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wanted. Builders, agents, buyers and sellers scrambled to alter their strategies and business plans to find success or keep businesses open.

Jun. 17, 2013

Ask several Tulsa real estate professionals how business was a few years ago, and you'll get similar answers.

"I've been in the business 53 years, and I've never been through tougher years for the economy or home selling than I had in the last six years," said Shel Detrick of Prudential Detrick Realty.

Soon after the freefall started in 2008, building companies folded, real estate agents found different careers and buyers learned they could make offers as low as they wanted. Builders, agents, buyers and sellers scrambled to alter their strategies and business plans to find success or keep businesses open.

Starting in 2012, things started to change.

Properties began changing hands more frequently, and builders started putting up new homes. It was the start of the recovery many had prayed for.

As of April, the year-to-date home sales stand at 3,847, which is 10.2 percent ahead of last year's pace and the best since 2008, according to the Greater Tulsa Association of Realtors. The home construction four-month total is 993, which is 30 percent ahead of 2012, according to New Orders Weekly.

Yet these improvements are sparking a new round of changes in the industry, said Max Heckenkemper of Keller Williams Realty.

"We had a business coach come and tell us he was starting to see markets such as Dallas and Atlanta pick up and that the changes were coming to Tulsa,"

Heckenkemper said. “He told us that if our listing agents had a minimum number of

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“It’s such a blessing to be in this market now compared to the last six years,” he said.

Yet it’s not a matter of sitting back and letting the business roll in. Wheeler said his associates are having to hustle to keep up.

“It’s harder to keep up with all the leads,” he said. “Where before, it was a lot harder to find leads.”

Optimistic sales volume

Though buyers are in a much stronger position, local professionals don’t believe the area has entered a seller’s market yet.

GTAR President Susan Beach has said that a six- to seven-month supply of home listings indicates a balanced market. In April, there were 7.3 months of inventory, compared to more than 10 months last year.

Wheeler said sellers, who formerly had to struggle to get an offer, are getting multiple ones. But he doesn’t believe things are getting too tight for buyers.

“There’s still lots to choose from,” he said. “We’re not in a low-inventory situation yet.”

While Heckenkemper believes the market is currently stable, he has concerns the inventory may continue to shrink.

“If that continues and we aren’t able to replenish our listings to satisfy the buyers who are ready to buy, we might get into a bad situation where it takes six or seven offers for one to be chosen,” he said.

All three professionals share an optimism that sales volume will continue to rise.

“A big national crisis could mess it up, but I don’t see any economic hiccups on the

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some good builders who had been doing it for a long time and the economy just caught them,” he said.

Though everyone was hit by lessened demand, the biggest cause of pain were homes that had been built speculatively in hopes of finding a buyer later, Jenkins said. When the buyers suddenly fled in 2008, these homes either had to be sold for much less than expected or repossessed by the lenders.

“I’ve never seen a downturn as bad as this in 23 years,” he said. “We were not prepared for it at all.”

Jenkins said he was able to ride out the downturn by concentrating on finding buyers before construction, though his volume decreased by as much as 50 percent.

Steve Wright of Castlerock Builders said he was still able to find people who wanted him to build custom homes valued at \$350,000 and up, though his volume also fell from 10 to 12 homes a year to six to eight, he said.

Castlerock also made adjustments to survive.

“I got aggressive on my building fee to keep my margins up,” he said.

That’s no longer the case, as Castlerock and Celebrity have more homes underway during the traditionally busy spring season than in previous years. The year-to-date total in April of 993 homes built in the Tulsa area is approximately 30 percent above the same time in 2012, according to figures from New Orders Weekly.

Now the problem is finding the workforce needed to build them, Jenkins said.

“We lost a lot of good workers during the recession, and a lot of them got into different careers,” he said. “They haven’t come back yet.”

Nearly every type of subcontractor, including concrete workers, framers,

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to CIMA data, the cost of materials is also going up after years of staying relatively flat.

“The companies that provide the materials struggled during the downturn, and now they’re capitalizing on the boom,” Wright said.

Sheetrock has increased 7 percent in price over the last year, and lumber has increased 20 percent, he said.

Yet Wright suspects prices will level off soon.

Real estate agents gradually return

When times were bad in the real estate industry, it became harder to find licensed real estate professionals.

This, Shel Detrick of Prudential Detrick Realty said, came even after agencies lowered their overhead.

“When the economy was horrible, we had very few people interested in getting a real estate license,” he said.

But the agents are coming back — gradually.

Getting a license in Oklahoma means taking a five- to six-week class or finishing an online course, which can be completed as fast as a person is able.

Detrick said it’s taking time for people to reconsider real estate as a career, and he doesn’t plan on growing the size of his agency yet. In the meantime, existing agents have become busier.

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includes active and inactive licenses.

December 2007 23,661

December 2008 22,718

December 2009 21, 514

December 2010 20, 280

December 2011 18,823

December 2012 18,605

May 2013 18,627

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