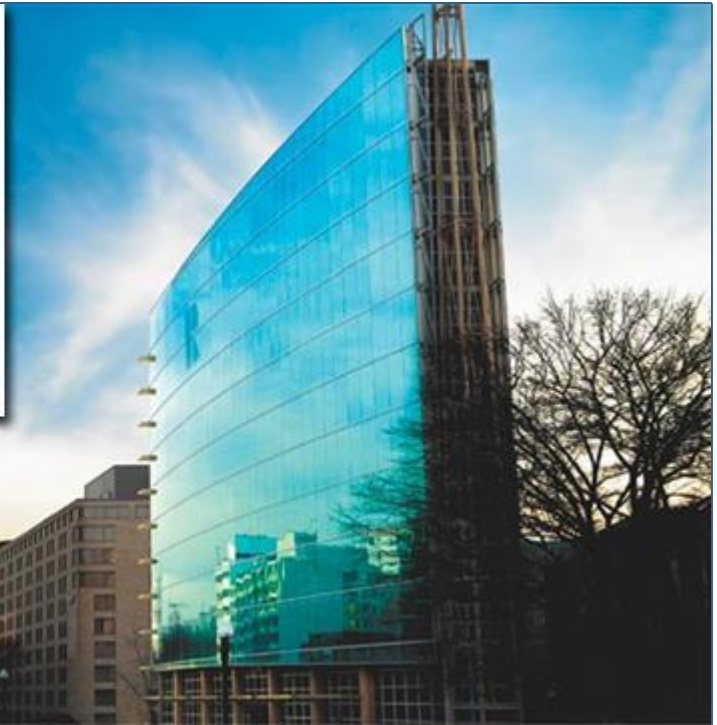




**NAR Midyear Meeting Report Washington 2014**



It was our pleasure to attend the 2014 NAR Midyear meetings and expo, now re-named REALTOR Party Conference and Expo. We were in meetings everyday on a host of issues, some related to the organization’s structure and policies, much of it on legislation and reports from NAR workgroups. Below is a report on just some of the issues we thought would be of interest.

You can also check out the Chief Economist’s Outlook presentation slides at

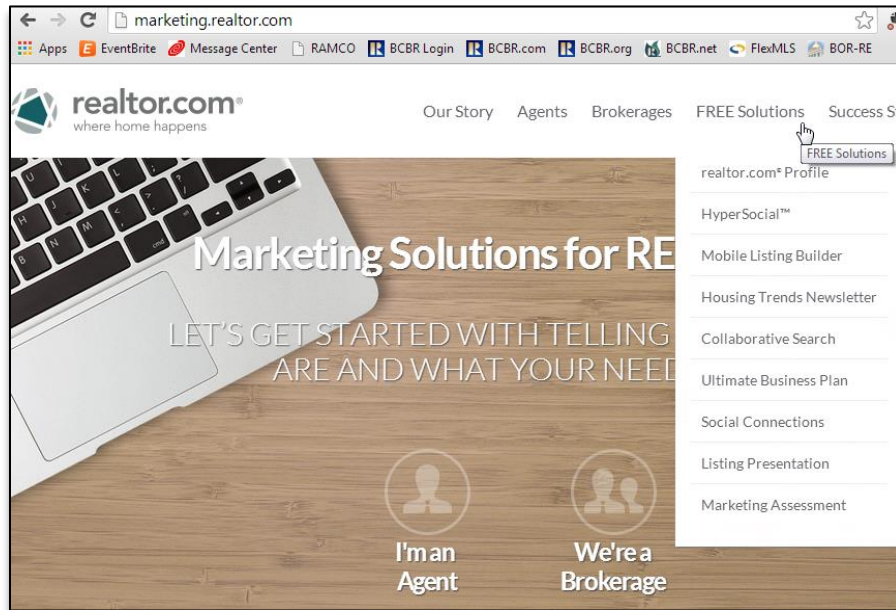
<http://www.scribd.com/doc/225128282/Presentation-Housing-Market-and-Economic-Outlook>

Sandy Carroll, CEO | Mark McIlquham, Board President | Karen Climo, 2014 MLS President

- New Realtor.com Agent Branding .....page 2
- New FlexMLS Mobile App .....page 3
- Realtor Action Mobile App.....page 4
- Real Estate Issues on the Hill .....page 5
- REALTOR.com new Campaign: Accuracy Matters .....page 7
- Portal Dominance & Syndication .....page 8
- Top 20 real estate websites, February 2014.....page 10
- New Organization Standards .....page 11
- New National Election Process changes .....page 12
- Policy changes: MLS Professional Standards, Tax & Issues Mobilization .....page 13
- Creating Value in a Changing World Report .....page 14

Housing Forecast			
	2013	2014 forecast	2015 forecast
Housing Starts	925,000	1.07 million	1.4 million
New Home Sales	430,000	510,000	710,000
Existing Home Sales	5.1 million	4.9 million	5.2 million
Median Price	\$197,000	\$209,000	\$219,000
30-year Rate	4.0%	4.7%	5.5%
Dollar Volume Estimate	+21%	+3%	+11%

## Free Agent Profile Now linked to Realtor.com Listings for Free as well



All of your listings displaying on REALTOR.com will automatically link to your agent profile once you've claimed their profile.

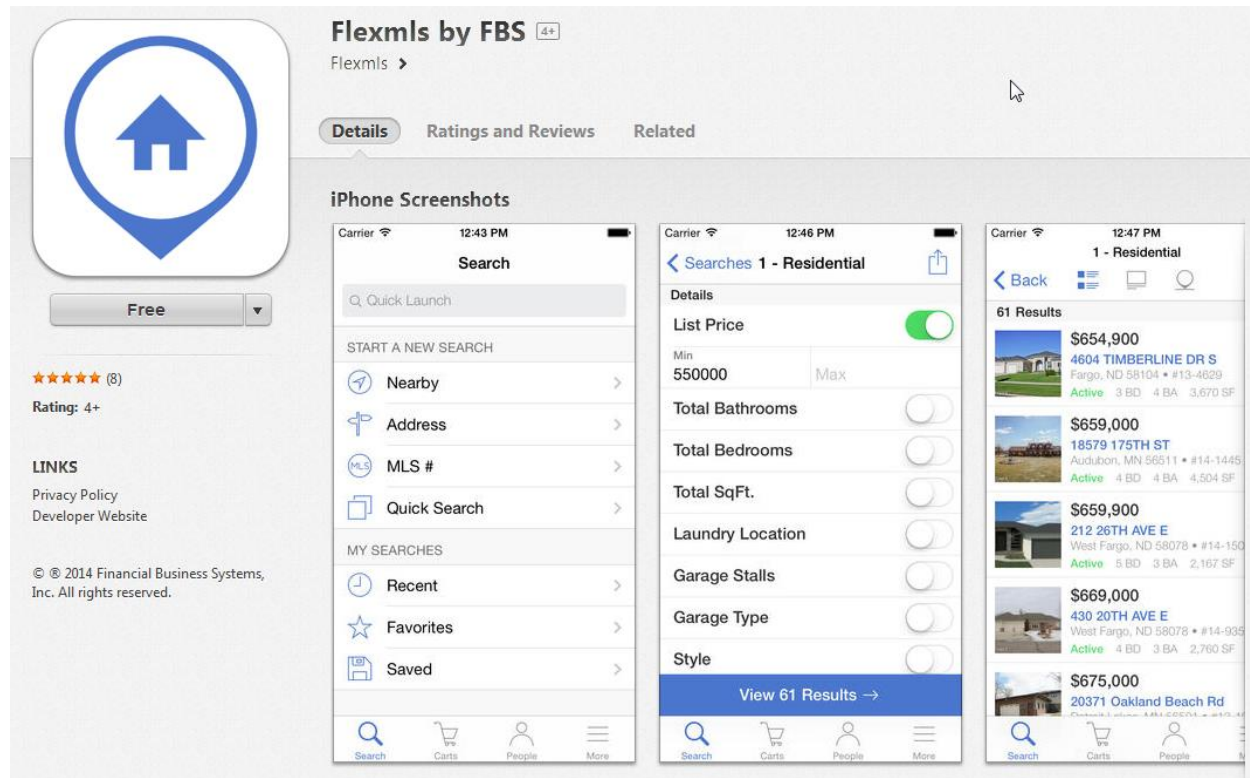
- If you **HAVE NOT set up your free profile** and have not enhanced your listing (paid REALTOR.com for marketing products) your listing appears with your Office Name, Office Phone and Listing Agent name.
- If you **HAVE set up your free profile** and have not enhanced your listing (paid REALTOR.com for marketing products) your listing appears with your Office Name, Office Phone, A REALTOR R logo and your name is hyperlinked to a profile with contact information for you and any of the following (you decide!)
  - Slogan
  - Website
  - Office Address
  - Social Links
  - About Me
  - Years of Service
  - Agent Type
  - Fields of Business
  - State of License
  - Designations
  - Certifications
  - Community Area
  - Specializations
  - Languages
  - Average Listing Price
- If you **HAVE an enhanced listing** (paid REALTOR.com for marketing products) you should still claim your profile so that a REALTOR R logo and your name is hyperlinked to a profile with the above information PLUS lead generation display on the right hand side in addition to listing enhancements.

