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Commentary

“The old way of creating services and regulations around producers doesn’t work anymore,” said Nellie Kroes, vice president for the European Commission. “If you design systems around the producers, it means more rules and laws (that many people say they don’t want) and those become quickly out of date, and privilege the groups that were the best political lobbyists when the laws were written.” (*The Wall Street Journal* article referencing Uber’s entry into Europe, Monday June 16, 2014)

Zillow’s Coming Soon Feature

The Future of Off-Market Listings

How does Zillow’s “Coming Soon” product impact the industry?

Written by Steve Murray,
REAL Trends publisher

I recently read Michael Lewis’ new book, “Flash Boys,” and among the many interesting things I learned is that, while we think there are two stock exchanges, NYSE and NASDAQ, there are actually more than a dozen—and that is just here in the United States. That doesn’t even count the ‘dark pools’ operated by most of the major U.S. investment-banking houses. Essentially, there are dozens of private MLS systems that process stock and bond trades in this country alone.

Now, after years of tight inventory markets and consolidating shares of business done by the most productive agents, “coming soon,”



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NAR Core Standards Guidance Needed

Written by Terese (Terry) Penza, RCE, CAE, director of network membership

Every once in a while something comes across my desk that I feel I must share with association executives and their leadership.

With NAR’s new Mandatory Core Standards program, I think this eBook is more relevant than ever. Doug Devitre has given me permission to share this link, which is for a free eBook entitled, “Strategic Altering How to Influence Renewals by Making Better Decision Faster.” Get the eBook here:

CLICK FOR FREE eBook

The book offers step-by-step instructions on how to focus on the working member, develop programs, products and services and measure the outcomes.

More About the Mandatory Core Standards Program

According to the vote at the NAR Director’s meeting in May, NAR’s new Mandatory Core Standards program begins with the mandate that the charter of all associations that have not complied with the Mandatory Core Standards by June 30, 2015, will be automatically subject to revocation.

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Commentary cont. from p1

off-market and pocket listings have been formally embraced by Zillow. It is not so much that this hasn't been going on for some time, and with increasing frequency (according to several MLSs around the country), but one of the leading online portals has formally announced that they will accept and promote these kinds of listings, hence the potential formation of an entirely new housing marketplace outside the control of the producers of the listing data.

Brokerage firms have known their agents are offering off-market listings for some time now, and sellers have been permitting this option for years. Few brokerage leaders have taken strong steps to discourage or stop this practice with their own agents. Some agents are shifting to a model where they market listings to their own private networks before sharing it with the MLS; others are sharing it online with one or more listing portals. Some are doing so because the seller requested this approach; some are taking this step to avoid dealing with ineffective or inexperienced agents (and theoretically improving service delivery) and some are doing this in an attempt to capture the entire commission. Most brokerage firms and MLSs have an awareness of who is choosing to use the off-MLS approach and to what frequency their agents are doing this. Some have issued stern language about the duties agents have to their seller clients as a means of slowing or stopping the practice. Yet, the promotion of off-market listings seems to be expanding, not shrinking.

The MLS Premise

The entire premise of the MLS was one of consumer service. The idea was to create a complete and accurate picture of homes available for sale by getting brokerage firms of all shapes and sizes to share inventory with each other. While there are few still around who remember when such was not the case, there are markets in the United States where formal MLS does not exist. Most countries around the world do not have MLSs. It is not pretty when a consumer has to go to numerous sources to find out what may be available. The MLS was first and foremost a consumer service.

Then, to make it easier for consumers and real estate professionals alike to process a transaction for the seller and buyer, the practice of 'cooperation and compensation' was built to increase the efficiency of getting a transaction completed. Want to know how important cooperation and compensation as a practice are? Check out the commercial brokerage business where everything is subject to negotiation up to and including at the closing table. Imagine agents fighting over commission splits in front of homeowners at a closing table—not a pretty picture. Check out "Flash Boys" and find out how securities traders continue to game the system of trading in stocks and bonds.

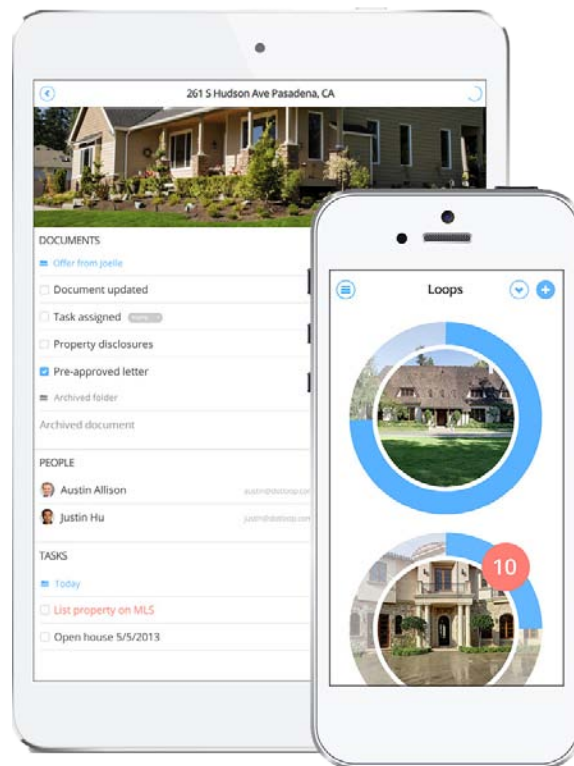
Does the MLS benefit consumers? Absolutely. Does it benefit real estate professionals? Again, absolutely. Has it created an efficient way for people to buy and sell and to be sure that they are getting the best price for their homes? Yes, again. Is it perfect? Not at all. Systems like the MLS can always be improved for all participants.

