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Sixty second summary



Have you ever thought about the language of estate agents? As recognizable and distinct as any regional accent or local dialect, there seems to be a universal idiom of house selling.

“Des. Res.”, “rarely available”, “viewing essential” – these are all part of the peculiar parlance of housing advertisements which contain a heady mix of euphemism, hyperbole and superlative. Indeed, many of the jokes about estate agents rest on an accepted set of popular assumptions about their inimitable use of language. While this might sound like a trivial observation, it may well be that analysing the language of property selling might provide a new and rich means by which the nature and dynamics of housing markets could be explored, supplementing the more routine methods currently in use.

The prospect of finding a new tool for analysing housing markets led Sarah Oates and Gwilym Pryce of the University of Glasgow to think about ways in which the idiom of selling could be analysed in a systematic way. Based on their analysis of a unique dataset of 49,926 records of real estate transactions in the Strathclyde conurbation over the period 1999 to 2006 categorised according to Aristotle's theory of rhetoric, the researchers discovered that agents appear to be more inclined to use hyperbole when the market is buoyant than when it is flat which may reflect agents' intuitive response to changes in the opportunity cost of viewing experienced by potential buyers. They also find a strong spatial pattern of language, giving weight to the theory that local conventions emerge that lead to persistent differences in the way dwellings are marketed in different sub-markets.

Sure, there are subtle variations between localities, but the hallmarks of estate agent speak are still there. And while there have been some notable exceptions, such as Julian Bending, whose straight-talking approach to house selling has hit the headlines on a number of occasions, the very fact that deviant behaviour commands such publicity is itself evidence of its rarity.

The authors of this research reasoned that, if the language of selling is so universal among real estate firms, it is likely that there are good economic reasons behind it. This in turn suggests that variations in economic activity across time and space may cause subtle variations in the parlance of estate agents, even within a particular city.

The authors review the literature on house selling and map out the use of superlatives in house ads using a unique dataset of 49,926 records of real estate transactions in the Strathclyde conurbation over the period 1999 to 2006. Textual analysis techniques structured around Aristotle's ancient guide to rhetoric are combined with modern GIS techniques and spatial statistical analysis to explore how the use of language varies over the market cycle and over the selling season. The researchers uncover strong evidence that the verbal construction of house adverts varies systematically over the housing cycle and even over the selling season. Agents appear to be more inclined to use hyperbole when the market is buoyant than when it is flat which may reflect agents' intuitive response to changes in the opportunity cost of viewing experienced by potential buyers. They also find a strong spatial pattern of language, giving weight to the theory that local conventions emerge that lead to persistent differences in the way dwellings are marketed in different sub-markets.

Who is Julian Bending?

Julian Bending, of the Ralph Bending Estate Agency in Glastonbury, is well known for his unique and apposite descriptions of properties. A couple of examples are as follows:

"Plenty of class and that unmistakable whiff of the old world collect here in the fleshy pink folds of this Victorian beauty. Traditional sitting room, glass roofed dining room, kitchen/breakfast room, two bedrooms, bathroom and tiny garden all located within a crystal ball's throw of Arthur's grave."

"Some places just sing. From the fireplaces to the expensive replacement sash windows this house reverberates to it's own special tune. If it were an instrument it would be a trumpet and be able to blow itself. Two bedrooms of C major. Glory."

Introduction

In the first systematic analysis of estate agent language, Sarah Oates and Gwilym Pryce from the University of Glasgow employed Aristotle's ponderings on the art of persuasion as a means of classifying the parlance of estate agents. In the words of the great man himself,

“Of the modes of persuasion furnished by the spoken word there are three kinds. The first kind depends on the personal character of the speaker; the second on putting the audience into a certain frame of mind; the third on the proof, or apparent proof, provided by the words of the speech itself.

(Aristotle, 350 BC, p. 3)

Aristotle labelled these three elements: ethos (reliability of the speaker), pathos (the manipulation of the emotional predisposition of the audience) and logos (logical argument). Using this tripartite categorisation to decompose the language of estate agents, this work by Oates and Pryce represents a novel and marked departure from previous research on the influence of estate agents which has tended to assign the language of selling a rather neutral role.