To claim your profile:  
[Marketing.Realtor.com](http://Marketing.Realtor.com)

For step-by-step guide on how to complete your profile:  
<http://tinurl.com/Rprofilepagequicksta>

## New Mobile Apps Released to Make Business Easier

FlexMLS Releases Mobile App with great results reported so far.



We were pleased to meet with the President and our Sales Representative from FBS Data Systems to discuss the FBS is pleased to announce the availability of Flexmls for iPhone on the iTunes App Store. This new, FREE app focuses on bringing the Flexmls listing search to the iPhone. It works with iPhones 4 and 5 running iOS7. On the road, we found it to be full-featured and easy-to-use. In speaking with Mike Wurzer, the President of FBS Data Systems and owner of FlexMLS, he is anxious to get feedback on the app. Directly in the app you will see a feedback option that goes directly to him for review – if you have an idea or suggestion, make sure your viewpoint is heard!

FBS will be conducting webinars on the new app: May 28th at 11:00am Central Time.

FBS is also working hard on an Android version and they are bringing the same look and feel to their Mobile Web application. Look for the new Mobile Web application in June and the Android version later in the summer. They also have plans for tablet specific versions by the end of the year.

Go to iTunes to download



## REALTOR Party Releases App to help you Stay Informed of Legislative Issues



**WHERE WILL YOU BE  
WHEN YOU GET THE  
CALL FOR ACTION?**

As a busy professional on the go your lifeline to clients and your office is your phone. Fewer and fewer of us are tied to a traditional desktop or laptop anymore to complete the functions of our work. Smartphones and tablets are how we increasingly manage our information and daily tasks.

### To download, text “App” to 30644 and remember to login!

You can be anywhere because the new REALTOR® Action Center mobile app contains a host of features to help you VOTE, ACT and INVEST on to go:

- **Mobile Advocacy:** Receive a notification alerting you whenever there is a new Call for Action. The new mobile alert format will make participation a snap. No forms to fill out. Short, fast and easy!
- **Mobile Investing:** Make your annual investment via your phone. Now there is no excuse to not invest in RPAC!
- **Action Profiles:** The app contains a summary of your REALTOR® Party engagement. A list of open action items, actions you have already taken.
- **Advocacy Reports:** Track how your state and local associations are doing in terms of their advocacy efforts to help us reach our annual 15% goal.
- **REALTOR® Party Tracker:** Learn how your state and local association are using NAR programs to build political strength in your own backyard. Find out what tools and programs NAR is providing your association and how much money those programs cost.

## On Capitol Hill We Stood for Real Estate Issues

### We lobbied to Preserve The Mission And Purpose Of The FHA

**Why is this so important?** FHA, like every other holder of mortgage risk, has incurred financial losses as a result of high foreclosure rates. FHA has taken a number of steps to recoup its financial stability. These include increasing premiums five times in the last two years, increasing down payments on some borrowers, and increasing its risk management practices.

NAR has argued that FHA's current policies, such as the very high premiums, already hurt consumers. In 2014, the mortgage insurance premium of 1.35 percent is 80 basis points higher than the rate of 0.55 percent in 2010. For 2013, NAR estimates that between 125,000 and 375,000 potential homebuyers were priced out of the market due to the high FHA fees.



**We asked our Legislators to...** Ensure that the Federal Housing Administration (FHA) single-family program has the tools and policies in place to meet its mission of providing access to safe, affordable mortgage financing to qualified borrowers nationwide, without imposing burdensome limitations.

**Specially, we asked that they ...** Oppose H.R. 2767, the PATH Act. This bill alters and reduces the role of FHA curtailing opportunities for homeownership for millions of qualified American families and Support S. 1376, the FHA Solvency Act. This bill provides tools to FHA to better manage risk to taxpayers.

### Reform The Secondary Mortgage Market



**Why is this so important?** Fannie Mae and Freddie Mac were created to ensure that creditworthy borrowers had access to affordable mortgage capital no matter where they lived in the United States. For more than 70 years, the system worked well, combining government support and private capital to make affordable mortgages available to consumers. The system faltered during the housing collapse, and since 2008, Fannie Mae and Freddie Mac have been in conservatorship under the supervision of the Federal Housing Finance Agency (FHFA). During the last two sessions of Congress, there has been much discussion regarding the causes of the housing collapse, and the role that Fannie Mae and Freddie Mac played. It is unclear if any of the current proposals to overhaul the housing finance system will be signed into law this year.

**We asked our Legislators to...** Restructure the secondary mortgage market to ensure that affordable mortgages are available to consumers in all types of markets, and avoid a major disruption to the nation's economy that would result from the total collapse of the housing finance sector.

- Ensure there is government participation in the secondary market;
- Safeguard the availability of long-term, fixed-rate mortgage products (i.e., 30-year FRM);
- Encourage private capital to return; and
- Provide consumers access to affordable mortgage credit under all economic conditions.

## On Capitol Hill We Stood for Real Estate Issues, page 2

### We lobbied to Preserve Real Estate-Related Tax Policies

**Why is this so important?** While tax reform is on the “back burner” now, the ideas introduced by the House and Senate tax reform draft plans will be reconsidered when Congress gets serious about moving tax reform. It is important Congress understands now that reforms that harm real estate are nonstarters. In the meantime, there also are urgent provisions that have expired that Congress should extend now.

**We asked our Legislators to...** remember the vital role that real estate tax provisions play in the nation’s housing markets and economy. Tax reform is important but should first do no harm. Several tax provisions vital to distressed homeowners and commercial real estate have expired and need to be extended. They can do this in two ways:

#### 1. Preserve Real Estate-Related Provisions

- More than 75 percent of homeowners utilize the mortgage interest deduction at some point over the period they own a home.
- For many homeowners, property taxes are their largest deduction — one that continues long after a mortgage is paid off.
- The value of both mortgage interest and property tax deductions is capitalized into house prices. Eliminating the MID would cause on average a 15 percent drop in home values; decreasing the deductions, even for a limited group, would compress the value of all homes.
- Repealing the like-kind exchange provision would be counterproductive and result in the loss of jobs and economic growth and very little gain in revenue.

