that help a seller get through the market right now.

ROBERT CASEY: Going back to the inspection, do you have any statistics that show that having the seller pay for a pre-inspection increases the probability that a buyer stays in and buys it?

GINA MULLEN: Since we've been using this non-negotiable for our team, we have our own experience, which is So, much better than some other person pulling a data set and telling us

what it is, because our experience is hyper-local to our market. So we know how our market is performing. Anytime we've had a pre-listing inspection, our repair negotiations go much easier.

Let me go back a little bit. In a regular, neutral market, what usually happens is buyer and seller negotiate, and everybody walks away feeling like they lost a little and won a little. In a heavy buyer's market, the seller sometimes walks away feeling like they lost way more than the buyer did, but that's how it performs in a buyer's market. So, what we're trying to do is get ahead of that, so we can provide the buyer with what the inspector flagged in the house. And sometimes what we're seeing is buyers waiving their own inspection because we've had one done before we even went on the market. It saves our seller a lot of the emotional distress that happens during the option period, as well as financial amounts, because we're in control of the information.

You can bring an inspector out, and maybe the inspector is the brother-in-law of the buyer. That inspector may tell them something. We may have a foundation that's performing properly, could it be upgraded by using piers? Yes, absolutely. We're in Texas, we have active soil, that can happen. But there's nothing wrong with the foundation. However, if an inspector flags that up, now all of a sudden, we have to have a discussion about the foundation. So, we go in and have a pre-listing general inspection, a foundation inspection, and a roof inspection, so we also know whether we've got a big-ticket item that needs to be taken care of.

We just had a listing, this was right before we made it mandatory, where they decided not to have a pre-listing inspection. They thought they had really good homeowners' insurance, and they needed a new roof. Their deductible was \$66,000. They also didn't have full replacement cost, they had depreciation on the roof. So, no matter what kind of roof they put on, the insurance wasn't going to participate at all, because their deductible was so huge. This caused so much chaos during the option period that the seller said to me, "I would not have put this on the market right now if I had known about this before." And part of the negotiation was that we had to use the buyer's roofer, that was something they were very adamant about, and my sellers had a time deadline because they were contracted on another home. They would have ended up needing to repair a lot less during the option period, because once the roof gets flagged, the buyer's like, "Okay, well, what else is wrong?" And then they start to become more adamant about other things that need to be repaired.

ROBERT CASEY: And they lose control.

GINA MULLEN: And they lose control.

ROBERT CASEY: I never would have thought, if I was a seller, to pay for the inspection beforehand. But it's pretty smart, because then you have the probability that they won't have their own inspection, since you've already done it.

GINA MULLEN: That is correct. We just had that on a contract we executed last night. They're waiving their own inspection because we use a very well-known inspector, a lot of agents know who they are, and they just waived it entirely. So, today, the discussion will be: is your buyer open to ending option early? Because that's the only time during a contract the buyer has the unrestricted right to terminate, meaning they can terminate for any reason. So, the conversation

and negotiation today will be, how about we end option early, since you're not going to be performing inspections? Which is a huge bonus for the seller.

ROBERT CASEY: I'm going to switch gears and say that your world of real estate and our world of investments intersect a lot. Over the last six years since COVID, we've seen the market do some crazy things in your world and in ours. People got very spoiled over the past five or six years with extremely low interest rates. I took advantage of them too, I refinanced the house and got two and a half, three percent. You and I both know that's not the norm. Now interest rates are higher, and you have people going, "Well, I want to wait for lower interest rates." And we tell them, look, if you're waiting for three percent, that's probably not going to happen. But we also got a new Fed chairman recently, so interest rates could adjust. They may be favorable to lowering interest rates because of what's going on. If it happens, I think we could see a dip from your six and seven percent mortgage rates to four and a half, maybe five.

