

## ***Agency Marketing***

# **Broker gains attention with \$1 listing — a mere \$448,999 below market value**

A dollar doesn't go as far as it used to, but can a buck buy a three-bedroom house in Los Angeles's booming real estate market?

Definitely not, says Los Angeles broker Brock Harris. But that didn't stop him from listing a 1,092-square-foot home for \$1.

Harris, the 28-year-old broker-owner of Brock Real Estate, had several goals in mind when he dreamed up the gimmick.

First, he wanted to draw attention to a run-of-the-mill listing. Second, Harris aimed to win some notoriety for himself. And third, he hoped to shake up what he considers a tradition-bound industry.

Mission accomplished on all counts, Harris says.

## **Exposure a key to selling homes**

For starters, his phone has been ringing far more for the \$1 listing than it would if he had taken the safe route and listed it for \$449,000, which he believes is an appropriate listing price.

True, the home is recently renovated and has hardwood floors, window seats, a den, and a patio, but that hardly makes it a headline grabber.

"What sells houses is attention and activity," Harris says. "The name of the game is exposure."

Check on the exposure, too. Harris had a friend write a press release and paid \$150

to distribute it on PR Newswire. Two days later, Harris and his \$1 listing were featured in a story on the front page of the Business section of the Los Angeles Times, the nation's fourth-largest newspaper.

He says he has landed a number of listings from sellers who contacted him after reading the article.

As for shaking up the industry, Harris says he has done that, too.

"I've been getting a lot of calls from brokers who say, 'This isn't the way things are done,' or, 'You can't do that.' I assure them I can," Harris says.

Before pricing the listing at \$1, Harris called officials at the Multiple Listing Service to make sure the tactic was kosher. An MLS compliance official said he'd never heard of such a gambit, but after some research, he told Harris the \$1 listing was OK, even though the broker had no intention of accepting a \$1 offer.

In fact, Harris says he accepted a \$449,000 offer soon after listing the house.

## **List price only a "marketing tool"**

For consumers and many agents, listing prices are gospel. But Harris says even savvy veterans put too much weight on the number.

"A list price is meaningless," Harris says. "It's just a friendly suggestion."

He says sellers constantly ask him if a

higher listing price means they'll get more from a sale. Harris tells them that if that were the case, why not ask \$10 million for a \$500,000 home?

"The listing price is just a marketing tool," Harris says. "I got tired of explaining that over and over."

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Harris's seller is a repeat customer, a real estate investor who has bought and sold many homes in Los Angeles. And while his client was willing to go along with the \$1 ploy, the seller agreed only after Harris assured him a \$1 listing price didn't mean he was obliged to sell for a buck.

"He said, 'Does this mean I have to sell it for \$1?' I said, 'No! Are you crazy?'" Harris recalls.

Some find Harris's gimmick a little tasteless. Ann Pettijohn, president of the California Association of Realtors, told the Los Angeles Times that the \$1 listing could give anxious buyers "false hope."

But Harris says he has won grudging respect from many agents.

"Most agents get it," he says, "and they're surprised they didn't think of it."

It's not the first time Harris has tinkered with a listing price to drum up interest. He listed one duplex for \$369,000 but accepted an offer for \$469,000, for instance.

He says his next ploy might be to list a 600-square-foot fixer-upper for \$40 million. He figures he'll dub it the most expensive home in L.A.

Brock Real Estate has one office and eight agents. He caters mainly to young buyers and sellers and to real estate investors in the Silver Lake region of Los Angeles.

Harris was a real estate investor before he launched his company two years ago.

"I became frustrated with the way things were done," Harris says. "It's a business that's really stuck in the 1950s."

Harris's marketing includes a guarantee to sellers: If he doesn't sell the home at a price acceptable to them within 120 days, he'll buy the listing himself.

Harris says he hasn't yet been forced to make good on the guarantee. But considering the strong demand for homes in L.A., guaranteeing a sale within four months isn't exactly a major risk.

Meanwhile, Harris says his firm was one of the first in his market to write "escalation clauses" into contracts.

He did so after becoming frustrated that buyers lost deals when they were outbid by \$5,000; the escalation clause automatically matches a higher offer, and such language has become commonplace in parts of California and the East Coast where bidding wars often erupt.

Harris also launched the Silver Lake Real Estate awards, an event where he recognizes local market players and properties, doling out prizes such as "Best Agent" and "Best Flipper," with an emphasis, of course, on Harris's own agents and listings. *Contact: Brock Harris, 323-644-9081, brock@silverlakerealestate.com.* 