#### 2. Reinstate Expired Provisions

- Despite significant market recovery, more than 6 million homeowners (13 percent of all homeowners with a mortgage) are still “under water.”
- Continued high unemployment has resulted in 2 million households that are seriously delinquent on their mortgages or in foreclosure.
- Mortgage debt forgiveness tax relief is vital for these families.
- American homeowners have demonstrated a strong “ability to repay.”





## REALTOR.com new Campaign: Accuracy Matters

### The Pinnacle Group helps Define the Local Association Message and Teaches how to Engage a Media Audience

Berkshire leadership met with the Pinnacle Group members at this event. In the past several years, we have collaboratively spent quite a bit of time focusing on developing and honing several aspects of our strategic intent, value proposition, and essential products and services. We've heard best practices for getting the message out to members and stakeholders. At the latest meetings, we heard from REALTOR.com on their upcoming campaign and talked about the identification and polishing of a local association's message and specific communications. We learned about how message management is changing, and how to take advantage of these changes.

### Realtor.com® Champions Accuracy for Consumers with Integrated Advertising Campaign

REALTOR.com proudly announced its new national advertising campaign, *Accuracy Matters*, to educate consumers about the importance of relying on realtor.com® to provide them the most accurate U.S. residential listings.

Check out the first two 30-second commercials they aired at the NAR Midyear meetings. They are a lighthearted approach to show what happens when home buyers look for homes using inaccurate real estate search applications versus the realtor.com® mobile apps.

Watch the videos, "[Mom](#)" and "[Doghouse Architects](#)" to see for yourself.

Set to broadcast nationally through 2014, *Accuracy Matters* uses an integrated-marketing approach including television and digital advertisements, contests and social media focused on the hashtag #AccuracyMatters.

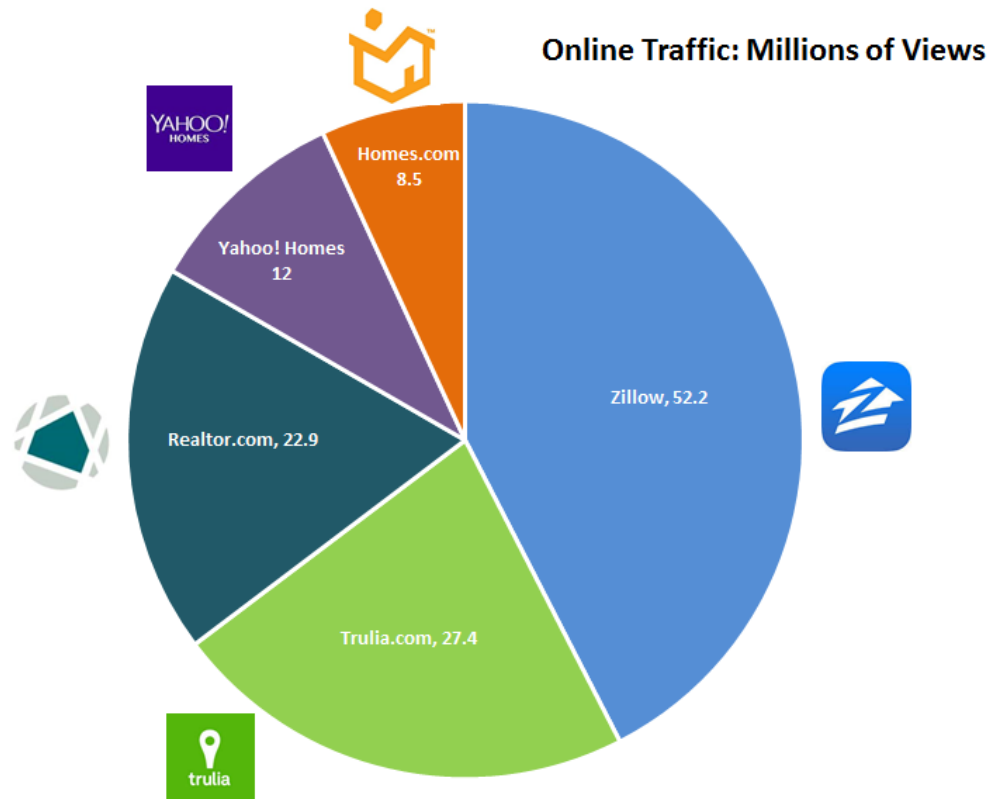


## Portal Dominance & Syndication

We met with Point2Agent and List Hub and followed up on the research that the MLS Board of Directors has been working on. We are committed to leaving marketing and syndication decisions in the hands of the brokers and the agents. Our question of late has centered on the easiest and most effective way for brokers to TAKE and maintain control. We also examined the market dominance of online traffic and analyzed two similar yet very different systems. Both services sell additional tracking products, Point2 via a website and List Hub for reporting.

### Point2 Syndication

Point2 syndication network sends listings to approximately 100 internet channels that power real estate websites. With Point2, Participants can opt into any of the available network channels. Once a Participant creates an account, Subscribers can also create an account for further customization. Point2 Syndication service is a free service for all MLS participants. Point2 has additional subscription services for Participants and their Subscribers. To create your account linked to the MLS data, go to [www.Point2Agent.com](http://www.Point2Agent.com).



### ListHub

ListHub also a syndication network that sends listings to 500+ internet channels that power real estate websites. With ListHub, brokers can opt into any of the available network channels and they offer a setting of “MLS Preferred” sites to help brokers decide. All control rests first with the Broker, then the agent. ListHub provides a Scorecard service for every site that summarizes the offerings of a particular channel. The scorecard displays information about the channel, such as what information about the listing broker they will display at no cost, if they include open houses, etc... to help you choose to syndicate your listings to that particular channel. To view the ListHub Scorecard, visit <http://publ.com/0IRZRho>.



## The Results of our Research

Both offer streamlined, free listing syndication for our members. We have had requests to move our syndication services to ListHub because some members feel it is a better service. We've had similar requests to continue with Point2 as members have purchased enhanced products from Point2 and are comfortable using those tools. We have found many Multiple Listing Service syndicate to both and allow the members to choose.

Staff research has found that Point 2 does not syndicate to Homes.com, the 4<sup>th</sup> largest trafficked site in the US. Our members appear on homes.com, either by directly uploading, through C21, or MLS PIN and they are on loopnet.com (commercial properties) if they upload themselves.

ListHub is also Fannie Mae's chosen partner for REO brokers and agents to send Fannie Mae-owned listings to their consumer-facing website, HomePath.com. ListHub also automates participation for these listing agents in Fannie Mae's mandatory Online Offer system. They also offer syndication to brokerage websites, also featured in the top 20 home search sites, such as Century 21, Redfin, etc. ListHub also offers the scorecard to make it easier for brokers to decided where to syndicate.

The MLS Board will pursue making ListHub syndication available to members, in addition to Point2.