I guess I have two questions for you. I think interest rates are going to shift the buyers' and sellers' world in your market. Will it help the sellers out, or will it lower inventory for buyers? And the other thing, this may be long-winded, how do you retrain your buyers and sellers from what it was like in COVID? Because in COVID, my wife and I thought about listing our home, just because we knew homes were flying off the market before even hitting it. People were offering when they thought it was going to be listed, and they were offering top dollar. So, how do you retrain somebody's brain to think this isn't four years ago?

GINA MULLEN: Sure. One of the best things we have is that we've been tracking mortgage rates for a little over fifty years now. And mortgage rates, just like anything else, are cyclical. The first time in all that time that we've had three or four percent interest rates was during COVID. We had never seen interest rates like that before. In 1980, the prime interest rate, depending on where you were in the country, was between eighteen and twenty-two percent. When my husband and I purchased our first home in 1993, the prime interest rate was twelve percent.

What we see with the progression of this cycle is that interest rates go up, then come back just a little, but they don't go back to where they were before. Then they go up and go past where they were previously, just a little, and then come back, but not to where they were before. We're seeing that already. We were at seven, dipped down to five, and now we're back up right around 6.5, 6.7 again. They're predicting we're going to...

ROBERT CASEY: Oh, Lord, you just did 6.7.

GINA MULLEN: I did, I sure did.

ROBERT CASEY: That's killing me.

GINA MULLEN: And So, we'll go past seven percent, is what they're projecting, and then we'll probably come back down to 6.25, 6.5, but we're making this normal progression we've seen cyclically with mortgage rates. The projection is that a year from now, we could be sitting at eight percent, or 7.5.

ROBERT CASEY: Eight percent, even with a new Fed chair?

GINA MULLEN: It depends a lot on what they're going to do. We don't have a crystal ball, so neither you nor I can tell anybody definitively what's going to happen. But we've got fifty years of historical data that tells us, regardless of who the sitting president was and regardless of what the economy was doing, we follow this cycle no matter what, and we're trending upward. So, I do believe that's where we're going. For me, the Fed chairman is going to determine how quickly we trend upward, and I hope it won't be quickly. However, it's six of one, half a dozen of the other, because when interest rates are higher, market values don't increase as quickly. So, it does all balance out in the end.

There's always this little sweet spot. Take right before COVID started: interest rates had dropped, but the craziness hadn't started yet. The people who purchased then, at list price or just a little bit under, with a four percent or 3.5 percent interest rate, that was the sweet spot. The sweet spot was not the middle of the COVID market, when people were paying \$200,000 over for a \$600,000 house with a three percent interest rate. What did you really win there?

So, that's the conversation we're having with sellers. I think everybody can agree we had a lot of unrealistic gain during the COVID market. We have a lot of sellers, even at the luxury level, three, four, five, eight-million-dollar listings, where they have eighty-six percent market value gain on their home. We have to give some of that gain back, because it was unrealistic and unsustainable. So, we've got eighty-six percent market value gain; maybe we have to list at eighty percent gain and sell at seventy-six percent gain. But where else could you have put your money and gotten a gain like that in the short amount of time, they've owned the property? That's the conversation we're having with sellers right now.

ROBERT CASEY: I already know how they answered this, but I'm curious about your take. I know personally, from many years ago, that the real estate agent you use is important, but why?

GINA MULLEN: Well, I just had a seller ask me during a listing presentation. He said, "I'm going to interview other agents." And I said, "You absolutely should. You need to get all the information you need to make the most informed decision, and part of that comes with interviewing." He said, "Well, what's the number one question I can ask them?" And I said, "The number one question you should ask them is if they have a P&L, a profit and loss statement." He said, "That's the number one question I should ask them?" And I said, "Yes, because it's a mindset." Somebody who has a P&L is running a business. Somebody who does not have a P&L is making hobby money. And do you want somebody who does this as a hobby listing or helping you buy what's going to be the biggest financial purchase of your life?

ROBERT CASEY: Yeah.