Commentary cont. on p4



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The Downside of Off-Market Listings

Should pocket or off-market listings become the norm rather than the exception a few things may happen:

- More double-ended deals for listing agents;
- Fewer listings available to agents working with clients who may be interested in purchasing that particular property;
- Less information for sellers and buyers about current sales activity, hence less liquidity in housing markets in so far as pricing is concerned;
- More disruption to the system of cooperation and compensation—once freed from MLS rules about such things. How long do you think it will be before counselor* agents start dictating their own splits on their transactions?;
- The slow demise of MLSs and Associations as the arbitrators and mediators among brokers and agents in the conduct of business;
- An increase in litigation by sellers, whose agent forgot to mention that only a portion of buyers were aware the home was for sale. How many agents or buyers are going to check multiple sites to insure that they have seen everything that is available for sale all of the time?
- The broker agent relationship will be strained further as some firms will insist that their agents not use this “coming soon” feature while some of their agents will do so anyway despite broker instructions to the contrary. Agents may feel that this is a good move for them and their clients and competitively they may feel the need to offer it as an option.
- One last implication is that anything that weakens the MLS may also weaken the Realtor® organization. Whether it is a decrease in membership or avoidance of Realtor and MLS rules, the move away from the MLS as the primary, most reliable source of listing and sold data will affect the entire organization negatively.

Surely there are other implications from a significant increase in pocket or off-market listings.

Where Do We Go From Here?

In his book “Blown to Bits,” Dr. Philip Evans, then director of the Media Laboratory at MIT said, “The Internet will rearrange every relationship between producer and consumer. No longer will there be a trade-off between richness and reach.” This trend, Evans said, will affect every corner of the economy, whether it is public or private, commercial or non-profit, business or education. None will be immune to the changes the Internet will bring to us all.

Zillow’s move to offer agents the ability to market their off-market or pocket listings only formalizes what has already been going on with a segment of agents in the business under rules that we wrote. In the work for our new book, “Game Changers,” we interviewed several top-producing agents who were doing just that (and some very successfully). Others said they wouldn’t think of doing so and that the MLS was still a hugely important marketplace for their clients.

It occurs to us that we will have to deal with a future where there is going to be more than one marketplace, more than just the MLS.

It occurs to us that we will have to deal with a future where there is going to be more than one marketplace, more than just the MLS. This is wrenching to contemplate. We have come to rely on having just one. Now, it is entirely possible there will be more than one—and even more than two. Each with its own rules, set of services and costs.

A Final Point

What is interesting to us is that everyone seems to know that the MLS is the most accurate and complete data set of homes for sale. Even the listing portals acknowledge that they are woefully short of being complete and accurate. The processes of cooperation and compensation are the fairest to consumers and most transparent. The overall system provides the most benefit to the most parties in housing transactions. Why has there been so little emphasis on this point? Why have the powerful interests that support the system been so quiet on this topic?

For the first time in years, there is competition for MLS. The industry has the high road with its accuracy and fair processes. Perhaps the time has come for the incumbents to compete on the basis of these advantages. They are numerous and powerful from a consumer point of view.

Make no mistake, Zillow’s move is not the first and not the last time a company is going to challenge the current producer arrangement (as discussed at the start of this article). That leaves only the question: How will the industry respond? After so many years of no competition for the operation of the housing market place, now there is some.

*The term *counselor agent* comes from the new book “Game Changers” which dedicates a whole chapter to the implications of such changes. ■

Trending

Values Up for Many Brokerage Firms

There is much movement in the real estate brokerage acquisition and merger market. Here's why.

Written by Steve Murray, REAL Trends publisher

The acquisition of Intero by HomeServices marks yet another in a long line of major deals over the past year. Others include Fox Roach, William E. Wood, Frank Howard Allen, Prudential Georgia and Ken Meade Realty. There will be more in the next six months, and there are many more that don't necessarily make the national news.

Why are there suddenly so many deals happening? Here are a few of the more common reasons leaders completed a sale or are considering one:

- The age of owners and desire to pull back from the stress of operating a brokerage;
- The lack of strong capable successors;
- The concentration of too much family wealth in one asset—namely a brokerage company;
- The presence of two large national realty organizations with the desire and capability of making deals happen along with several regional firms with the same resources;
- The recognition that the surge in housing sales and a surge in investor home purchases are over for the moment. In addition, the fact that Millennials are crimped in their ability to purchase right now, the current level of sales may be right where we will stay for some time;
- Intensifying competition among brokerage firms for a dwindling supply of successful, productive sales agents is driving the gross margin down further. In fact, the decline from 2011 to 2013 was the steepest in the 20+ years REAL Trends has been tracking it;
- Lastly, the decline of earnings from mortgage and title joint ventures as the environment for such entities disappears and is replaced by far less profitable marketing service agreements.

Yes, multiples have moved up smartly. Just don't get fooled by what you hear as myths in the marketplace. There may

be fewer than two to four companies in the nation that would, perchance, get anywhere near a six multiple and then again only if they are large, profitable, in a large metropolitan marketplace and desirable by more than one suitor. For decent-sized firms, those with 250 to 500 agents, it would not be unusual to see multiples of operating cash flow in a range between four and five, but not any better than that. Smaller firms in smaller markets will see multiples of less than four times trailing 12 months operating income.

Terms remain in flux on most deals, but one could expect that, once again, the larger the firm and market, the more



cash one might expect in a deal. Even large firms, however, face earn outs that are differently structured than in years past. While the ability to receive a full earn out is a challenge and based on different factors than in years past, it remains tied to retention and profitability.

We expect the next 12 months will be just as active as the last 12. More of the action will be taking place (in terms of the number of transactions) among firms that are considered medium-sized in larger markets. It is simply harder today to grow and increase the profit in one's core realty business than it used to be and with the challenges in growing (or sustaining) core services earnings, and it won't get any easier over the next one to two years. ■

Envisioning the Consumer-Centric Agent

How will you align your brokerage to face the future?

Written by Jeremy J. Conaway, contributing editor

The spring industry meetings of 2014 provided a rich insight into the industry's thinking on a number of critical issues. The subjects of off-MLS marketing practices, mergers and acquisitions, the vibrating MLS, the specter of increased regulation, the oscillating portals, visions of profitability, the continuing emergence of the empowered consumer, changes in the brokerage business model and the ultimate impact of the Wall Street invasion, just to name a few, provided an invaluable opportunity to observe and measure the industry attitude and perspective moving forward.

How Will You Align?