Of course, it doesn't take a genius to point out that the idea of estate agents as neutral disseminators of information deviates somewhat from their popular characterisation. Indeed, the idiom of estate agency is perhaps its defining characteristic. “Des. Res.”, “rarely available”, “viewing essential” – these are the grist of the peculiar parlance of housing advertisements that contain a readily identifiable combination of euphemism, hyperbole and superlative.

Indeed, many of the jokes about estate agents rest on an accepted set of popular assumptions about their manipulative use of language. The following extracts from online humorous “dictionaries” of estate agent euphemism amply illustrate the point:

‘Benefits From’: Contains a feature you may expect to be the bare minimum for the extraordinary price you are paying. Example: “Benefits from roof, floors, walls”.

‘Bijou’: Would suit contortionist with growth hormone deficiency.

‘Compact’: See Bijou, then divide by two.

‘In Need of Modernisation’: In need of demolition.

‘Internal Viewing Recommended’: Looks awful on the outside.

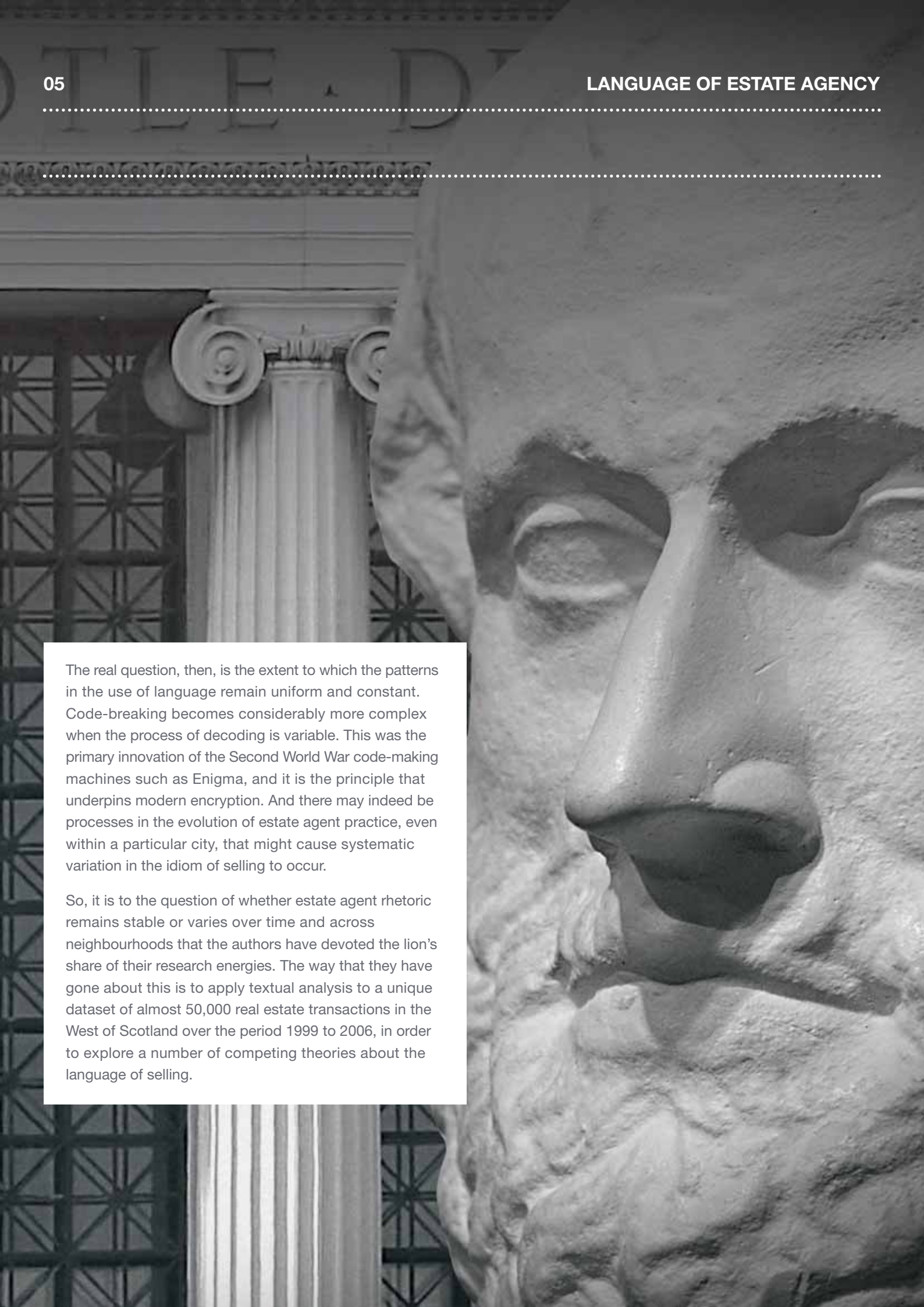
‘Original Features’: Water tank still contains cholera bacterium.

