



SERVING THOSE WHO SERVE

Amid rising interest
in VA home loans,
opportunities abound
in the military real
estate niche.

BY LISA A. BEACH

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Candice Skinner's background surely gave her an advantage when she got into real estate 17 years ago. Growing up in a military family and marrying an active-duty service member, Skinner moved five times, whenever her father or husband was transferred. She knew that military home buyers and sellers would benefit from her understanding of their unique stresses. Her ability to connect with military clients and relate to their short-term housing needs has served her well now that she's broker-owner of Candice Skinner Real Estate in Leesville, La. Of the 83.5 transaction sides she closed in 2020, roughly 70 involved clients who were either veterans or active-duty personnel. Total sales for her and her two agents last year exceeded \$26.6 million. Because Skinner's husband is now a disabled veteran, she's staying put as a Leesville business owner.



Candice Skinner

But even if you're a real estate pro without a military past of your own, you can find great success with this niche. When it comes to active-duty clients, "it's about knowing where they're coming from," says Skinner, explaining that these clients are less likely to be looking for a "forever home."

"They're going to need to leave at some point, so what's their exit strategy?" she asks. "Make sure you can help them plan toward their goals."

Opportunities may arise to help clients who transfer from base to base purchase rental property to create an additional stream of retirement income once they leave the military. Others could decide to keep their primary residence when they change posts and call on your help with property management if they opt to rent it out. Even those who just buy and sell over a short time because they'd rather own than rent want to be smart with their money. That's where a valued real estate agent comes into play.

One case in point: Skinner's clients recently used a Department of Veterans Affairs home loan to close on a house built in 1965. The clients plan to make some upgrades, using the funds from the home they sold when they left their last base in Texas. Skinner advised her clients, as did their Texas agent, on the best returns on investment for home improvements—decisions that are harder to make because military clients live in homes for an average of only two to four years, compared to 13 years for typical U.S. homeowners. "It all plays into the end-of-the-line picture when they leave their base," explains Skinner. "Every time you

leave a base, if you're with the right agent, you can invest in the right home and leave making money and bettering your family while serving."

WHY FOCUS ON THE MILITARY NICHE?

The demand is strong. A 2020 report from the Urban Institute, *The Impacts of US Military Service on Homeownership and Income*, found that veterans have higher homeownership rates and incomes than the general population, even within racial, ethnic, or age groups. The reported the homeownership rate for veterans was 78.2%, compared to 64% for the total population. By comparison, active-duty service members reported a lower homeownership rate, 42.7%, but higher incomes. Importantly, the study found that active-duty and veteran status reduced gaps in racial and ethnic homeownership and income statistics. Importantly, the Black-White homeownership gap is 30 percentage points for the total population, but just 19 percentage points among veteran households and 11 percentage points among active-duty households.

The bottom line: This diverse niche is ripe for serving, whether you're helping military families relocate or veterans with buying their retirement home.

HOW TO FIND MILITARY CLIENTS

While living near a military base certainly helps if you're trying to serve active-duty clients, that's not the only way to find clients. For starters, do you proactively ask clients if they're veterans or reservists? America's 18 million veterans comprise about 5.5% of the U.S. population. And while the overall veteran population is declining, the number of female veterans is on the rise.

Because clients who are veterans can be found everywhere, not just in the vicinity of bases, identify where vets in your community congregate, then get plugged

Key Takeaways:

- Even if you're a real estate pro without a military past, opportunities to serve this niche are great.
- Of the 24 million veterans and active-duty service members living in the U.S., only about 12% have bought a home using a VA home loan.
- The Military Relocation Professional certification offers a key way to develop expertise.

in. For example, is there a Veterans of Foreign Wars group nearby? The VFW has 1.5 million members and more than 6,000 VFW posts worldwide. Look into the American Legion. This organization boasts nearly 2 million members and more than 12,000 posts in the U.S. and abroad. Start volunteering there and get to know veterans right in your backyard.

DEVELOP EXPERTISE

Are you looking for a great real estate boot camp to understand the military market? Earning the Military Relocation Professional certification offers a key way to develop the needed expertise to serve this niche market. (See *sidebar*.) This NAR certification, launched in 2017, educates real estate professionals about working with current and former military service members. Its goal? To equip agents and brokers with a solid understanding of the military niche so they can help clients take full advantage of

military benefits like the VA Home Loan Program. Currently, nearly 22,000 REALTORS® have earned the MRP certification.

Military clients need agents who understand their distinct needs and timetables to help them make their transfers easier, faster, and less stressful. "It's so important to understand and respect the military," says Ginni Field, CIPS,



Ginni Field

MRP, owner and president of Ginni Field, Coaching, Consulting, Training. Field began her real estate career in 1986 and also serves as an MRP course instructor. She is still a licensed practitioner who sold 14 homes in 2020 and 17 in 2019. The course material goes far beyond knowing the steps needed for obtaining a VA loan, explains Field. "It's how to understand military members, the processes they go through, and the benefits they have," she says. By processes, she means the changes in duty station requiring service members to move every two to three years and the family pressures that accompany that move. Other issues can arise when interstate moves include a change in pay. For example, a service member will receive a higher base allowance for housing in California than in Montana, but there may be a significant delay in the receipt of those additional funds.