## Interesting Trends:

- Zillow (and their sub-sites) have same the amount of traffic of Trulia and Realtor.com combined.
- Four brokerage sites cracked the top 20 in 2014: Redfin, Movoto, Zip Realty and Century 21
- Eight of the top 20 sites focus on rentals.
- LoopNet stands alone as the #1 commercial site.
- One of the top 20 is devoted to exclusively senior housing
- One of the top 20 is a REALTOR association that feeds leads back to their members. (HAR.com)



**ListHub**  
The Listing Asset Management Network

C H A N N E L   S C O R E C A R D

**Trulia**  
Parent Company: Trulia  
Website: <http://www.trulia.com>

**LISTING FEATURES**

• Listing View/Detail Page	Yes
• Redirection Link	Yes
• Displays Brokerage Name	Yes
• Displays Agent Name	Yes
• Displays Broker Contact Info	Yes
• Displays Agent Contact Info	Yes
• Inquiry Form on Listing View Page	Yes
• Consumer Registration Required to View Listings	No
• Fee Required to View All Data	No
• Accepts Virtual Tours & Videos	Yes
• Accepts Open Houses	Yes
• Social Media Enabled	Yes

**PROPERTY TYPES**

- **Primary Types:** Residential, Land
- **Sub-types:** Auction, Residential Rental, Farm & Ranch, Foreclosure, Mobile Home, Multi-Family, New Construction

**Stats:**

- ✓ Provides Support: Yes
- ✓ Support Response Time: 1-3 days
- ✓ Data Refresh Frequency: Daily
- ✓ Inactive Listing Removal Frequency: Daily
- ✓ Provides View & Inquiry Reports: Yes
- ✓ Provides Listing Error Reports: Yes
- ✓ **Site Notes:** Complete list of Powered Sites is not provided to ListHub. [Click here to learn more.](#)

## Top 20 real estate websites, February 2014

January 2014	Total visits	Share of visits
1. Zillow	52.2 million	16.53%
2. Trulia.com	27.4 million	8.66%
3. Realtor.com	22.9 million	7.26%
4. Yahoo! Homes	12.0 million	3.81%
5. Homes.com	8.5 million	2.69%
6. Apartment Guide	6.0 million	1.88%
7. Rent.com	4.4 million	1.41%
8. Redfin	3.7 million	1.18%
9. MSN Real Estate	3.7 million	1.18%
10. LoopNet	3.7 million	1.16%
11. HomeAway	3.6 million	1.14%
12. Apartments.com	3.5 million	1.12%
13. ForRent.com	3.5 million	1.11%
14. Movoto	3.2 million	1.01%
15. ZipRealty	3.1 million	0.98%
16. Century 21 Real Estate	3.0 million	0.96%
17. Caring.com	2.9 million	0.92%
18. ApartmentFinder.com	2.9 million	0.92%
19. HAR.com	2.9 million	0.91%
20. Rentownhomelistings.com	2.8 million	0.88%

January 2013 Changes	Total visits
1. <a href="#">Zillow</a> (up to 52.2)	44.2 million
2. <a href="#">Trulia</a> (down to 27.4)	33.7 million
3. <a href="#">Realtor.com</a> (down to 22.9)	29.3 million
4. <a href="#">Yahoo Homes</a> (dropped to 12)	26.5 million
5. <a href="#">FrontDoor (HGTV)</a> (Redirects to Zillow)	26.1 million
6. <a href="#">Homes.com</a> (dropped to 8.5)	18.0 million
7. <a href="#">MSN Real Estate</a> (dropped)	7.2 million
8. <a href="#">Rent.com</a> (Dropped to 4.4)	7.1 million
9. <a href="#">AOL Real Estate</a> (Powered by Zillow)	6.6 million
10. <a href="#">Apartment Guide</a> (up to 6.0)	5.9 million

Source: Experian Marketing Services

## New Organization Standards

As of June 2015, all local associations will be required to renew their charter with the National Association of REALTORS and in doing so will have to commit to operate under unified, core organizational standards. These standards were developed in committee and approved at the NAR Board of Directors meeting at the Midyear conference in May 2014.

Under the new rules, every association needs to maintain standards in the following areas:

- **Code of Ethics.** Associations must demonstrate they provide a viable, easy-to-navigate professional standards process for enforcing disputes. We must provide the training and resources to all members and offer mediation, ombudsman and/or citation services to help speed the process for enforcement.
- **Advocacy.** Associations must demonstrate they strive to raise RPAC "fair share" contributions and 15% response rates for Calls for Action. RPAC efforts must now include a voluntary member contribution (which can be stricken / not paid) included with dues billing or a contribution made by the association in the amount equal to our goal. We must demonstrate advocacy engagement with our members, with outside organizations, with the public and communicate that core principal.
- **Consumer Outreach.** Associations must demonstrate their role as the Voice for Real Estate® in their communities through plans to share market data with the public, issue press releases, and/or sponsor community-building activities. Each association is required to host 4 outreach events per year in order to maintain our national charter.
- **Unification and Support of the REALTOR® Organization.** Associations must adopt a business or strategic plan with an advocacy component; maintain corporate documents, policies, and procedures; and enforce dues billing on an annual basis. The CEO must take at minimum 6 hours of real estate training per year. We must reach out to non-member licensees in referral companies for RPAC participation.
- **Financial Solvency.** Associations must provide financial solvency through an annual review or audit by a CPA and review of financial policies.
- **Technology.** Associations must communicate using contemporary electronic resources, including a website with links to the other levels of the REALTOR® organization.

The Board approved up to \$20 million to help associations meet their new responsibilities: \$5 million helps associations create or update their strategic plan; \$3 million helps states implement the standards; and \$12 million to facilitate association mergers or dissolutions.

Full Report: <http://www.realtor.org/sites/default/files/reports/2014/Organizational-Alignment-Report.pdf>

The Berkshire Board leadership reviewed this briefly and feel that we can accomplish the NAR goals without significant changes, though there will be some. We will also learn more after a state meeting set for the end of the month to discuss this report and oversight particulars. All members will be kept aware of the challenges, issues and opportunities these mandates and oversight will bring.



## New NAR Election Rules

The NAR Board of Directors also approved a new process and timetable for the election of leaders. The new process will go into effect Jan. 1, 2015, upon approval of constitutional amendments by the Delegate Body.

- Shorten the election cycle to the 10-month period from August to the following May, compared to campaign periods that have sometimes stretched to three or four years.
- Rename NAR's Nominating Committee, which reviews candidates for leadership positions, the Credentials and Campaign Rules Committee.
- Set specific eligibility criteria for those interested in running for elected office. The criteria include the absence of personal bankruptcies or foreclosures within the prior seven years; a credit score above the baseline required for a mortgage backed by the FHA; and no current delinquent tax filings or payments.
- Prevent candidates from seeking endorsements from their state or local association until Jan. 1 of the year before the election will be held.
- Require sitting NAR officers and qualified candidates for office to submit a quarterly report verifying any changes to their financial, criminal, or legal status.
- The new election system also includes a complaint, sanctions, and appeals process. The Delegate Body will vote on constitutional changes in November during the REALTORS® Conference & Expo in New Orleans.

In other Election News:

The Board elected officers for 2015, including President-Elect Tom Salomone of Coral Springs, Fla., and First Vice President Bill Brown of Oakland, Calif. The slate joins Chris Polychron of Hot Springs, Ark., who will be 2015 NAR president, and Mike McGrew of Lawrence, Kansas, who will be in the second-year of a two-year term. Charlie Oppler of Tenafly, N.J., and Mike Ford of West Memphis, Ark. were appointed as vice presidents.

**Photo: Mark McIlquham and Karen Climo (Sandy Carroll behind the camera) meet 2014 President Steve Brown**





## Updated Policies

### MLS Policy

With the increased use of automated valuation methods (AVMs) for valuing property, the Board amended MLS Policy Statement 7.79, Reproduction of MLS Information, to clarify that AVMs are to be included among the valuations participants can develop for clients and customers, and that MLSs must make information available to participants in a manner that makes development of fully-automated AVMs possible. Participants are subject to payment of the costs of adding or enhancing the systems needed to meet this requirement.

### Professional Standards Policy

The Board made several changes to the NAR Code of Ethics and Arbitration Manual.

- Clarification that the chairs of hearing panels may convene pre-meetings to resolve administration questions.
- Authorization of the CALIFORNIA ASSOCIATION OF REALTORS®, in a pilot program, to publish names and photographs of Code of Ethics violators on a broader basis than permitted under existing NAR policy.
- Clarification that “probation” is not a form a discipline but can be coupled with an authorized form of discipline, which is held in abeyance during the probationary period.
- Expansion of the disciplinary measures available to associations to require disciplined members to cease or refrain from continuing conduct found to violate the Code, and/or to take affirmative steps to ensure compliance with the Code.