‘Studio’: You can wash the dishes, watch the telly, and answer the front door without getting up from the toilet.

‘Secluded location’: It was in the middle-of-nowhere - barren and desolate. Suitable film set for Mad Max 5.

(Houseweb, 2006)

Should we be concerned about estate agents' abuse of language? Not necessarily, according to Oates and Pryce. The humorous dictionaries of estate-agent speak are testimony to the fact that buyers decode and translate the claims of house adverts. One does not actually expect a ‘stunning lounge’ to render one unconscious or an ‘exclusive neighbourhood’ to literally screen out undesirable people who want to move to the area. There is a commonly understood language of real estate, one that moves far beyond a mere description of the physical nature of a property (or even a rather one-sided, optimistic version of the attributes).



The real question, then, is the extent to which the patterns in the use of language remain uniform and constant. Code-breaking becomes considerably more complex when the process of decoding is variable. This was the primary innovation of the Second World War code-making machines such as Enigma, and it is the principle that underpins modern encryption. And there may indeed be processes in the evolution of estate agent practice, even within a particular city, that might cause systematic variation in the idiom of selling to occur.

So, it is to the question of whether estate agent rhetoric remains stable or varies over time and across neighbourhoods that the authors have devoted the lion's share of their research energies. The way that they have gone about this is to apply textual analysis to a unique dataset of almost 50,000 real estate transactions in the West of Scotland over the period 1999 to 2006, in order to explore a number of competing theories about the language of selling.

Why might the language of selling vary?

First, we need to consider why it might be that the language used in selling houses might vary over time and between locations. To explain this, Sarah Oates and Gwilym Pryce put forward a number of theories that lead us to expect language variation. First, however, they posit a “straw man” – a null hypothesis that counters the notion that there will exist variation in the parlance of property marketing:

Theory 1: Drivers of Uniformity: estate agents are sufficiently well-established as a profession to have arrived at a common set of communication norms which, in turn, have led naturally to a widely accepted and stable form of marketing language. This uniformity is likely to be reinforced by household mobility and the widespread use of the internet. In the same way that television has been blamed for the cross-fertilisation of regional accents, the explosion of web-based property advertising has all but eradicated temporal, regional and intra-urban variation in realtor dialect.

SUMMARY: This implies that there is no secular, cyclical or seasonal variations in language.

Consider now the arguments for non-uniformity in the use of marketing terminology:

Theory 2: White Noise: Sentences, whether in speech or written form, do not contain a rigid composition of word-types even when the use of language, in general, is static. Random selection (from the population of words contained in common vocabulary) leads to variation in the phraseology of property adverts. This variation is effectively white noise, driven entirely by random factors that affect the estate agent's choice of words on the day of writing. This leads to a volatile but stationary time series of language variation. Depending on the amplitude of the white noise, it has the capacity to frustrate communication, but it is unlikely to cause regular patterns in the use of language.

SUMMARY: This implies that there is no secular, cyclical or seasonal variation in language.

