

TechView: Quigler Helps Consumers in the Home-Buying Industry Deal in Dreams

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By [Meghan Hall](#)

The home-buying or selling process can be daunting for those unfamiliar with the real estate industry, or the processes of the market. For many, it can be difficult to relinquish trust to a third party, particularly when it comes to large personal transactions such as acquiring or selling your home. For David Michonski, a real estate industry veteran, this lack of trust was a huge barrier to brokers operating within the industry. As a result, he co-founded Quigler, an application specifically designed to increase realtor transparency and communication.

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Quigler is a tool for agents to earn consumers

Michonski

trust, for life. And with it generate a recurring stream of referral business. What we have done is taken what federal/state law and the National Association of REALTORS® (NAR) Code of Ethics requires and organized those requirements into a series of sequential Steps and Actions. An agent using Quigler cannot do anything wrong because if they do, we guide them to do the right action and keep them compliant with law and Code.

For consumers, they now have a new tool to help them during what is for most the largest financial transaction in their lives: buying or selling a home. Quigler constantly keeps the consumer up to date on what an agent is required to do at every step of the Buy or Sell transaction based on federal and state law as well as the Code of Ethics set forth by the NAR.

With the Quigler App, consumers get unprecedented transaction transparency and also increased communication. When an agent completes one of the legal or ethical requirements Quigler sends an instant notification to the consumer, time-stamped and dated, creating a running record that the agent has complied with the law and Code.

What pain points in the industry were you seeing with regards to communication and transparency that led you to create the application?

Google did a study on behalf of a home warranty company that showed 67.5 percent of consumers did NOT trust real estate agents. Even worse, for those under 44, the prime first-time home buyer market, which is 40 percent of the overall market, 72 percent of those who responded said they did NOT trust real estate agents.

About two years ago *Homes.com* did a study of home buyers. Thirty-three percent of those surveyed said they were brought to tears by the buying process. And over 40 percent said it was “the most stressful event of modern life.”

Can anyone imagine an industry with statistics like that being able to survive? None can.

But as real estate brokers for over 42 years now, Linda (Linda Michonski is co-founder of Quigler) and I believe in traditional brokerage. We believe what Colbert Coldwell and Benjamin Banker first believed in 1906 in San Francisco, that the public could be served better NOT by agents engaging in speculation to buy low and sell high (i.e. today’s iBuyer), but rather by the creation of the real estate brokerage industry that took a percentage off the sales price. We believe that was not only a sound idea, but it turns out

to be much more than that.

Over our 42 years in this industry, we've learned that as brokers, we are not dealing with bricks and mortar but with dreams. We help people to own a tiny piece of this big world that they can call their own. It is where they are free to open a door and invite anyone they please in or shut the door and enjoy their tranquility.

We deal with many dreams. The first-time home buyer who scrimps and saves for that first home. The move up buyer who needs room to expand a family. The successful consumer who has the means to show their success. And we also deal with families where mom and dad need to transition to safer quarters. All of these are dreams and we as REALTORS are entrusted with them. We believe that creates a sacred trust on our part.

Yet, the above stats do not show that. Consumers don't like the transaction and don't trust agents. So, we decided to create a tool that empowered agents to recover that sacred trust.

Why do you believe that transparency and communication within the industry, particularly when it came to transactions, have been so stymied?

GREAT question. Here's the answer: Agents got away with not providing transparency and communication because no one was watching. The consumers did not even know what to ask or look for.

But now Quigler has changed that by giving agents a tool to provide consumers transparency and communication. Transparency is the key to building trust. For example, 25 years ago, we introduced transparency into the industry by taking our listing and giving them to consumers. Now, they could put the kids to bed at night and start browsing properties. Many realtors at the time thought that by giving people access to such transparency that it would be the death of our industry.

What really happened? The number of people using agents soared from about 75 percent to almost 90 percent. That proved that empowering consumers with transparency works.

In addition, NAR's Profile of home Buyers and Sellers shows that now 93 percent of consumers want a different kind of transparency: they want *processtransparency*.

Younger consumers especially want process know-how. They want to be more part of the process. We have never given that kind of transparency to consumers. But with Quigler an agent can.

Also, 93 percent of consumers want greater responsiveness from agents and communication. But less than one percent of agents provide clients with regular update letters.

Quigler automates communication for agents. Every time an agent does an action required by law or code, the consumer gets an immediate time-stamped and dated notification. Then, Quigler creates an automated Update Letter that agents can customize for their clients. Then, at closing, agents can give consumers a Compliance Transaction Report, informing consumers of everything they did to be compliant with law and code. Agents can give it to their broker who can put it in their transaction file. It lowers their risk and earns them “risk reduction credits” with their Errors and Omissions insurance provider that may save them money on their premiums.

Transparency, communication, disclosure, written accountability. That is the building blocks for regaining consumer trust.

In your opinion, how has the residential real estate market evolved over the years when it comes to buyer, seller and realtor relations?