### Tax policy

With Congress considering legislation to modify the Foreign Investment in Real Property Tax Act (FIRPTA), encouraging foreign investment, the Board adopted a policy that supports the legislation but stipulates that Congress should not do away with laws subjecting foreign and U.S. real estate investors to similar tax rules.

### Issue mobilization and legal assistance

The Board approved \$1.2 million in issue mobilization funds to three associations: \$777,000 to the North Dakota Association of REALTORS® for its effort to constitutionally prohibit transfer taxes; \$233,000 and additional funds carried over from last year to the North Carolina Association of REALTORS® for a tax reform effort; and \$176,000 to the Minnesota Association of REALTORS® for its tax reform effort.

The Board also provided \$435,000 in legal assistance funds for six cases. The cases include issues over transportation utility fees, patent infringement, developer permits, MLS copyright infringement, and recognition of licensees as independent contractors.

*Compiled and written By Sandra J. Carroll, Chief Executive Officer Berkshire County Board of REALTORS*

*Creating Value*  
IN A CHANGING  
**W****R****L****D**

Emerging Trends, Challenges  
and Opportunities For Real Estate  
Professionals — May 2014

Strategic Issues Work Group  
Association Executives Committee  
National Association of REALTORS®

# The Core of REAL ESTATE



“The core of real estate is still the same — a relationship of trust between a professional and a client. That trumps technology and it trumps discounts, and is the key reason we have a viable business in residential real estate.”

— A regional broker

## I. Introduction

The Strategic Issues Work Group of the National Association of REALTORS® Association Executives Committee was charged with identifying emerging trends and issues that are likely to have a significant impact on the real estate industry in the near future. The goal was to prepare a document that will assist real estate associations, brokers, sales associates and affiliated professionals in their strategic planning. This is the seventh such report in the last 14 years.

On February 4–5, 2014, the work group held a series of structured discussions with U.S. brokers, sales associates, real estate consultants, economists and technology experts, asking them to comment on industry trends. For reasons of confidentiality, the names of those participants are not included in this report; however, their comments are cited as direct quotations. The participants were asked the following two questions:

1. What do you see as the future of real estate in the next few years?
2. What are the major changes in the real estate business ahead?

Those candid, interactive discussions are summarized in this report, which covers both the challenges and the potential opportunities facing the U.S. real estate industry in the new few years.

While participants reached consensus on many points, there were also strong opposing opinions. In these cases, we are presenting their contradictory comments, without making a judgment. As with our previous reports, this examination of strategic trends draws no conclusions and makes no recommendations. Any action you take as a REALTOR®, association executive or affiliated professional must be your own decision, based on your own unique market, goals and skills.

## II. Strategic Issues Work Group Participants

Mark Allen	FACILITATOR
Walt Baczkowski	Jerry Matthews
Andrea Bushnell	
Cindy Butts	NAR STAFF
Chris Carrillo	Cindy Sampalis
David Charron	
Russ Cofano	
Janet Kane	
Pam Krieter	
Joel Singer	



# III. Executive Summary

“It’s a new world every day, and we are making it up as we go along.” — A Midwest broker

The steady recovery of the nation’s residential and commercial real estate markets has created both new opportunities and challenges for real estate agents, brokers, managers and organizations. It has also attracted strong new players seeking to carve out their own profitable niches.

Today, the national playing field is changing — perhaps more rapidly than it has in the past decade. One reason is the growing strength of third-party portals in attracting consumer “eyeballs” and generating leads for agents. Another is the ongoing discussion in Washington about changing regulations related to housing finance. Mobile, social and digital technologies continue to evolve, accelerating the pace of the residential transaction, and changing the agent’s “value equation” for the consumer, particularly for the Millennial generation.

This report covers these issues — and more — in order to help real estate professionals better understand the challenges and examine new opportunities. Our previous reports (2001, 2003, 2006, 2008, 2010 and 2012) focused on simplifying the consumer experience, the convergence of mobile, social and local trends; changing consumer, technology innovations; alternative business models; and the issue of value as key themes in the ongoing conversation about the future of real estate. Many of those trends are still occurring, and we invite our readers to review those reports at [www.AssociationStrategicIssues.com](http://www.AssociationStrategicIssues.com).

Building on our prior work, this report addresses the evolving challenges and opportunities for real estate professionals in regard to consumers, the housing market, broker and agent models and technology, including the multiple listing service (MLS).

Today, the issue of creating or delivering value in a fast-changing world is a major concern for all segments of the industry, and a key driver of change. Traditional service models need to be re-examined carefully to see if they still provide value — particularly in light of the following three trends:

## 1. Creating memorable experiences.

In the pre-Internet era, consumers relied on real estate professionals for access to information. In today’s digital, social and mobile world, real estate professionals need to interpret the data for consumers, because information (of varying levels of quality) is seen as a commodity, readily available with just a few clicks. But as the market evolves, being able to create a memorable consumer experience will become increasingly important. That might mean delivering an “off-the-charts” level of service, resolving an almost impossible challenge, or delivering service in

an entertaining manner. Certainly, agents who create memorable experiences will be in a stronger position to build ongoing customer relationships that result in repeat business and referrals long after the transaction has closed.

This subtle shift will also affect other players in the real estate industry, including brokers, MLS organizations and associations:

- **AGENTS.** How can you provide a memorable experience so buyers and sellers will rave about your service to friends and associates?
- **BROKERS.** How can you create memorable experiences for your agents to distinguish your company from the competition and help in recruiting top producers? How can you deliver a consistent consumer experience when every agent is different? How do you support your agents so they can personalize their services?
- **MLS ORGANIZATIONS.** How does your data based service compare with the experiences that agents (and consumers) get from third-party sources? Does accuracy of data outweigh the “bells and whistles” or overall friendliness of other sites?
- **ASSOCIATIONS.** Can you offer members an experience that engages them more fully in your programs and activities? Are you moving from commodity products, to customized programs, to engaging experiences?

In summary, this is a trend can open the door to new ideas and innovative practices for all segments of the industry, and it bears close watching for the future.

## 2. Merging the real and virtual worlds.

It used to be easy to distinguish between the virtual and real-world aspects of real estate. A consumer would search online to find neighborhoods or homes and then sit down with an agent to discuss the next steps in the buying or selling process. Now, those lines are blurring, and real estate professionals need to be able to navigate in both worlds.

For example:

- After showing a home, an agent pulls out her tablet, pulls up comparable listings in the neighborhood, and discusses them with a buyer, taking advantage of real-time enhanced images and videos that help bring static listing data to life.

# 3 Drivers of VALUE

- During a company sales meeting, a broker sends out a group text about a new listing to demonstrate the importance of keeping a mobile device close at hand at all times. Agents' responses and comments are instantly received and displayed, accelerating the flow of information and the pace of the transaction.
- To improve understanding and visibility in the local community, an MLS organization creates a speaker's bureau and engages in a series of talks to consumer and professional audiences. The speakers are live at community events or virtual for online chats or webinars.
- An agent, broker or service provider merges real world photos and facts with illustrations, charts and extrapolations to help consumers interpret information. The possibilities are almost endless: An image of the buyers standing in front of their new home; an oversize image of a seller's home, demonstrating its greater market value; an online negotiating session where the avatars of the buyer's and seller's agents "sit down" and discuss their clients' positions.

### 3. Adapting to the "new complexity."

While we've all heard the phrase the "new normal," today's real estate market is becoming more complicated than ever. Agents, brokers and other players must constantly reexamine their business practices in light of this "new complexity."