UNDERSTAND VA FINANCING

Because the VA Home Loan Program is such an integral part of the process, you must understand how this financing works, says Maura Neill, ABR, MRP, team leader with RE/MAX Around Atlanta.

VA loans give eligible service members and veterans access to affordable mortgages and require no down payment, mortgage insurance, or minimum credit score, with a debt-to-income ratio of 41% or better, though there is some flexibility. These loans generally offer lower interest rates than conventional mortgages.



Maura Neill

While many service members know the program exists, others aren't aware of it or have misconceptions about it. They may mistakenly assume it's strictly for first-time home buyers. Of the 24 million veterans and active-duty service members living in the U.S., only about 12% have bought a home using a VA home loan, according to government data. But participation jumped notably last year when the federal government eliminated VA loan limits for most buyers, increasing their ability to buy a home without a down payment. About 1.2 million VA-backed loans originated in 2020, more than twice as many as the two previous years combined.

The VA loan process can be complicated, even for real estate professionals. To gain this in-depth knowledge, it helps to partner with a lender who specializes in VA financing. "Don't just ask if they do VA loans," Neill advises. "They should specialize in this, doing several of these loans a year, since the rules change frequently."

BEST WAYS TO SERVE MILITARY CLIENTS

Because active-duty staff move frequently, agents should be able to help them think through and address their specific needs. Should they rent rather than buy if they'll be in their home only for a little while? What kind of relocation help do they need? Should they buy a property near the base and rent it out for income, and later come back to retire? (The VA Home Loan Program has restrictions, including that the property purchased is the primary residence.)

"Sensitivity is huge," says Field, adding that agents need to understand from an emotional perspective what the whole family might be going through. For instance, active-duty personnel are often coming from far away and might not be able to travel to see the property—another reason, besides the pandemic, to up your game with virtual showings. Also, the spouse might need to handle the entire move while the service member transfers to their next base. And the kids will need to switch schools and make new friends. Field says you can't just sell them a house and walk away—to serve them best, you need to be a support system. While the Department of Defense helps with the moving process,

military clients typically need more help once they've arrived in a new town, such as recommendations for daycare, plumbers, or pet care. And when you serve them well, Field says, "They'll be among the most loyal clients. They'll listen to your guidance because they trust you."

A bonus: They can send you referrals. "It's a very close-knit community," says Neill. "Once you work with them and take great care of them, they'll actively refer friends and colleagues to you."

MARKETING TO THE MILITARY NICHE

That loyalty can help with building your reputation. "Word-of-mouth is critical," says Joshua Potts, MRP, SFR, owner and CEO of Spartan Realty in Fredericksburg, Va. Potts was a Marine who served in Operation Iraqi Freedom and as part of the 2010 American response to the earthquake in Haiti. Today he helps both active members and veterans find a home, with roughly 80% to 90% of his clients being military members and their families. "Once you get one or two military clients and provide them with a seamless experience, they'll be your greatest marketing tool ever."

Potts became a licensed agent while serving as an active-duty Marine. He and his wife opted to buy their first home using a VA loan instead of renting, and they bought from an agent whose spouse was a veteran. The positive experience sold him on a post-military career in real estate. His military focus carries over to his team—five of six agents have a military connection, with two Marines currently in real estate school preparing to join his company after transitioning out of the service.

To incorporate military-friendly messaging into his marketing, Potts uses a variety of approaches. He lists his MRP designation in his email signature, along with the tagline "Veteran Operation Iraqi Freedom (USMC)." On social media, he may post photos with military families he's helped or note that he's working with a home



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VETERAN PRACTITIONER: Joshua Potts, left, obtained his real estate license while in the Marine Corps. Now he serves military families looking to buy or sell a home, and happy clients become part of his marketing.

inspector who's also a veteran. When meeting people initially, he mentions that Spartan is a veteran-owned business.

Community outreach efforts to local bases and military organizations can also be effective. Consider supporting relevant veteran-focused charities or your local VA hospital. "Do it with a sincere heart of giving back and you'll make connections," says Potts.

Tried-and-true marketing methods work, too. Field suggests blogging about military topics and putting helpful community information on your website. Both Field and Neill say the biggest mistake is not staying in touch with your sphere, whether your preferred method is email, phone calls, texts, or newsletters. If you're a veteran, Potts suggests aligning yourself with other vets in real estate, including inspectors and lenders. "It creates that sense of community that carries outside of serving," Potts notes.

And plan special events, promotions, and campaigns tied to patriotic holidays. There are plenty of opportunities: Memorial Day, Flag Day, Independence Day, and, of course, Veterans Day.

NAR's Military Relocation Professional certification educates REALTORS® about working with U.S. service members and their families and veterans to find the housing solutions that best suit their needs and to take full advantage of available benefits. Among the learning goals for the MRP program, which includes a one-day course and two one-hour webinars:

Understand the processes and procedures involved in a military relocation and how these impact service members' housing choices.

Use demographics of the military market to formulate business strategies and determine service offerings for sellers and buyers.

Provide information to help service members through the rent or buy, and rent or sell, decision-making process.

Enhance your own sensitivity to the emotional issues involved when a military families relocate.

Learn more at militaryrelocationpro.org.