Of the above issues, I found the most valuable to be those regarding what steps brokerages would be taking to align themselves better with whatever market changes their CEOs found compelling. If one were to boil the information down to the basics, the result would be standards, accountability and transparency. It would seem that the brokerage community is now anticipating that some combination of consumer demand, profitability and regulatory issues will converge to require that the residential real estate process be governed by standards. Given this development, it stands to reason that someone other than the brokerage leaders will have to be responsible for compliance with those standards and that the process by which standards and accountability come together will be subject to transparency.

Future Role of Agents

Frequently the consideration of these issues leads to conversations about the evolving role of agents and, more specifically, the current and future legal and supervisory status of agents. It would seem that industry thought leaders are increasingly of the opinion that the long-standing independent contractor status of agents is losing relevance and may no longer be either useful or appropriate.

Following up on these matters, I spent three days working with clients in Omaha. For those who are not familiar with Omaha, in the current age it has replaced Peoria, Illinois, as the place where the modern-day American can be discovered, touched and experienced. My specific objective

was to undertake research regarding a number of changing employment environments. What is happening in other work settings will have a direct impact upon the real estate industry environment. The results of this type of research have a high level of relevancy to the efforts of our industry to prepare for the rapidly approaching standards, accountability and transparency era.

The Results

My first Omaha stop was at an AT&T retail outlet. There, I connected with Michael, a 24-year-old college graduate who had just started his second year of employment selling cell phones and related gear. He is now in his second year working in this position and, at his current rate of production, should generate an income of \$58,000 in 2014. His compensation is based upon a 40/60 salary plus commission schedule. His knowledge of both the industry



and the product was most impressive. He shared that his employer had come to the conclusion that since there was little difference between the technologies it offered and that of its competitors, thus the only real differential was its customer experience. He talked positively about the initial

and ongoing training he received. He scored 9 out of 10 on the company loyalty test. At the conclusion of the interview, he pointed to a young woman near the entrance to the store and said that she, without a degree, was in her first year and was on course to make \$65,000.

When I suggested that his approach wasn't consistent with my previous experiences, he said that the Company recently had a problem with its credit card program.

With an impressive level of detail and respect, he explained that senior executives had decided to use the credit card crisis as the basis for a whole new approach to customer services. He spent the next 15 minutes explaining, with an amazingly high level of pride, all of the positive changes Target had made in both their credit card and customer service systems. He then disclosed that he was second in command at the store, made something north of \$85,000 annually and was proud to be part of the Target team.

My Final Stop

The final Omaha stop was at the emergency room (ER) of a large local hospital. The ER environment can be a gold mine of information. Sure enough, I lucked out and was able to interview Dixie, the 63-year-old nurse executive in charge of this and three other ER facilities within the chain. Dixie explained that she had been with the hospital for 30 years. She further explained that over the past 18 months her employer had gone through a total cultural reorganization that evolved it from being provider (physician) centric to consumer (patient) centric. She talked about how difficult it had been at first trying to balance the issues of a critical care environment with the requirements of a patient satisfaction environment. She pointed out that the process had not been without its casualties, in this case in the form of four ER physicians who were unwilling to participate in the employer's new priority. With a high level of pride, she pointed out that the choice was a simple one. Existing in a world of patients armed with social media simply didn't allow for anyone walking away unsatisfied.

She additionally pointed out that her department tracked the customer experience reporting in every ER in town, and they were clearly the best of breed.

The forces of profitability, consumer satisfaction and regulation will soon force the real estate industry to take a whole new approach to its relationships with both consumers and agents. This, in turn, will require a number of new skill sets and competencies. The relative stress this process will cause will be in direct proportion to the level of preparation brokerages expend. It's time to start considering the alternatives before they become mandates. We can do this. ■

Customer service

Excellent

Poor

The forces of profitability, consumer satisfaction and regulation will soon force the real estate industry to take a whole new approach to its relationships with both consumers and agents.

The next stop was to a Target Super Center. The contact there was made while trying to determine whether to buy a national brand of cottage cheese or take a gamble with the house brand. A young man named Tom approached to see if he could be of any assistance. I explained my challenge, and he responded by suggesting that I buy both and conduct a taste test. I mentioned that I was traveling, and he responded by suggesting that if I bought the house brand he would provide both a spoon and the national brand. We thereupon conducted the test with positive results for the house brand. Of course, at that point the interview was on, and the information began to flow. Tom is a 28-year-old college graduate who is in his third year with Target.

The Pursuer-Distancer Dance

Are You Recruiting or Attracting?

Are you trying to recruit someone who is moving away from you? Time to change direction.

Written by Larry Kendall, author of "Ninja Selling" and Eric Thompson, president of The Group, Inc.

You can only recruit someone who is moving toward you. You cannot recruit anyone who is moving away from you. If they are moving away, they are distancing from you, and they are not listening to you. You are caught up in what psychologists call "The Pursuer-Distancer Dance."

The harder you pursue them, the faster they will distance. This Pursuer-Distancer Dance occurs in sales, dating and recruiting. Many managers spend a lot of their time pursuing or chasing prospective recruits. Some are in pursuit mode most of the time. There is a better way. Try this: Get people moving toward you, attracting them versus pursuing them. There are two critical keys to attracting:

- 1. People tend to move towards someone they know, like, and trust.** People will move towards someone with whom they feel comfortable. The first step is to position yourself as a likable friend versus a recruiter. We believe it is difficult to recruit people you don't know, and who don't know you. Get to know them first and then set up a flow system to stay in touch. Your flow items and calls need to create value as described below, not be annoying junk mail, email or phone calls from a pursuing recruiter.
- 2. People move toward value.** If you have something they value, they will be attracted to you. They are attracted by two things:
 1. Anything that solves a problem for them and makes their life easier (pain);
 2. Anything that makes them feel or look good (pleasure).

Your mission is to communicate the value you offer. How can you make their lives better, easier, more fun and simpler? What are they praying for?

There's an old saying, "Don't try to be the answer to their prayers until you know what they are praying for." Here is where many recruiters mess up. They are so excited about their company and the benefits that, when they meet a potential recruit, they launch into their pitch about their



brand, their excellent training program, web leads, staff systems, split... STOP!