ROBERT CASEY: So, if we're selling a home, what's the one thing a seller needs to have in place that would attract multiple buyers? And I have a follow-up. If you get on Facebook right now, you're overwhelmed with videos of real estate agents standing in front of a house, throwing their hands out: "Come look at this beautiful house." They're doing a walkthrough, pointing out the things. I don't remember that existing a number of years ago, virtual walkthroughs with the agent. It's very, I don't want to say orchestrated, but it's eye-catching, versus just the basic pictures. Does that matter?

GINA MULLEN: So, it's definitely curated, without a doubt. And it's curated with the marketing strategy in mind of putting our best foot forward, which is what our success formula is built on. What we're finding, especially with the advent of AI, is that anything with video has more of a hit than anything that doesn't, your social media reels, your video walkthroughs. The reason you're seeing agents in them right now is that, especially as we enter a revolution where things are becoming more and more automated, we're being advised by our marketing consultants that we need to humanize our brand. The more we can humanize it, the better. So, instead of having your photographer do a video at the house as the only thing you use for marketing, we need to show up more and more, so we can humanize the brand.

It also helps override the algorithm. If you have a social media reel versus just a static photo post, that's going to get more hits any day of the week. Take Facebook, for instance. Different social media platforms are used predominantly by different age groups. Facebook is predominantly used by the over-fifty age group, and yet, even at that age, the story on Facebook is seen more than a post is. And on Instagram, that rate almost doubles. So, we want to make sure we're getting it in front of buyers, and that's how we do it.

There's so much that goes on behind the scenes in marketing a property. One of the things we've done is create a client portal into our platform, so that as we do all the tasks in the background, our clients can see what we're doing. Our goal is to roll that out by the end of the year. We have a full marketing strategy. We do Facebook ads targeted toward businesses moving their headquarters to the area. We have specific things we do with social media that our marketing consultants have told us we need to do to override the algorithm, and our clients never see that. So, this client portal will allow them to see all the tasks we've assigned to ourselves; as we click them done, they'll be able to see that. That allows us to show value to our clients, and at the same time it gets our social media in front of as many people as possible, and in front of the right people. If we've got somebody moving to the area from California, there's a certain housing product that appeals to them, especially if it looks like a California bungalow. So, we want to get those properties in front of the people who'd be most interested.

Our marketing strategy is absolutely curated for very specific reasons, and to some degree it is scripted. I can go on video and wing it, I don't have a problem with that. But my agents, especially if they're new, need a script they're practicing before they go in, so they're comfortable. Our goal at the end of the day is just to get the house in front of that one buyer who's going to fall in love with the home and put an offer on it. And we don't know where they are. It could be social media, the networking I do, the marketing I do locally, or the marketing I do nationwide. I'm involved in a lot of national masterminds, and we're all sharing our listings. And because we're the number one state people are moving to, when I show up at a mastermind, most of the other agents have clients moving to my state versus theirs.

ROBERT CASEY: We talked earlier about how you're recognized as one of the top one percent real estate companies in the country. I can tell by this conversation why that is. You're definitely tough. I've known you for a little bit, but you seem very tough. One of our core values at GDS is grit, it's one of the ones I like the most, and I can tell you have a ton of grit. If you wouldn't mind me asking, where did it come from? I don't think it was just a law firm. Certain things happen to us in childhood and upbringing that get us where we are. The whole time

you're sitting here talking, I'm not losing a word, I'm fascinated by what you're saying. So, I think there's something there.

GINA MULLEN: There is. We all have a story, right? My before-and-after in my lifetime is when my father died when I was thirteen. There was the life I had before he died and the life I had after. After my father died, my mother wasn't really participating in life, so for all intents and purposes I was parentless. I went from this really good kid, I was a nerd in school, made fun of all the time, to a kid who just felt lost. I didn't do anything bad; it wasn't like I was arrested. But I made some decisions that made my life much harder. At the same time, I was raised to understand that when you have obligations, you take care of them. That was my goal for a really long time, to take care of the obligations I'd created for myself, to make sure I showed up the way I needed to. And that made life really, really hard for me. I have a client who's described me to a lot of people as having grit. There's a book he recommends, titled that, that he says reminds him of me. I believe that's where the grit came from, something that, for whatever reason, God put into my life. It did teach me a lot.