In his landmark book, "On the Origin of Species," English biologist Charles Darwin emphasized the importance being able to adapt to changing conditions. For real estate professionals, that principle has never been more relevant. For example:

- Agents and brokers today must serve consumers in multiple age bands — the Millennials, Gen Xers, Boomers and the Silent Generation — assisting buyers and sellers with different styles of communication and levels of understanding about real estate.
- Other types of diversity are increasing as well, including cultural, ethnic, racial, family and gender. To take just one example, Facebook now offers nearly 50 options for "gender."
- Housing is also becoming more diverse, including new "smart" homes with energy-saving "green" features, to older row houses and urban townhomes to independent living communities.

To be successful in creating or delivering value, real estate professionals should strive to provide a "great" customer experience, navigate the online and "real" worlds effectively, and be able to adapt to changing situations.



STRIVE TO PROVIDE A  
"GREAT" CUSTOMER  
EXPERIENCE



NAVIGATE THE ONLINE  
AND "REAL" WORLDS  
EFFECTIVELY



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TO CHANGING  
SITUATIONS

As the housing market, popular demographics and consumer desires continue to evolve, these three trends — experience, virtual, and adaptability — will be important drivers of change in all areas of the real estate business.

As one broker said, "We need strong leadership at the company and association levels, as well as a clear, positive vision of the future in order for all the other players in a transaction to bring our specialized talents together and provide the best possible service to the consumer."

## IV. Housing Trends

“We need millions more new homes in order to accommodate rising demand.” — A California economist

One of the signs that the U.S. economy continues to improve is an upturn in housing construction. “New home starts have finally come back from the floor and will reach about 1.5 million units this year,” said a California economist. “We have burned off all the excess inventory, although some areas of the country, like Florida, Arizona and Las Vegas are still facing an overhang. For the country as a whole, we will need to keep building through the next decade to meet growing demand.”

For the next ten years, housing demand is expected to increase by one percent annually, creating a need for 1.2 million new units per year. That doesn't include the need for housing to replace obsolete homes that were built in the post-World War II era and are now 65 to 70 years old. Barring a sharp upturn in new construction — which is unlikely due to tight lending restrictions on builders and developers — demand for housing is likely to outstrip supply in most U.S. markets. Other trends affecting the housing market include the following.

1.5  
Million  
NEW HOMES THIS YEAR  
NEXT 10 YEARS INCREASE  
BY **One percent**  
ANNUALLY

**WIDE VARIATION IN FOR-SALE PRICING AND INVENTORY.** In the resale market, housing prices in many regions have returned to their pre-recession peaks, although values in some areas are still lagging. Real estate market conditions do vary dramatically across the country. In San Francisco, high demand coupled with low inventories means that new listings are sold almost as soon as they come on the market. However, Detroit and other Michigan cities have high inventories of homes, creating affordable ownership opportunities for many first-time buyers.

“I don't expect housing prices to rise very much in the next two or three years,” a broker said. “The levels are now about right in terms of the fundamentals. We don't expect that the aging of the Baby Boomers will lead to a collapse in the market, since most retirees who haven't moved by age 70 tend to stay in their current homes.”

**MORE OWNERS WAITING TO MOVE.** The “stay-put” trend among retirees actually extends to all buyers, according to the annual National Association of REALTORS® *Profile of Home Buyers and Sellers*. In 2013, nearly half of all buyers expected to stay in their homes for 16 years. This is twice as long as most buyers expected to keep their homes in the 2006 survey.

**INVESTORS ARE STILL ACTIVE.** In some markets, housing demand continues to be driven by investors who focus on foreclosures, and other homes in distress, as well as international buyers seeking second homes for vacation and investment purposes.

**FINANCING IS A KEY BARRIER TO BUYERS.** Many traditional “move-up” buyers lack sufficient equity in their current homes to purchase a larger property. In addition, first-time buyers still face significant barriers to homeownership, including the need to save for a larger down payment (10 to 20 percent) and meet lenders' stringent credit standards. Currently, first-time buyers are now about 38 percent

of the market, significantly below the traditional 40 percent level, according to the 2013 *Profile of Home Buyers and Sellers*.

**FEDERAL HOUSING FINANCE POLICY IS UNSETTLED.** In Washington, policymakers have discussed replacing Fannie Mae and Freddie Mac, the two government-sponsored enterprises (GSEs) that provide a secondary market for mortgage securities and support the traditional 30-year fixed-rate mortgage. However, both Fannie Mae and Freddie Mac are now contributing billions of dollars to the U.S. Treasury without significant loan default problems. Therefore, economists and consultants believe that any major change in federal housing policy is unlikely — at least until after the next presidential election in 2016.

**NEW BUYERS EMERGE.** In the next decade, Hispanics and Asian American families are expected to be major consumers of housing. In many cases, young adults live with their parents to save money for buying a home when they are ready to marry and start their own families. “Real estate professionals will be serving customers who are ethnically different than in the past, as well as a larger number of single buyers and sellers,” said a national broker. “Demand for housing will certainly increase, but it will be a different mix than in the past.”

**PLAYING THE SINGLES AND DOUBLES GAME.** Singles and unmarried couples will also constitute a growing part of the housing market, as the U.S. marriage rate has dropped dramatically. However, single people tend to be renters with a 50 percent ownership rate compared with 80 percent among married couples. This increase in singles and “mingles” will increase demand for housing units located in denser, central city locations, where it is easier to meet other people. However, couples with children will continue to gravitate to suburban neighborhoods with good schools — even if they pay more for those homes.

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**38%**  
ARE FIRST-TIME BUYERS,  
SIGNIFICANTLY BELOW  
THE 40 PERCENT LEVEL

**50**  
PERCENT  
OF SINGLE  
PEOPLE  
OWN HOMES

*eighty* %  
OF  
MARRIED PEOPLE TEND  
TO BE HOMEOWNERS



## V. Consumer Trends

# Millennials

“There is no evidence to suggest that younger Americans have lost their appetite for homeownership.”  
— A national broker

From a demographic standpoint, the Millennial generation — 80 million strong — will be dominating the nation’s housing market for the next decade. That’s not to say that the Gen Xers (50 million), the Boomers (76 million) or the aging Silent Generation (55 million) will be exiting the market. It’s more that the tastes, values and activities of these younger buyers and renters will shape the demand for real estate products and services.

Despite their numbers, Millennials are facing some economic headwinds that may delay their emergence of their market power. There are fewer jobs for college graduates and their non-college peers, making it difficult for them to become homeowners. Meanwhile, many college students are faced with high student loan or credit card debt that needs to be paid off before they can make a purchase.

“On the positive side, surveys show that Millennials do want to buy homes,” said a consultant. “That subgroup with good jobs and decent incomes will be getting married, starting families and buying homes.” In fact, many real estate professionals believe that Millennials will enter the market in droves as the U.S. economy creates more jobs and lenders return to less restrictive mortgage standards.

In terms of lifestyles and social preferences, Millennials have their own perspectives on life, according to a demographic expert. While every individual is different, surveys and studies point to the following traits that may influence the real estate industry:

- **NO MORE JOBS FOR LIFE.** Millennials don’t expect to stay with a company or organization for a long term, and may prefer to rent rather than buy.
- **NEWER IS BETTER.** Most college-educated Millennials want newer homes and apartments with all the technology bells and whistles. There is much less desire to purchase a “fixer-upper,” even at a lower price.

- **LIFESTYLE DETERMINES LOCATION.**

Unlike their parents, Millennials will consider a wide range of potential communities, perhaps moving to a different city or state for lifestyle reasons with or without a job. “More buyers will be picking destinations based on a desired lifestyle, rather than a traditional job,” said a Colorado broker.

- **LESS IS MORE.** Having lived through the recession, Millennials don’t want to extend themselves financially if they can avoid it. “They tend not to buy as much as they can afford,” said one consultant.

- **BRANDS ARE BIG.** Branding influences Millennials’ purchase decisions for clothes, technology, recreational gear and other products. This is one reason why third-party portals have been able to establish themselves as new “brands” in the real estate marketplace.