Start by asking questions about their business, their family, their goals, and what they do for fun. The more they talk, the more comfortable they become with you, the more they trust you, and the stronger your relationship becomes. Your role is to listen more and talk less. Listen carefully for their pain and pleasure. Then, offer a solution. Here are four examples with four different personality types:

1. Power People

Problem: So busy I can't get it all done. Market is hot. Bad time to make a move.

Solution: Our staff systems will make it easier for you to do the volume.

2. Party People

Problem: I just want to have more fun.

Solution: Leverage their friendships at your office. Talk about parties, events and culture.

3. Peace People

Problem: I want a safe and stable environment. I don't like chaos, change or moving.

Solution: Focus on your stability, safety, etc. Peace people are loyal, thus are tough to recruit.

4. Perfection People

Problem: Staff is sloppy. I have to do everything myself, including the numbers.

Solution: Have one of your perfection people give them a testimonial on your staff. Show them the quality of your charts, graphs, marketing materials and systems.

Find out what they are praying for and then offer a solution. They will beat a path to your door. ■

Focus On: Mark C. Lowham

Managing Partner, TTR Sotheby's International Realty, Washington, DC

Written by Tracey C. Velt, editor

With five offices and 220 sales associates, Mark C. Lowham knows the power of community involvement when it comes to building a brokerage. REAL Trends interviewed Lowham. Here's what he had to say:

REAL Trends: Tell us about your path into real estate.

Lowham: I joined TTR Sotheby's International Realty in January 2011, after serving as the executive vice president of WEST*GROUP, a commercial real estate development firm. I didn't set out to work in real estate. I earned my undergraduate degree in economics from Stanford and my MBA from Stanford Graduate School of Business; then worked in corporate finance for years.

I am very active in the community and am a member of the Board of Trustees for The Potomac School in McLean, Virginia and the Board of Trustees of The Wolf Trap Foundation. I was appointed by the Fairfax County Board of Supervisors in 2010, and also serve as a Commissioner of the Fairfax County Economic Development Authority.

I serve as Chairman of INOVA's Life with Cancer Program, and am a member of the executive committee of CharityWorks. This year, I am serving as Chairman of the Signature Chefs Auction and Gala to Benefit March of Dimes.

REAL Trends: What was the biggest challenge you faced professionally when building your brokerage?

Lowham: The biggest challenge was creating open and robust channels of communication among our leadership team and sales associates. That continues to be a challenge, but we're making great progress in encouraging that

throughout the firm. We have a robust opportunity to share information both in terms of in the office and throughout Web-based platforms, such as an Intranet.

REAL Trends: Tell me one lesson learned when building your brokerage.

Lowham: I came to residential real estate late in the game after spending 23 years with a commercial development firm. I learned quickly that our associates deserve and demand high levels of personal one on one time, regardless of their success. I wish I would have recognized it sooner and was more proactive. It took some time for me to appreciate just how demanding it can be, and these high performing sales associates need a lot of support and encouragement.



REAL Trends: Based on your experience, what is the one thing you did with your brokerage that changed the trajectory of your business? What was the turning point from success to major success?

Lowham: We linked our business to the community. It's very important to lead the market and be leaders in the community where you're doing business. In 2013, we sponsored or

underwrote 80 community events where associates could be actively engaged in communities where they do business. It sets us apart. Good business people are good citizens in the community, and that resonates well in our market. Being active in the community gives sales associates the ability to be in front of people and have conversations, some not even related to real estate. But, when those people are ready to buy or sell, our agents will be top of mind. ■

Core Standards cont. from p2

As of September 2013, there were 1,373 local associations. Areas that are covered are Code of Ethics enforcement and education, advocacy, consumer outreach, unification efforts and support of the REALTOR® organization, technology and financial solvency each with detailed requirements as well as an annual adoption of a business or strategic plan.

NAR will conduct a member assessment evaluating member understanding of the overall value provided by association's at all three levels of the REALTOR® organization. ■



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HOUSING MARKET REPORT



Is the Housing Market Recovery Stabilizing?

Sales declined in May 2014 compared to May 2013; however the rate of decline is slowing.

The REAL Trends Housing Market Report for May 2014 shows that housing sales declined by 1.8 percent from the same month a year ago, an improvement over the decline of 6.1 percent year over year in April 2014. The annual rate of new and existing home sales for May 2014 was 5.866 million units down from a rate of 5.973 million in May 2013.

Even though home sales decreased on a year-over-year basis, the average price of homes sold continued to increase with prices up 7 percent in May 2014 compared to May 2013, another strong showing.

Housing unit sales for May 2014 increased 1.9 percent in the South, the best performance in all regions. The Midwest saw sales units decrease 2.1 percent, in the Northeast sales declined 5 percent, and the West region saw a decrease of 5.4 percent.

“May 2014 sales of new and existing homes reflected the decline in the affordability rate in most regions, the after effects of a poor showing in the general economy in the first quarter of the year and the lack of inventory,” said Steve Murray, editor of the REAL Trends Housing Market Report.

The average price of homes sold in May 2014 increased 7 percent across the country, a strong showing despite the across the board decline in home sales. The West region had the best results with the average price of homes sold increasing 12.6 percent followed by the South region where prices were up 6.9 percent. The Midwest saw an increase of 6 percent and the Northeast had the smallest increase at 2.5 percent.

“The recent increase in inventory will help, as will the recovery in the general economy. We also believe that given historical norms for home buying as a percent of households we are at or near the expected level of housing sales.”