Theory 3: Lagged Response to Legislation: Following the introduction of the Property Misdescriptions Act in 1991, estate agents went through a period of excessive caution. However, eight years elapsed between the introduction of this legislation (1991) and the commencement of the data (1999), and so it is unlikely that it would have much bearing on the particular sample used by the authors.

SUMMARY: This implies that there has been a secular rise in emotive language since 1991, but that there is no cyclical or seasonal variation.

Theory 4: Property Characteristics: Use of hyperbole and emotive language is likely to vary between properties for sale because of real differences in the characteristics of dwellings, many of which cannot easily be captured through quantitative measurement.

While this might lead us to anticipate variations in the use of language across space due to the clustering of properties of particular types in particular areas (one of the basic motivations behind submarket analysis), it would not lead to regular variations unless there were systematic changes over time in the characteristics of properties coming onto the market.

SUMMARY: This implies that there are changes in language across space according to property type, but that there is no significant secular, cyclical or seasonal variation.

Why might the language of selling vary?

Theory 5: Cycles in Staff Composition: As the market booms, new staff are needed to cope with the rising turnover of properties. New employees are typically less experienced and possibly more prone to hyperbole. (Experienced staff know that buyers are not easily duped, and that a judicious approach is more profitable in the long run.) When the market slows, there are insufficient sales to maintain the expanded workforce. Staff are laid-off on a LIFO (last-in-first-out) basis, increasing the share of experienced agents, and leading to a pro-cyclical pattern in the language of selling. This process would not, however, cause regular seasonal or secular patterns in the use of language.

SUMMARY: This implies that there is cyclical variation in language, but that there are no significant secular or seasonal changes.

Theory 6: Irrational Exuberance: Market value is not an intrinsic constant, and neither is the propensity to enthuse about property features. A mid-terraced house described as “well-maintained” during the dark valley of a market slump, may become “truly fantastic” at the dizzy heights of a boom. Once the zenith has passed, however, the property is seen for what it is, and more restrained descriptions once again become the norm. This theory would suggest that particular types of emotive expression – those less grounded in reason – will be more volatile and more sensitive to market swings, but will not lead to long-term or movements or changes over the selling season.

SUMMARY: This implies that there is pro-cyclical variation in emotive words but that there is no secular or seasonal variation.

Theory 7: Strategy to Market Difficult to Sell Properties: when a property is difficult to sell – either because the market is experiencing a downturn or because there are rarely many buyers for houses in that location or of that type – sellers may adopt a strategy of exaggerating a property’s attributes in an attempt to attract interest. During a hot market, properties “sell themselves” so there is less need for strained descriptions.

This theory suggests that we should anticipate the incidence of effusive language to fall during a boom and rise in a slump.

SUMMARY: This implies that there is a counter-cyclical variation in language, but that there is no seasonal or secular patterns in the data.



Why might the language of selling vary?

Theory 8: Opportunity Cost of Viewing: No sane person bids without viewing, so why should the parlance of property adverts have an effect on whether (and what) buyers are willing to bid? The answer may lie in the opportunity cost of visiting a property. Buyers have a fixed (or at least optimal) window of time within which to secure a new home. Even if viewing is something of a disappointment in comparison with the agent's description, house-hunters still have a strong incentive to submit an offer. Turning down a property after viewing introduces the risk that a continued search will not yield a superior alternative within the buyer's timeframe.

As far as the estate agent is concerned, viewing is all important because it shifts the probability of a buyer submitting a bid from zero to some positive value, and the greater the number of bidders, the greater the expected selling price. This has been explored in more depth by Eric Levin and Gwilym Pryce (2006), where they conclude that the distribution of maximum bids shifts to the right and becomes more extreme as the number of bids per house sale increases. This causes a large increase in the probability of an extreme bid as the average number of bids rises. Agents know that property adverts are not the basis on which purchases are made – that is not their purpose. Their purpose is simply to attract viewers and increase the potential number of bidders. Language variation occurs when there are changes in the opportunity cost of viewing. While agents may not understand the theory behind the strategic manipulation of language, they will be aware that it is more profitable, at certain times of the year and in certain phases of the cycle, to use emotive terminology. When properties are selling very quickly, the effective choice-set facing a buyer may be very small, even though there are many properties coming onto the market. A buyer might view x properties over a particular period, but by the end of that period, only a small proportion of those properties may still be available for sale. Consequently, there is a very strong incentive during such periods to bid for a property once it is viewed, and a very strong incentive for estate agents to use any means possible to get potential buyers to view. In contrast, during phases when selling times are long but there remains a continued stream of new properties being offered for sale (a “buyers market”), agents may have little to gain from exaggerating a property's attributes – disappointed viewers can simply go elsewhere, most notably to more trustworthy agents.