It put me in a place where I made decisions that impacted my life, and yet I wouldn't be the person I am today if I hadn't made those decisions. I had to grow up fast. My mom was in and out of the hospital a lot. My grandmother was elderly too. To give you an example of some of the things I needed to do: at nineteen, I had my mother in one hospital in Philadelphia and my grandmother in another hospital clear across town. My mother was on a morphine drip, and she was my grandmother's POA for all of her medical decisions. So, I had to go down to Orphan's Court at nineteen years old and get guardianship of my grandmother, so I could make decisions not only for my grandmother but for my mother, for some very serious medical care. That's not something a nineteen-year-old normally takes on.

ROBERT CASEY: That grows you up really quick.

GINA MULLEN: It grows you up very quick. And that's just one of many things. My life at that time was peppered with a lot of things that had me figuring out the adult world long before I needed to. And yet it allowed me to participate in life as an adult much earlier on and gave me a lot of experience on how to navigate life well. My husband tells me, "Why do you always look at the twenty-five different ways something can go wrong?" That's how life trained me. But it also helps me, whether it was my legal career or my career as a real estate agent and team owner, to protect our buyers and sellers, because that's how I'm constantly thinking: okay, if we do this, what are the twenty-five different ways it can go wrong, and how do I protect you from that?

ROBERT CASEY: I love hearing stories about people, because when we hire people at GDS, I interview a lot of people. Ten years ago, I used to say, "What was your GPA? What was this, what was that?" Now it's stories like that that make me want to hire somebody, because that shows the grit and determination people have. I want to know the hardships people have gone through, because those are the people who are going to stick around when hard times come again, and life's inevitably going to throw them at us. I think I've known you for over a year, and I never knew any of that. So, thank you for sharing. I hope you didn't mind.

GINA MULLEN: No.

ROBERT CASEY: What are some of the things you do when you're talking to sellers, they're selling their home, they've done everything you asked, but they still don't get what they were truly hoping for? How do you walk them through that emotion?

GINA MULLEN: We have that conversation during the listing presentation, before they even hire me, and then we continue that conversation all the way leading up to going to market. If we're being honest, and we have factual data to prove it, if they do everything I ask them to do, we usually end up in the range we discussed during the listing presentation. Are there times or market conditions where that doesn't happen? Yes, but it's really few and far between. Sometimes what will impact it is if a seller has to get on the market quickly because they've identified a house. Sometimes the seller will opt not to do everything we've requested, and we know that going in, so we're having a conversation about how that's going to impact things as it hits the market. But most of the time, if they're doing the items that put their best foot forward and we're pricing where we need to price, we'll end up within the range we initially discussed.

But there's always reasons it doesn't happen. Getting back to the crystal-ball thing: if all of a sudden forty houses go on the market at the same time we do, within a two-mile radius, and that can happen during busy season, all of a sudden, we're competing. And all it takes is your next-door neighbor listing at thirty dollars less per square foot than yours. Then we're having another conversation. This is not something we foresaw with the data we had when we went to market. Now that range has changed, because not only have they gone on the market, they've gone under contract in three days and closed within ten days, and this is negatively impacting your home, so we need to figure out what to do moving forward.

ROBERT CASEY: What's the single best, and we can close out with this, if there was one takeaway, one mindset you'd tell most sellers they should have when listing their home, the single most important thing, what would it be?

GINA MULLEN: I know you want one thing, but I think it's going to be a couple of things. One is that we need to put our feelings about our house aside. If we're going to go on the market, it'll be hard.

ROBERT CASEY: It's very hard. Because there's memories.

GINA MULLEN: Memories, and you've put a lot of blood, sweat, and tears into your house, right? But it is a business transaction at that point. Buyers are going to come in, and there are going to be things they want in your home that aren't currently there. It is not a personal affront to you in any way, shape, or form, it's just how their lifestyle needs to be in that house.