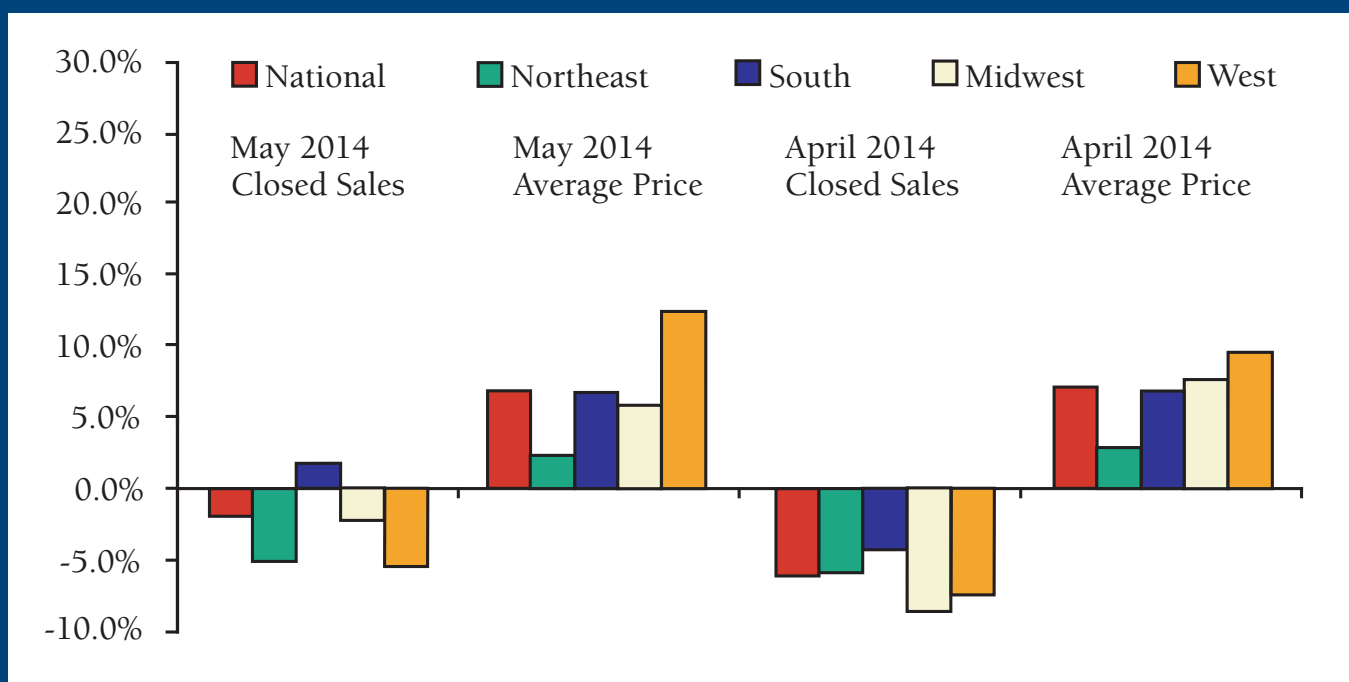
— Steve Murray

“We appear to have reached a plateau that absent an increase in the market for jobs, income growth or looser underwriting standards, there are no evident drivers of a sustained recovery in housing unit sales,” said Murray. “The recent increase in inventory will help, as will the recovery in the general economy. We also believe that given historical norms for home buying as a percent of households we are at or near the expected level of housing sales.” ■



REAL Trends May/April Housing Market Report (Versus same month a year ago)

	May 2014 Closed Sales	May 2014 Average Price	April 2014 Closed Sales	April 2014 Average Price
National	-1.8%	+7.0%	-6.1%	+7.3%
Regional Report				
Northeast	-5.0%	+2.5%	-5.8%	+3.0%
South	+1.9%	+6.9%	-4.2%	+7.1%
Midwest	-2.1%	+6.0%	-8.4%	+7.8%
West	-5.4%	+12.6%	-7.3%	+9.7%



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Your Brokerage Website

Key Ingredients for a Neighborhood Strategy

Let's talk about the best strategies for structuring your hyper-local website.

Written by Travis Saxton, REAL Trends manager of technology and marketing

With so many brokers and agents fighting for competitive ranking and position on the search engines, the landscape has become very complex. I recently left a client who was seeing me for the second time in three years for a refresher visit. This client took my direction the first time we met and implemented all of the strategies from our REAL Trends Technology Consulting team. One of those strategies was to develop local neighborhood community pages on their website. We put a big emphasis into the structure, content, promotion and more. This client grew over the three-year period from about 40,000 visits a month to over 100,000 visits a month over matching time periods. A deeper dive into their analytics discovered that of the top 25 landing pages on their website (where a consumer enters), almost half of them are these new community pages (contributing nearly 20,000 visits total per month). That is powerful and proof that the strategy has paid off.

Let's take a look at some of the key ingredients into a well-structured hyper-local neighborhood strategy. Imagine a blank page, then follow along as we go from top to bottom discussing potential features:

1. Build the Foundation. All great houses are built on a sound foundation. Develop the proper page titles, URLs

and Page descriptions. I will use my neighborhood as an example.

- Page Title. Indigo Hill—Highlands Ranch, Colorado Real Estate and Neighborhood Information
 - Page Description (can get a little more descriptive). Welcome to Indigo Hill, a residential real estate neighborhood in Highlands Ranch, Colorado. Let (insert company or agent name) take you on a tour of all the homes for sale and nearby amenities of your Highlands Ranch dream community.
- 2. Don't overlook the URLs.** Make sure to have something like www.brokeragewebsite/Indigo-Hill-Real-Estate-highlands-ranch-co
 - 3. Create an introduction.** Include high quality photos of the entrance to the community or key features of the neighborhood. Two to three photos laid out nicely at the top of the page will work well.
 - 4. Section the pages.** Have sections on the page (ideally using header tags for those tech-savvy folks). Section headers should be like the next few bolded bullets:
 - **Welcome to Indigo Hills Real Estate Page and Community Information.** Write two to three



paragraphs about the community.

- **Schools Nearby Indigo Hills.** Pull in content from numerous sources such as education.com, city-data.com, or other sources. Be very careful when taking the easy route. Many data providers package their product so that the content is linked out or resides in an iframe or on their server, essentially rendering it useless for your SEO value.
- **Homes Sales in Indigo Hill—Highlands Ranch CO.** This section offers an opportunity for you to interpret the market data for this area. If you can't go as detailed as the neighborhood, it doesn't mean you can't go the next level up and interpret the zip code level for the consumer. Don't just copy and paste paragraphs and charts in a mindless fashion. Interpret this for the consumer. You may even want to include a video that tells the consumer what's happening in the market. Be sure to name your video and upload it to YouTube.com, or better yet, use Welcome Mat, a video-hosting platform.
- **Recent home sales in Highlands Ranch, CO.** This could be a lead generating opportunity, but be smart about this. If you need to collect contact information to display sold data, then do so, but offer something more of value. Perhaps you can tie this to an e-mail strategy, such as a neighborhood market report.
- **Current homes for sale in Indigo Hill, Highlands Ranch, CO.** Notice how I am using variations of keywords and included a local neighborhood and community (city) in my headers? This will attract what we call long-tail and short-tail traffic to your pages, increasing your coverage for both the

consumers who know what they want and for those who may not know what they want. This section should be mapped as detailed as you can go. Some systems allow you to conduct a particular search and draw your own search with a tool. Do this, and then place that search on the page. It's ideal if the map with the boundaries drawn and home icons present so the consumer can visually see these 12 homes are in that neighborhood and not on a generic page.