The implication of this theory is a pro-cyclical pattern in the use of hyperbole. There will also be a seasonal aspect due to pronounced changes in the opportunity cost of viewing during the course of the year. There is, for example, a traditional aversion to moving or transacting over the Christmas period (indeed, in Strathclyde, the number of transactions drops virtually to zero during the festive season), imposing a fixed horizon for many buyers. The start of the school year is also another important horizon, as is the deadline for being eligible for particular school catchments.

SUMMARY: This implies that there is strong seasonal and cyclical variation but it does not imply secular change.

With the exception of 1, 2 and 3, each of the above theories of temporal variation also have spatial implications. When differences across submarkets in the timing of the market cycle (Pryce and Gibb 2006), in long-term levels of demand, and in the quality of stock, are combined with one or more of theories 4 to 8, the corollary is geographical variation in marketing vernacular. We can add a further theory that pertains exclusively to spatial variation:

Theory 9: Local conventions: Given the tendency for local conventions to occur in accents, pronunciation, idiom, and terminology generally, it would be surprising if such developments did not occur in the language of selling. Local moves (which the majority tend to be) foster and preserve a common dialect between estate agents and those in the surrounding community. Elaborate idiosyncrasies are able to evolve because of persistence in the spatial and cultural proximity of the parties involved in the majority of transactions. While moves are infrequent, the interaction between punters and agents is not. Estate agents are engaged in an ongoing process of persuading residents to move. Real estate voyeurism and the propensity of consumers to window-shop facilitates this ongoing dialogue.

SUMMARY: This implies that there will be persistence over time in local patterns of language.

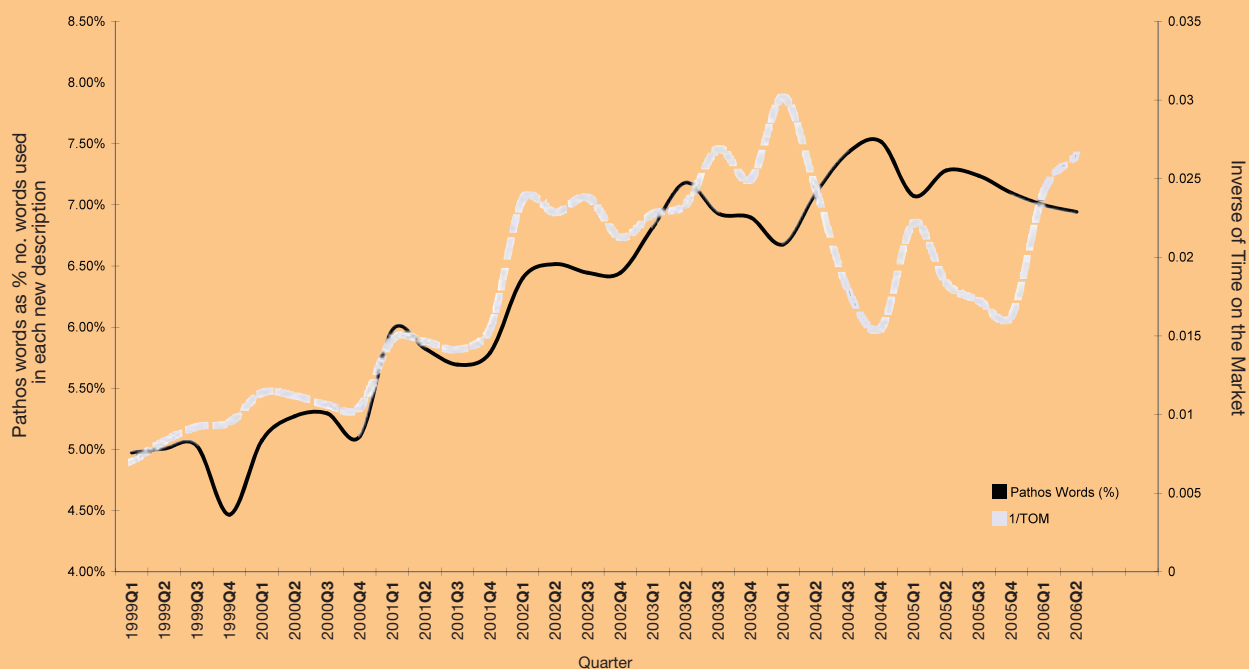
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Methods and results