Consumers feel they need us more because they are too busy with work and life and the transaction process is too complex. And, they are not happy about that, but where the industry thought wrong is that they thought it was about dollars and commissions. I personally know that was not the case because at the second firm where I worked, I easily sold a 10 percent commission or a we called it, a premium commission for a premium service. People want convenience, service, professionalism, and they will pay for it, especially luxury homeowners.

For years the industry thought that declining commissions were a symptom of the consumers unease with the industry. But last November the Houston Association of REALTORS did a survey of their MLS sellers and 49 percent surveyed said they would consider an iBuyer instead of traditional brokerage. That means they were willing to pay more than double the average commission cost just to get the transaction done quickly. So, it was never about price.

Rather, it is that consumers engage in this sales or purchase process only once every nine years. In California the real estate law is 857 pages of legalese and consumers are as liable for a large part of it as well as agents. Yet, no consumer can know that law (and most agents can't either).

For a long time there has been an uneasy relationship between consumers and the industry. Enter the iBuyer who offers to buy a home and close in two to three weeks, but at a cost of 10 percent plus. Up until the coronavirus, they threatened to upend the industry.

Wall Street invested billions of dollars in iBuyers' institutionalized speculation. Now, the coronavirus meltdown has left them with months of unsold inventory they bought, probably at the top of the market. That will cause the iBuyer to withdraw, try to dump their inventory and next time around bid even less for properties.

That means traditional brokerage has a new lease on life. Quigler perfectly meets the traditional brokerage's needs as it is a tool that traditional brokerages can use to provide transparency, communications, process know-how and accountability and do so at half the price of the iBuyer.

What is your perspective on the residential real estate market to-date?

The coronavirus will send it into another downturn that I believe we are now in. For the next six months and maybe longer, cash buyers will rule. Those with jobs and income will be able to take advantage of low mortgage rates and will give some support for the market.

Longer term, the huge amount of money we are printing here and around the world will likely cause inflation with too much money chasing too few homes. Cash buyers and those with jobs will be able to get mortgages and will be big winners over the next five to 10 years, just as those who bought in 2009 enjoyed a 10-year ride.

How does Quigler work? What was the thought process behind the platform's design?

Quigler works the way an agent thinks... and that is sequentially. Neither the NAR Code nor license law is written the way agents think. Agents need to know what to do from the start to the end of the transaction and so we designed Quigler to do just that.

Agents want to know what do I get before I get into the living room or meet a buyer? What do I do at the next step, and the next? We go through the important agency discussion, then the compensation discussion, then the listing agreement or buyer representation agreement, the compensation discussion, disclosures, needs assessment, marketing, searching, showings, offers, accepted offers and contracts. That is how agents think – from the beginning of a deal to the end.

In each case we designed it so it is almost subconsciously intuitive.

Quigler touts that it includes the Code of Ethics set forth by the National Association of Realtors. What are some of these basic principles, and why are they important?

First, let's remember that in most states the Code of Ethics came first. And most states mirror or reflect what the Code says and cement in law. Therefore, by following the Code, we estimate that about 50 percent of the time an agent is also complying with law but doing so not because of the law, but the Code. That is why Errors and Omissions carriers are willing to give agents in the U.S. who use the NAR Code only version of Quigler risk reduction credits toward their E & O premiums.

Disclosure: The code forces many disclosures like material facts.

Agency: The Code helps direct an agent to provide their state's agency laws.

Accuracy: The law is complex and the Code presented by Quigler provides accuracy in actions.

Compliance: The Code keeps agent compliant with law at least 50 percent of the time

Prospecting: ethically

Documentation: Quigler allows compliance with the Code to be documented and that documentation is crucial for when a problem or complaint surfaces.

Transparency: Period.

As new tech products continue to come to market to update and transform the real estate industry, what is Quigler's strategy to remain competitive? Why?

There is nothing like Quigler, so we have invented a new form of the traditional transaction manager, except that we start way before transaction managers begin and where we end, they pick up. So we hope that someday we can buy some transaction managers and be their front end and keep agents compliant, not just when they get an accepted offer, but long before that.

What are Quigler's plans for growth over the next 12 to 24 months?

First, we will be announcing many new marketing partnerships. We are partnering with Boards of REALTORS around the country for whom we have devised a free REALTOR benefit for their members in the form of a NAR CODE ONLY version of our application. Additionally, we offer them Quigler-based Continuing Education courses off of which they can earn non-dues revenues. We also give board marketing partners profit share on all sales of Quigler upgrades to their members.

Second, we will be announcing partnerships with Broker/Owners and franchises.

Third, we will be announcing marketing partnerships with Errors and Omissions providers who will give broker/owners risk reduction credits for putting their agents on Quigler, which in turn, may save them on their Error and Omissions premiums.

Over the next 12 months, this will provide us the branding, promotion, and marketing infrastructure to propel our growth.

Our initial targets are the 100,000 agents who regularly spend over \$1,000 a month on marketing themselves. At \$300 a year, Quigler is one of the best bargains out there because it is both a way to market oneself as an agent who offers consumers transparency, communication and accountability. That alone is a good reason to hire that agent. It is also one of the best lead conversion tools in existence. Most prospecting is to cold markets and Quigler provides an agent in that cold market the ability to sell the warm comfort that comes with trust.