5. **Don't Forget the Right Rail.** In the right rail of the page, you have the opportunity to capture some leads and feature area partners. Consider a section such as, "What's my Highlands Ranch home worth?" and a Highlands Ranch mortgage section.
6. **Don't Forget Contact Forms.** Don't be afraid to prompt a pop-up window after about two minutes welcoming the visitor to the Indigo Hill community page. Ask them to sign up for the neighborhood newsletter that features neighborhood property alerts, sold properties, trends, stats and home values.

Now that you've built these pages, it's time to start marketing. Search engine marketing (SEM) campaigns drive visitors to these pages and can help you pick up some less expensive traffic (remember your competitors are focused on the big terms like "real estate in Denver"). You can generate traffic for a much smaller cost. Secondly, construct a social media strategy around these neighborhoods where you feature one neighborhood a week in rotation to increase links to your page.

Increase your views and, ultimately, your sales with hyper-local neighborhood pages. ■

Case Studies: Examples of Neighborhood Pages

Now that you have a well-rounded neighborhood page and a sound marketing plan to drive traffic and leads through it, let's take a look at some excellent examples of this practice in action. The first link is to a page on the brokerage firm's site, and the second is to the technology provider who made it happen.

Ruhl Homes: [CLICK HERE](#)
Created by www.reliancenetwork.com

CB Coastal Alliance: [CLICK HERE](#)
Created by www.bostonlogic.com

McEnearney: [CLICK HERE](#)
Created by www.booj.com

Turnpin Realtors: [CLICK HERE](#)
Created by www.booj.com

Edina Realty: [CLICK HERE](#)

Wes Madden: [CLICK HERE](#)
Created by www.realestatewebmasters.com

Empowering Agents

Build a Better Brokerage From the Inside Out

The most successful brokers are implementing new processes for working across their teams and the culture they create, as well as new ways of keeping their own house in order.

Written by Marnie Blanco, executive director of national accounts at dotloop

The real estate game has changed entirely in the past 10 years, and that's largely because the emergence of new technologies has transformed elements of the industry and the process. This shift has also changed the traditional role of the broker-owner. Because it's now possible for buyers and sellers to complete many services agents once fulfilled, such as finding listings or viewing properties online, brokerages are rethinking how they empower those agents. Part of that empowerment includes making human connections a priority in a technology-saturated world.

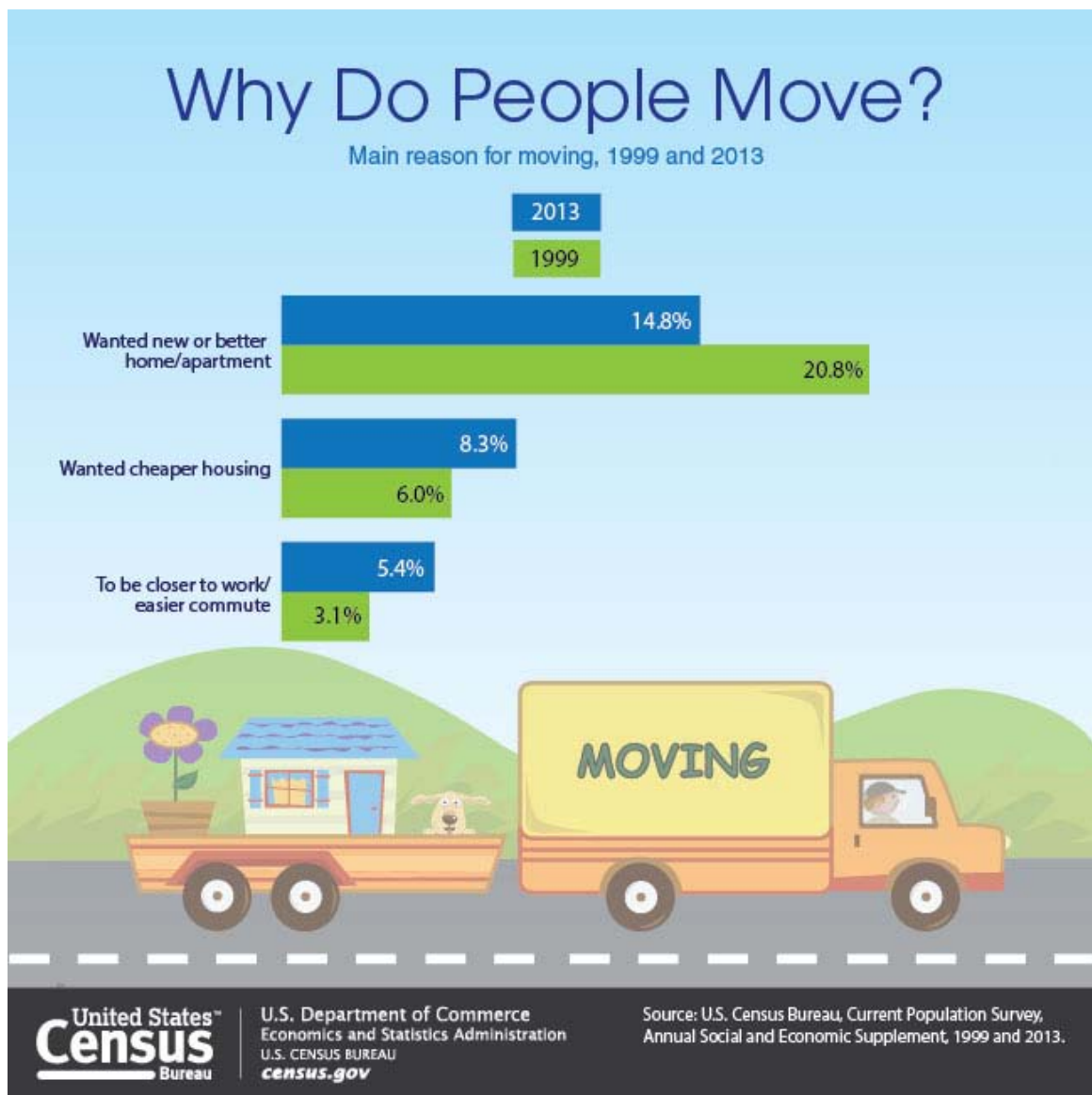
The most successful brokers I see today focus on relationships from the inside out. They're implementing new processes for working across their teams and the culture they create, as well as new ways of keeping their own house in order. Not only do these strategies allow their teams to embrace new technologies and be more productive, but in doing so, they empower their agents to deliver a superior experience for their customers. It's an experience that emphasizes new tools, but doesn't ignore the "people-centric" components that have gotten us to this point.