The other thing is, and we do a really good job of preparing sellers for this, it is a heavy buyer's market. There's no line in the sand the seller can draw that's going to cause a buyer to change their mind and cross from a buyer's-market mindset to a seller's-market mindset. For instance, if you need a new roof and you're not willing to put one on, there were times we could negotiate a happy middle, where the buyer would pay half and the seller would pay half, whatever was left after insurance. That is not happening now. The buyer will just walk. They are very patient. It's a heavy buyer's market, but there's not a frenzy, so they're willing to wait for the right house. If

they can't get your house to where they want it to be, they'll walk. And that's that forty percent contract fallout we saw last year. So, those would be the two things.

ROBERT CASEY: I do have another follow-up, sorry, I keep thinking of things as we're talking. You mentioned everybody's moving to Texas, Florida. I guess it's probably still good to be a real estate agent in Texas.

GINA MULLEN: We're still selling homes. People are still moving here.

ROBERT CASEY: Have you noticed a shift? Is it affecting our property values? Is it holding up while the market's dropping, I guess that's what I'm asking.

GINA MULLEN: So, the market is not crashing. It's having a correction. And we get back to that unrealistic gain from COVID, we need that to happen.

ROBERT CASEY: We're probably doing better than some of the coastal cities. I know most recessions start at the coast and move their way in.

GINA MULLEN: Correct. Texas is probably holding up fairly nicely compared to some of those states, always better than the rest of the country. So, we watch very closely. LA is usually where it'll start, on the California side. Then we see it in New York and Northern New Jersey, Northern New Jersey is just a suburb of New York. Then it trickles down the coast, into Philadelphia and Baltimore and those areas. It usually gives us about a six-month guide on what's going to happen here. But when it happens here, it usually doesn't happen at the same level as everywhere else. It doesn't mean we don't feel the impact, or that it's not a negative impact, we just don't see it at the same level. That's been going on for a while.

So, we've seen a softening of the market, and our pricing strategy has changed. Instead of taking the market value and listing at it, what we're recommending to our sellers this year, again, handing back some of that unrealistic gain, is that we price just below market value. We don't want to leave a whole lot of money on the table, but gone are the days where you can say, "Let's put it out at this price and test it and see what happens." That's just going to shoot you in the foot in this buyer's market. What you see when that happens is eight or nine price reductions; it comes off the market and goes back on two, three, four times; and then it ends up selling for less than it would have if it had been priced right below market value.

To be honest, when we're pricing right below market value, we're seeing multiple offers on a lot of our listings, because buyers notice it's priced at a lesser price per square foot than the other homes in the area. It creates something similar to the COVID market, where you have multiple interested parties, and it drives the price up regardless of the price point. We just had one in Keller at a \$399,000 price point that sold for \$425,000, because we had five offers on the property. It was worth probably about \$405,000 to \$410,000, but by pricing it a little bit below, we ended up selling it for higher than we would have if we'd priced it in line with market value. So, that's our pricing strategy right now, to price there in the hopes that we get multiple offers. If we don't get multiple offers, the home will more than likely be one of the first to sell among the properties that hit the market at the same time.

ROBERT CASEY: I know we're talking about it being a buyer's market, but I'm sure it's still an okay time for sellers, especially in this area, to sell. So, two questions. How long is a normal time for a house to sit on the market today without getting an offer, hopefully it's getting showings, but without getting an offer? And if it doesn't get an offer in a certain amount of time, is a price reduction always the answer? I think that's an important question, a person with twelve years in the industry, top one percent, probably has a better answer than some agents who just say, "Drop the price."

GINA MULLEN: Right. That was a marketing strategy employed during different markets, and in my opinion it does not work. We see that in the market. All you have to do is pull up one of the websites to see that when you just have multiple price reductions after you've been on the market for some time, it's not a very efficient or productive strategy.