- **DON’T TELL ME WHAT TO DO.** While Millennials do want agents and brokers to represent them when buying a house or condominium, they don’t want to be patronized or told what they should do. “Self discovery is important to this generation,” said one broker. “As an agent, you can provide the data and get out of the way and let them make decisions.”

- **MAKE IT EASY FOR ME.** Many Millennials prefer a one-stop model where an agent they trust guides them through mortgage, insurance and title services. They also want to be involved in those aspects of the buying process, so they are better prepared for the future.

Summing up the demographic picture, an independent broker said, “We now have five generations of consumers in the real estate market. Helping an elderly couple sell their long-time home to move into an independent living community is very different from helping a young couple buy their first home.”

“WE NOW  
HAVE **FIVE**  
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the **REAL ESTATE**  
**MARKET...**”

“I WANT *Leaders*  
WHO CAN ELEVATE OUR AGENTS  
AND TAKE OUR COMPANY TO THE NEXT LEVEL IN OUR BUSINESS.”

## VI. Brokerage Trends

“I don’t think the traditional brokerage model is sustainable.”  
— A national consultant

Brokerage companies are the historic foundation of the real estate services industry. They educate, train and motivate the sales professionals who serve consumers, and provide their agents with the tools needed for business success. Now that model is being challenged by a number of market forces, including the following.

- **GROWTH OF THIRD-PARTY PORTALS.**

Consumers increasingly turn to third-party portals when they begin searching for homes or for agents to represent their interests when buying or selling. Then, these portals provide their leads directly to agents, largely bypassing the broker in the process. In addition, some portals offer technology-related services to agents, competing with brokers in many cases. “Brokers see themselves in a transactional business, while the third-party portals are developing relationships with consumers,” said one consultant. “In a few years, we could wind up with a portal-agent business model, with everyone else removed from the equation.”

“The success of the new portals is their clean and direct relationship with each contact. It is almost seductive,” said an industry consultant. Is it possible that the next iteration of portals will openly challenge real estate brokerage?

- **NEW PLAYERS IN THE TRANSACTION.**

The housing market’s return to prosperity has created renewed interest among startups and existing companies seeking to carve out a niche for themselves in the real estate transaction process. “I get calls regularly from entrepreneurs seeking to fill a need in our fragmented industry,” said a consultant. “Some may offer their products to brokers, but others might chip away at a real estate company’s traditional ‘package’ of services to agents.”

- **COMPANY CULTURE.** Agents’ reliance on mobile, social and digital technology has opened the door to new service providers and changed the nature of their relationship with brokers. The importance of tangible support services to agents has declined and the bond now seems to more about the culture or the “experience” of the brokerage. In other words, the intangible feeling of camaraderie has displaced tangible tools.

- **CYBER SECURITY.** Brokers have a fiduciary relationship with their customers that include protecting the privacy and security of their information. That means companies need to consider the threat of a cyber attack and invest in effective online security tools. Few have instituted such rigorous safeguards.

- **FEWER AGENTS.** In the next few years, the number of real estate agents is expected to decrease, as top producers take an increasingly greater share of the transactions. “A broker who depends on an ‘army’ of sales people may have a difficult time sustaining that model,” said a Midwest broker.

- **GOVERNMENT SCRUTINY OF “ONE-STOP” MODELS.** Federal policymakers and regulators may decide to examine the relationships between brokerages and their affiliated businesses. “Many brokers are running their basic operations at a breakeven point in order to generate income from their title, mortgage and insurance affiliates,” said one consultant. “A change in the rules could have a dramatic financial impact on that model.”

- **INCREASING FINANCIAL PRESSURES.** Many successful agents and agent teams are negotiating for a larger share of a broker’s sales commission, and in today’s market the bargaining power is often on their side. In addition, brokers often need to invest in new technology to remain competitive with other companies in their markets, as well as “outside” providers of services.

- **POTENTIAL LOSS OF THE INDEPENDENT CONTRACTOR.** Recent legal actions are challenging the independent contractor status for agents. A change in the legal status of independent contractors would require brokerages to revamp their business models, and add significantly to their costs. “This would be the most dramatic change possible to the real estate brokerage business,” said a Midwest broker.

Faced with these pressures, brokers are responding in different ways, including:

- Consolidating with competitors through mergers and acquisitions in order to gain the scale needed to increase their marketing power and position. “Having 70,000 brokers in the U.S. is far too many,” said a consultant. “That creates inefficiencies and redundancies.”

On the other hand, smaller brokerages may have an advantage when it comes to adapting to new market conditions. As the owner of one boutique company said, “We all need to be swift and nimble, and it’s easier for smaller firms to capitalize quickly on new trends.”

- Lowering costs by reducing their investment in office space and moving to less-expensive technology platforms. “We believe in creating productive energy, so we put our agents’ desks close to each other so they can hear each other talking and putting together deals,” said one Western broker. “There’s an old saying that motion creates emotion, and that’s what we’re trying to achieve.”
- Improving operational efficiency by hiring specialists in different phases of the transaction process. “One discount brokerage model uses a team of salaried employees to perform specialized aspects of a transaction. “That allows agents to focus on just one thing — the sales side,” said a regional broker.

“It’s also a more efficient model than having an agent handle everything herself.”

Looking ahead, brokers may want to consider some innovative concepts to deliver value to their agents, such as:

- **CREATING A COMPANY CERTIFICATION PROGRAM.** In order to provide a higher level of service to consumers, while supporting their agents, some brokers have developed company training programs that lead to certification as a specialist in specific areas. This can be a valued benefit for the company’s agents who can earn a credential that will help them better serve their customers.
- **DEVELOPING A CONCIERGE-TYPE SHOWING SERVICE.** Perhaps salaried employees rather than agents could provide that basic service to prospects. “Right now, people call a broker when they want to see a house,” said one consultant. “What if a staffer met the buyers at the door, and escorted them through the home without answering any questions. Then, if they wanted to see the home again, they would go with an agent.”
- **OFFERING EXPERIENTIAL TRAINING.** Rather than traditional classroom or online learning sessions, brokers can engage new agents through experiential training, such as role-playing activities with “buyers” and “sellers.” One brokerage office even set up a kitchen, bath and living room in its office for agents to practice giving a tour and learning how to present the features of the home.

Certainly, brokerages today need to have effective strategies for recruiting, training, coaching and inspiring agents. As one broker said, “I don’t want managers. I want leaders who can elevate our agents and take our company to the next level in our business.”

## VIII. Agent Trends

“Our industry has a bright future ahead if our agents continue to build strong, trusted relationships with buyers and sellers.” — A Midwest broker

BECOMING  
A CONSULTANT  
*responding*  
QUICKLY  
LEADING  
A TEAM  
CULTIVATING  
LONG-TERM LEADS  
USING BEHAVIORAL ANALYTICS  
MANAGING AN ONLINE  
REPUTATION



It's often been said that the consumer is king. In real estate, agents should strive to be the wise counselors or trusted advisers to buyers and sellers. NAR surveys consistently show that most consumers would prefer to have an agent represent their interests rather than deal directly with the other party. Other buyers and sellers are too busy — or just not interested — in learning the nuances of a real estate transaction and have no desire for a “do-it-yourself” approach.

However, there can be a mismatch between consumer trends and agent practices. Today, more than 90 percent of consumers use the Internet to search for homes, and frequently contact agents based on what's posted online. However, most real estate agents still generate business from their personal engagement activity — marketing new listings, networking and generating referrals from people they know. In the future, successful agents will need to do a better job of “merging” their virtual and real-world prospecting to provide value to their customers.