So, does the data actually support any of these theories? To explore this, Sarah Oates and Gwilym Pryce have developed a computer program to enable them to count how many times “pathos” expressions – words or phrases that are particularly emotive or superlative – occur in each of the 49,926 property adverts, which in turn allowed them to calculate the incidence of each category of pathos in each of the adverts.

The results reveal strong evidence that the verbal construction of house adverts varies systematically, both spatially and temporally. Consider, for example, the clear seasonal and trend variation of the incidence of pathos words in new descriptions shown in Figure 1 below. As can be seen, there are seasonal variations in the incidence of pathos (emotive language) and these appear to correspond to changes in market buoyancy (measured here as the inverse of time on the market).

Figure 1: Time on the Market and the Incidence of Pathos in New Descriptions



Consider also the variation across space depicted in the contour map of Figure 2 where darker areas depict higher incidence of pathos. The map clearly shows significant spatial variation in the language of selling. The real question is whether there is any persistence over time in these spatial

patterns. By comparing cross sections of the contour map in 1999 and 2005 (Figure 3) one can see evidence not only of spatial variation but also of inertia over time in this pattern of language across submarkets.

Methods and results

Figure 2: Spatial Variation of the Incidence of Pathos in 1999

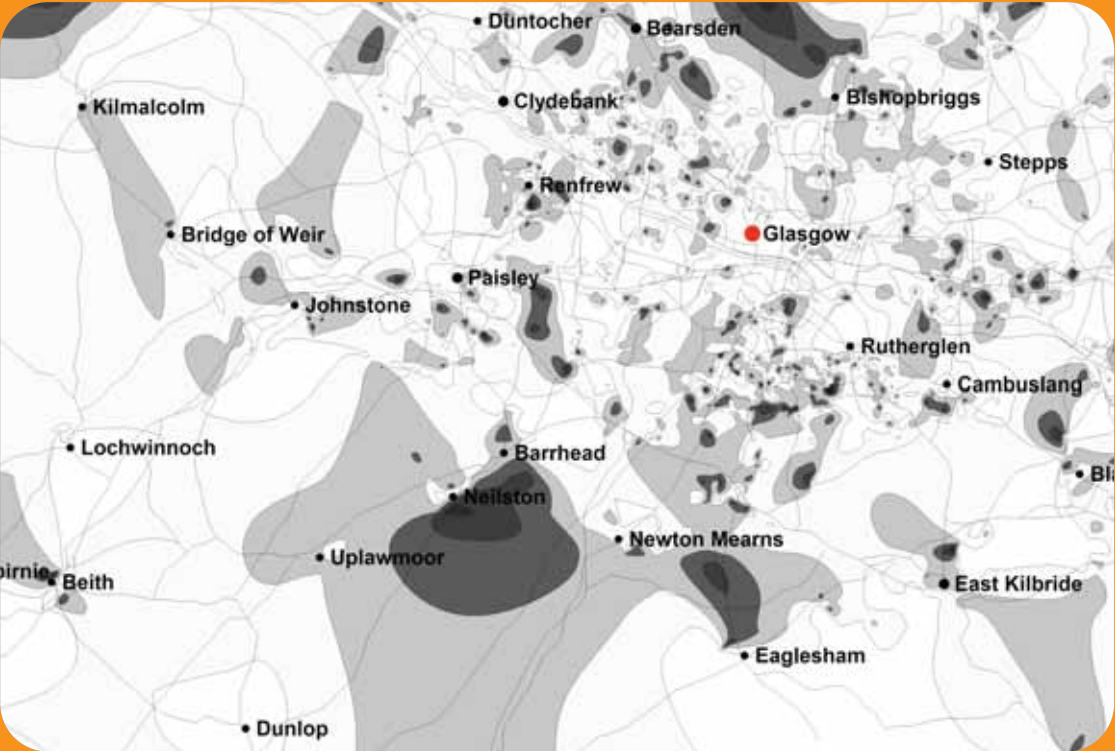


Figure 3: Cross-Section of the Pathos Surfaces from Bearsden to Renfrew



Methods and results