ROBERT CASEY: Does it devalue the property at that point?

GINA MULLEN: Absolutely. Because it's a mindset, right? People are thinking, "Well, they keep lowering it, something must be wrong."

ROBERT CASEY: That's what I would think.

GINA MULLEN: And the buyers smell blood in the water. They're like, "Well, how low can you go?" And they'll just wait until the price reductions stop, and then they'll submit an offer.

ROBERT CASEY: And it'll still probably be lower than the price you have it listed for at that point, I would guess.

GINA MULLEN: Yeah, absolutely. And the thing is, the beginning of your question was, is it an okay time for sellers to list? Absolutely. Because again, if you've had eighty-six, or seventy-four, or fifty percent market value gain on your house, you're still going to walk away with a significant gain when you sell. These are just the nuances of the playground we have to play in now.

As far as price reductions go, ours are very purposeful. We are not the team that says, "When you're on the market for thirty days, we're going to reduce to this, and another two weeks, we're going to reduce to that." One of the things we do in our seller updates is run the showing report, which shows us how many showings houses have had in a similar price range and zip code. If there aren't any showings on houses in the price point below ours, then who are we trying to capture? If there are no buyers out there, who are we trying to capture? So, we'll do a price reduction that's usually impactful. We won't do \$5,000 or \$8,000 price reductions, that doesn't do us any good. What we have to do is capture how people set up their searches, which, depending on price point, could be \$25,000, \$50,000, \$100,000. We don't really recommend \$100,000 price reductions, but we've had several \$50,000 ones. And when we have those, we get multiple offers and end up not a full \$50,000 below where we were initially listed when we execute a contract. So, we have a definitive plan for when we do price reductions, but we won't do them just to do them, because that harms the house. We'll do them if we're trying to capture buyers and we know there are buyers out there.

ROBERT CASEY: Thank you. Truly, thank you. I think I've learned a lot, and I'm hoping everybody else did too. So, thank you for coming in, I truly appreciate it. I love hearing your story. Is there anything else you want to add as a takeaway before we close out?

GINA MULLEN: You know, the market is what the market's going to be. There's always cons, even in a high seller's market, if somebody says, "I'm going to wait for a seller's market," there are cons to that as well. So, if it fits your lifestyle and it's time, for whatever reason, to sell, then it's the time for you to sell. That's a personal decision.

The thing I'm going to leave everyone with one of the benefits I have is that I get to go down with Gary Keller once a month, the top 100 agents in the Keller Williams global company get to go down with him. He's been in the industry a really long time, and he said, "Gone are the days that we can view our home only as an investment." It's not that you want to be underwater, but the average person nationally moves every five to seven years.

ROBERT CASEY: I've heard that.

GINA MULLEN: Hyper-local, it's three to five years. We were taught...

ROBERT CASEY: You said hyper-local, sorry, what does that mean?

GINA MULLEN: DFW. Not Texas as a whole, but the DFW market.

ROBERT CASEY: They're moving to different houses within the DFW?

GINA MULLEN: Correct, sometimes within the same school district, every three to five years. The generations that taught us our homes should be an investment are generations that stayed in their homes for thirty to forty years. We don't do that anymore. So, I think the best thing we can tell buyers and sellers is that we have to make decisions on real estate based on the quality of life we want or need at that time and make a really good financial decision alongside it. Real estate is going to be more driven by quality-of-life decisions than investment decisions. And that's the conversation we're having a lot, especially with first-time homebuyers who are being counseled by grandparents and parents who did stay in their homes for thirty or forty years.

ROBERT CASEY: Well, thank you. I truly appreciate it. And for those of you who joined us today and are intrigued and learned as much as I did, please like, subscribe, and share this with a friend you think might find it of value. Thank you for joining GDS Unplugged. I truly appreciate it.

GINA MULLEN: Thank you so much. It was such a pleasure and a blessing to be here.

ROBERT CASEY: Thank you. My pleasure.

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