The Importance of Your Workspace in Creating a Connected Culture

Today's agent doesn't want to be tied to a cubicle or be forced to communicate with colleagues and clients via landlines. Because agents and clients are always on the go, they demand a flexible work environment

that's adaptable to their own mobile-centric habits and a team-focused, connected culture. These two things are very closely related. In fact, many of the broker-owners I've worked with over my 15+ years in real estate have transformed their office spaces into less "traditional" workspaces that encourage more transparency and productivity amongst all agents, as well as face-to-face communication – even when they're on the go.

Better Homes and Gardens Real Estate Rand Realty in White Plains, N.Y., is a prime example of this. In late 2013, they unveiled an ultramodern office in White Plains, with an open floor plan that accommodates the flexible



schedules and needs of their 100+ agents. The office has the latest in telecom, TV displays, and charging stations for phones, tablets and computers all while focusing on being green and having a contemporary feel. It's not uncommon to see agents gathering in the office's Central Cafe for training sessions or hanging out in coffee house-inspired workspaces with their clients for a more relaxed, but still intimate, meeting. When the weather is nice, you'll find teams meeting outside in seating areas and open-air workspaces.

The culture at Rand Realty is in line with how real estate agents and homebuyers expect to work together today. Seeing how mobile technology advanced the real estate industry so much in the last decade, Rand changed the way they did business and made a significant capital investment in the future of their office. By doing so, they've improved the overall experience for their agents and clients.

That shows in overall organizational performance. BHG Rand Realty operates 26 offices throughout Westchester County, the Greater Hudson Valley and Northern New Jersey and was recently ranked the 88th largest real estate firm in the United States.

Empowering Each Breed of Agent with the Best Tools

We've heard it many times that new tools can enhance your physical work environment to provide better ways of collaborating and improve efficiency. These tools can also be business differentiators. The challenge is moving past just the potential and enabling agents to incorporate these tools into their day-to-day work to unlock the real business value.

Brokers must train and educate their agents on the latest tools before letting them loose.

The most successful broker-owners I know emphasize blending technology into existing culture and company processes. They not only offer best-in-breed tools, but have thought deeply about how they fit a long-term strategy. Brokers must train and educate their agents on the latest tools before letting them loose. As Bill Gates once said, "Technology is just a tool." In successfully getting people to work together and to motivate them, the teacher is the most important factor.

Whether it's using the dotloop mobile app for clients who are constantly on the move and PocketPoll for immediate agent feedback or Ink Cards for personalized

photo cards and Skype or Google Hangouts for video conferencing, executing a successful roll-out of any new technology is not a one-time thing. It's an ongoing process of education, training, support and follow-up. Since agents have varying degrees of tech-proficiency, brokers must create training programs that aren't "one size fits all" but rather a curriculum that caters to the needs of each agent.

It's essential that your entire staff be trained on systems employed throughout the company—not only to maintain seamless communication and cohesive teams across branches, but also because the brand's tech-savviness can be a differentiator. It can also give agents an advantage against others in their community. Consider employing an in-house champion of your technology offerings.

Keeping Your Own House in Order to Make Better Business Decisions

In addition to implementing client-facing technology, the fastest-growing companies are using back-end technology tools to gain better visibility into their organization in order to make better business decisions in real-time. The shift toward "big data—created with the adoption of cloud-based tools like dotloop-DASHBOARD—has generated volumes of information about individual agent performance, pipeline volume and transaction efficiency. Modern brokerages are seeking out solutions to help them interpret this data in order to predict revenue, determine hiring plans, and overall, make better business decisions.

Instead of chasing down the multiple deals agents are working on, these newer solutions are empowering brokers. They now have complete insight into all deals occurring within their organization, employee productivity numbers and knowledge into where each deal stands in real-time. They're able to put these duties on 'autopilot' and spend more time on what's truly important – building a sustainable business where happy agents serve their clients.

Now, You're Ready for Business

To build a better brokerage, and a stronger industry, it comes down to doing it from the inside out. If broker-owners can collectively focus on empowering their agents by creating open, dynamic work environments, client experiences and encouraging adoption of new technologies, plus seeking out new technology to make sense of data volumes and make better business decisions, we will be on the path to success. It's a massive challenge, but it's also a massive opportunity. ■

Save Time, Increase Earnings

The Benefits of Real Estate Transaction Management

Written by Stephen Hollowell, social media specialist at Realty Commander

For a busy real estate professional, there is no typical day in the life. With an ever-changing task list of responsibilities including administrative duties, open houses, lead generation, working with clients, meetings, tours and property closings, every day is different. With such a multitude of tasks and the never-ending stream of paperwork, how can you stay on top of it all?

The key to achieving success in the real estate industry is by maintaining a balance between daily administrative duties and income-producing activities, and the key to realizing this balance is using the right transaction management platform.

Successful Agents Use Transaction Management

Transaction management software will automate processes, manage leads, reduce paperwork and most importantly, free up your time so you can make more money. Many agents have not yet caught on to using real estate transaction management software in their business, but using a web-based platform to manage the transaction process can increase productivity, and help generate more business in less time.