This variation is, of course, partly due to changes in the mix of properties being sold, indicating a need to control for dwelling attributes when testing subsequent hypotheses. To this end, the authors employ Fractional Logit regression methods to help them investigate hypotheses in a multiple-causation estimation framework. By controlling for property type, Oates and Pryce are able to establish whether the deployment of euphemistic dialect was pro-cyclical (rising as the market rises) or counter-cyclical (falling as the market rises). On this point, a number of the theories were in conflict. The theory that agents utilise more effusive descriptions when dealing with difficult to sell properties suggested that the incidence of pathos (emotive language) will be counter-cyclical, whereas theories based on cycles in staff composition, irrational exuberance and changes in the opportunity cost of viewing, all predicted pro-cyclical. Though the effect proved to be relatively small, the actual results suggest that the incidence of pathos tends to vary with market buoyancy (pro-cyclical), even when holding everything else constant (including property type).

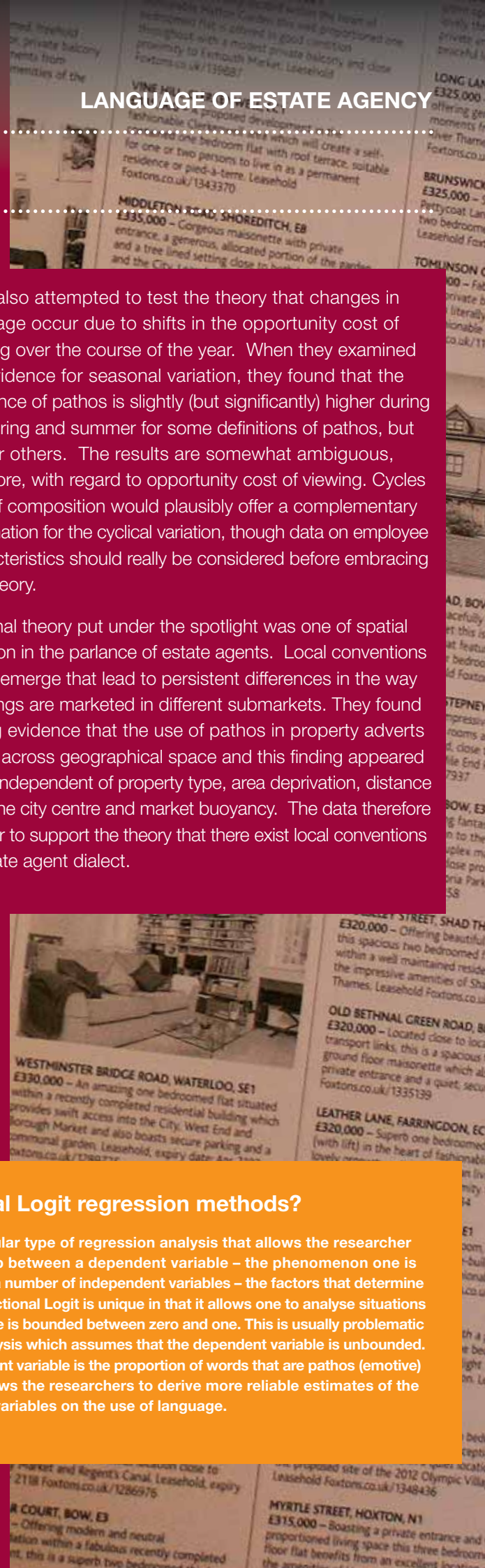
So, Gwilym Pryce and Sarah Oates rejected the counter-cyclical theory on this basis but, in actual fact, the small net effect may be evidence that opposing forces are at work, with the impact of one the forces dominating. Of the pro-cyclical theories, the irrational exuberance explanation was rejected on the basis that excitement-inducing pathos words did not seem to be any more pro-cyclical than the others, though of course this may have reflected deficiencies in the method of pathos categorisation.