That's just one of the challenges and opportunities facing the nation's sales professionals, who also need to address the following issues:

- **BECOMING A CONSULTANT.** While consumers clearly want consultants, many agents think of themselves as professionals whose business is closing the sale. “A consultant is someone who leaves the client in a better position than before,” said a national consultant. “That might mean advising a buyer about alternatives that include walking away from a bad deal.” Becoming a consultant is a key shift in perspective for many agents. It goes well beyond semantics because it changes the agents' value propositions for consumers.
- **RESPONDING QUICKLY.** Buyers and sellers want agents to respond immediately to their requests — something that can be difficult when showing a home or talking with an owner at a listing appointment. “One agent cannot reply fast enough to the texts, emails and Facebook posts,” said one

top producer. “That requires a team, and I believe that teams are the wave of the future. That's nothing particularly new, but those time pressures are becoming more intense than ever.”

- **CULTIVATING LONG-TERM LEADS.** Most buyers think about homes long before they are ready to take action. Successful agents must “stay in the loop” while buyers slowly move from daydreaming to touring homes and signing a sales contract. As one consultant said, “What we need are agents who can nurture those leads and then switch gears immediately when a customer is ready to take action.”
- **LEADING A TEAM.** Many high-producing agents build teams to provide support with marketing, transaction management or showing listings. However, leading a team requires the agent to develop a set of management and leadership skills, while staying focused on sales and client relationships.
- **MANAGING AN ONLINE REPUTATION.** Consumers today can easily access online sources of information — and opinion — about an agent's services. Therefore, agents need to be able to manage their online reputations, including posting testimonials and responding to any unfavorable comments. As one agent said, “If you have enough validation online, you could do almost do away with all your other marketing.”
- **USING BEHAVIORAL ANALYTICS.** With today's robust databases and data mining tools, agents can gain an in-depth understanding of local markets. “Today, you can identify owners who are most likely to sell in a neighborhood — an important consideration in markets where inventory is low,” said one consultant. “Of course, once you gather that online information, you still have to pick up the phone or knock on the door and start building the relationship.”

# IX. MLS Trends

“Insuring the long-term relevance of the multiple listing service is the biggest challenge in real estate.” — A national consultant

Traditionally, the multiple listing service (MLS) has been the most accurate and up-to-date source of information about properties for sale in a local or regional market. In addition, the MLS “offer of cooperation and compensation” provides clear rules of engagement for real estate brokers and agents, and contributes to a very efficient marketplace for consumers.

The power of portals. The primacy of MLS data is increasingly being challenged by third-party portals, which attract consumers by offering a variety of housing-related services, as well as “recasting” property listing information provided by brokers. Consumers can easily go to one site to compare homes in varied neighborhoods, cities or states. “We have always believed that real estate is local, but search has gone global,” said a national broker. “Consumers start their search on a national site, just as they do for other products and services. That’s a major shift for our industry.”

Having swiftly gained the confidence of consumers, and the cooperation of agents and brokers, the third-party portals are a fast-growing force in the market. The success of the portals which surprised many industry observers — was the first demonstration of the importance of the intangible experience over tangible facts. But as one broker said, “My fear is not what they are doing today, as that is fairly clear. It is what they are planning to do tomorrow that is my concern.”

In their quest to deliver value to participants, MLS organizations are facing other challenges as well, including:

- **DISAGREEMENTS ON DISTRIBUTION OF LISTING INFORMATION.** Some brokers would prefer that MLS organizations not send their company’s listings to third-party portals. Other brokers believe that their companies, agents and consumers benefit from the widest possible exposure of their listings.

- **RISING DEMAND FOR MORE AND MORE INFORMATION.** Because it’s easy to spend months or years looking at homes and neighborhoods, consumers want far more information from online sources than just the latest listings. “Buyers want to know about the neighborhood and how long it would take them to commute if they were to buy a home there,” said one broker. “They look at aerial photos and streetscapes from online sites. Only toward the end of this extended search process does the core MLS data come into play.”
- **ALTERNATIVE LISTING PLATFORMS.** The growing availability of powerful and inexpensive technology platforms for sharing information, and an improving real estate market, have spawned alternatives to the MLS for distribution of first-level listing information. Called “pocket listings” or “off market listings,” these alternative platforms undermine the purpose and the value of MLS. Since most of them are operating among a group of trusted colleagues, they are difficult to challenge.
- **GREATER COMPETITION FOR DATABASE AND SEARCH SERVICES.** In the days of mainframes, desktops and computer rooms full of powerful servers, investing in database storage, management and search was an expensive proposition. Rather than do it themselves, local brokers contributed to MLS organizations to spread those costs around. Today, the barriers to entry are much lower and most brokers have built their own platforms that connect with MLS systems — and many other sites. “If that’s the case, then where is the technology value of an MLS organization?” asked one consultant.
- **KEEPING UP WITH TECHNOLOGY ADVANCEMENTS.** Although hardware costs are falling, MLS organizations may lack the financial resources or the skill sets to keep pace with well-financed technology companies. That’s a particular concern with the increased use of social media and mobile applications. Agents or consumers who want the latest features — such as video tours or virtual reality experiences — may have to turn to apps from other technology vendors.

## X. CONCLUSION:

# Delivering VALUE IN A CHANGING WORLD

To address these challenges, MLS organizations might consider the following steps:

- **IMPROVING CONSUMER BRAND RECOGNITION.** Consumers who use third-party portals may not realize there is an MLS with accurate, up-to-date information about listings in their communities. “We have to tell the world about the importance of the multiple listing service and the lasting value we provide to consumers,” said an association executive. “Otherwise, we run the risk of becoming irrelevant to the search process.”
- **DEPLOYING CONTINUOUS PULSE TECHNOLOGY.** Rather than updating listing information once or twice a day, MLS organizations can take a more active and aggressive approach to getting the data in front of brokers and agents. “With continuous pulse technology, MLS systems can automatically push the data to us whenever there’s a new listing, a price change or a home comes off the market,” said one broker. “That way, the MLS organizations can help local brokers and agents maintain a competitive edge in their markets.”
- **GOING MOBILE.** Millennials as well as the older generations rely on their smartphones and tablets to stay connected with the world 24/7. That’s a clear opportunity for MLS organizations to expand their place in the market. “Right now about ten percent of all buyers see a home first on a mobile device,” said a West Coast broker. “We believe that will increase to nearly 100 percent, because so many consumers want real-time information. We see the mobile platform as the future for marketing, information and real estate transactions.”
- **VOICE ACTIVATED HOME SEARCH.** One of the more intriguing possibilities to consider is developing a voice-activated home search platform. That would make it easier for consumers to search for homes while driving or riding in a car or perhaps by using a large-screen TV or monitor in the living room.

“The real value a professional provides is the experience, not just the facts.” — A national broker

It’s never been more important for brokers to deliver value to their agents, for agents to offer a valued service to their customers, and for MLS organizations and associations to provide value to their members. But the nature of that “value” can change over time, and all players in the real estate industry need to recognize and respond to those changes.

For example, a broker might “market” a shared culture of collaboration and competition that appeals to younger agent. An agent might promise to respond to customers’ text, voice or email messages within 15 minutes. An MLS organization might create new mobile apps to help agents serve their customers. An association might offer customized engagement paths for each member.

Increasingly the definition of value is more intangible than tangible — more a matter of perception than the actual facts. In light of that shift, creating memorable experiences for the consumer, the agent, the broker, and the member becomes more important than ever before.

In the next few years, the real estate industry will continue to change in response to new challenges and opportunities. But it is imperative for all players in the real estate sector to take a proactive approach and remain on the cutting edge of these trends. As a national broker said, “We must continue to lead the way in order to shape the future of the real estate industry.”

CREATING VALUE IN A CHANGING WORLD



Emerging Trends, Challenges and Opportunities  
For Real Estate Professionals — May 2014