They also attempted to test the theory that changes in language occur due to shifts in the opportunity cost of viewing over the course of the year. When they examined the evidence for seasonal variation, they found that the incidence of pathos is slightly (but significantly) higher during the spring and summer for some definitions of pathos, but not for others. The results are somewhat ambiguous, therefore, with regard to opportunity cost of viewing. Cycles in staff composition would plausibly offer a complementary explanation for the cyclical variation, though data on employee characteristics should really be considered before embracing this theory.

The final theory put under the spotlight was one of spatial variation in the parlance of estate agents. Local conventions might emerge that lead to persistent differences in the way dwellings are marketed in different submarkets. They found strong evidence that the use of pathos in property adverts varies across geographical space and this finding appeared to be independent of property type, area deprivation, distance from the city centre and market buoyancy. The data therefore appear to support the theory that there exist local conventions in estate agent dialect.

What are Fractional Logit regression methods?

Fractional Logit is a particular type of regression analysis that allows the researcher to estimate the relationship between a dependent variable – the phenomenon one is attempting to explain – and a number of independent variables – the factors that determine the dependent variable. Fractional Logit is unique in that it allows one to analyse situations where the dependent variable is bounded between zero and one. This is usually problematic for standard regression analysis which assumes that the dependent variable is unbounded. In this research, the dependent variable is the proportion of words that are pathos (emotive) and so Fractional Logit allows the researchers to derive more reliable estimates of the effects of the independent variables on the use of language.



Conclusions

This research started by looking at what might be regarded as a relatively trivial issue – the language used by estate agents. But, by analysing this in detail, the researchers have been able to uncover some real truths about the way in which housing market and the residential agency process operate. There seems to be strong variation over time and space in the rhetoric of house selling. It may well be the case that these variations have the potential actually to hinder the attempts of house-buyers to decipher the euphemism of estate agent advertisements, particularly if they are moving between areas. This has implications for information dissemination and the efficiency of local housing markets, and invites further research into these ramifications. However, it may be that buyers are adept at adjusting to these changes and there is no material consequence as a result. Perhaps the most important implication of the findings, therefore, is that fluctuations and patterns in the language of selling appear to reveal aspects of market structures and dynamics and, in that sense, may hold out the prospect of offering additional insights into the machinations of the market.

More generally, the results underline the importance of considering the emotional issues associated with the real estate process, and the intrinsic link between the psychology of the house purchase decision and the dynamics of the market itself.

Part of the motivation of the study was an attempt to find a link between the powerful emotional and economic aspects of the house-buying process. This is an important endeavour because, while previous scientific studies have unpicked many of the puzzles of real estate markets, the acknowledged visceral side is somewhat harder to quantify and remains relatively unexplored for economists. Hopefully, this research makes some headway in establishing a methodological foundation that will encourage future work on the language of selling and facilitate a more rounded understanding of housing markets.



About this study

The study was undertaken by Professor Gwilym Pryce of the Department of Urban Studies, University of Glasgow, and Dr Sarah Oates of the Department of Politics, University of Glasgow, Scotland.

The full research paper is published under the title, "Rhetoric in the Language of Real Estate Marketing", in issue 2 of *Housing Studies*, Volume 23, March 2008, pages 319–348.

For more information visit:

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