Efficiency & Organization

“Usually you can’t double your business unless you double the hours you work,” said Erik Lovell, CEO of Realty Commander real estate transaction management software. “Using the right transaction management platform will help you increase closings, manage your leads better, and allow you to spend 20 percent less time on each transaction so you can focus on generating new leads and closing more properties.”

Integrating a transaction management system will reduce a large amount of paperwork and speed up the processing of each transaction for all parties involved; brokers, buyers, sellers, appraisers and insurers. It allows you to access all of your files and

documents in digital form from any place, anytime.

By automating the transaction process, you can receive deadlines and reminders automatically. This eliminates guesswork and allows you to complete more tasks efficiently by keeping you organized and focused. With transaction management, nothing falls through the cracks.

Communication

Using a web-based platform for real estate transaction management can also improve communication between you and your clients, your broker and your team. It allows all parties involved in a transaction to manage, view and share information and documents in real time, keeping everyone updated every step of the way. Clients will be able



to see what developments are being made, eliminating a large amount of paperwork and phone calls to keep them updated.

By keeping your clients informed of the processes of each transaction, you will greatly increase client satisfaction, which in turn will boost your reputation as an agent and help you get more referrals. Ultimately, by reducing administrative duties and increasing client satisfaction, using transaction management will free up your time so you can get out in the field, generate more leads, and close on more houses.

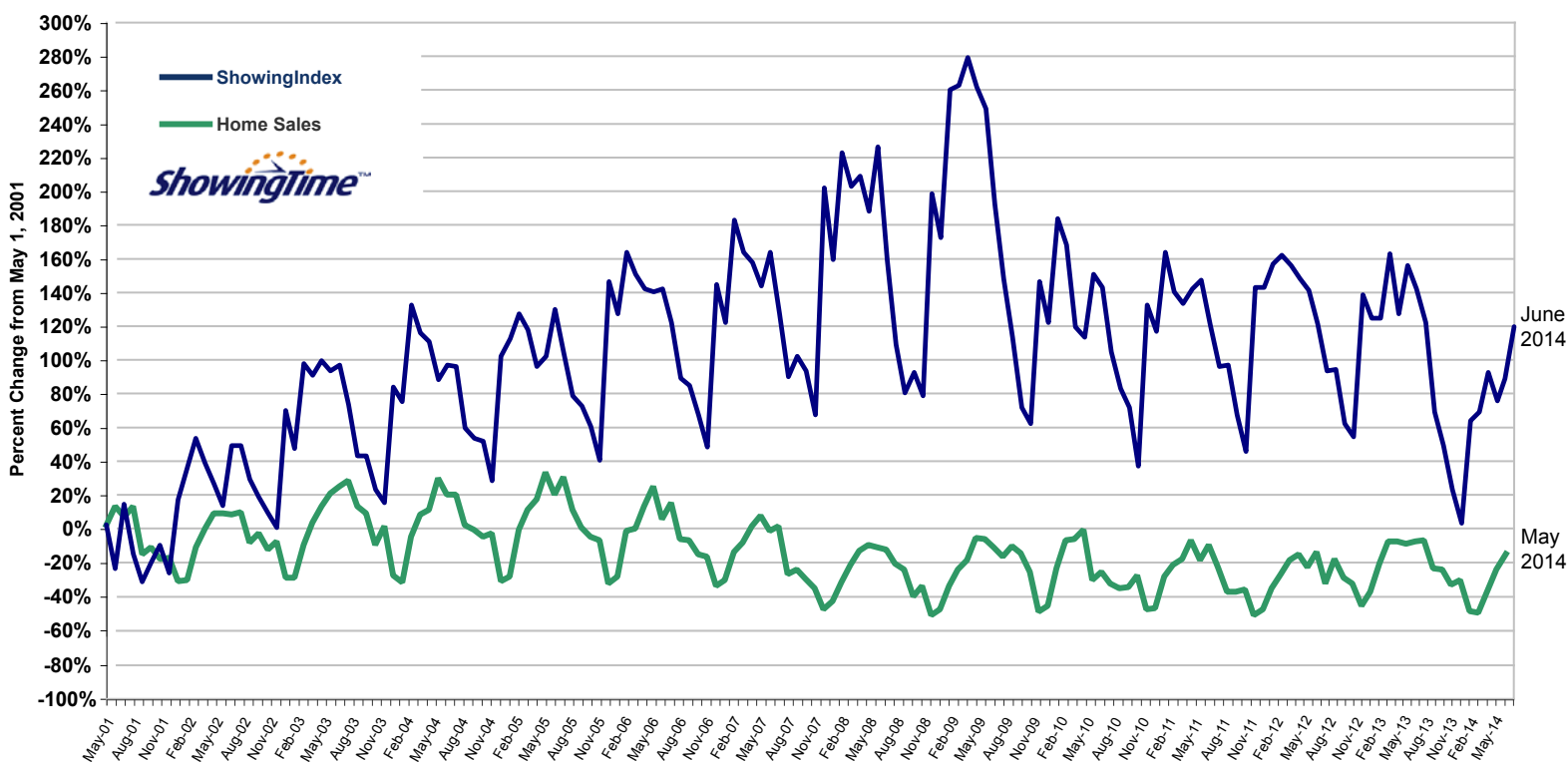
Competitive Edge

Real estate transaction management keeps your data readily accessible from any device (laptop, tablet, smartphone, etc.), and it helps you automate and grow your business by increasing efficiency, organization and communication. "It is an invaluable tool for me. I'm in it every day," says Troy Linn, real estate agent at Keller Williams in Bothell, Wash. "Whether it's a traditional, buyer, or short sale [client], we put them in [our lead management system] from the moment we make contact and identify someone as a potential lead all the way through closing. Having one place to go and put all of that data to keep it arranged is helpful."

By being more efficient, staying more organized and allowing guest access to your clients to see documents associated with each transaction, you will have a competitive edge over other real estate agents that do not use transaction management.

By being more efficient, staying more organized and allowing guest access to your clients to see documents associated with each transaction, you will have a competitive edge over other real estate agents that do not use transaction management. You will be able to serve your existing customers better, and you will have more time to focus on gaining new customers. ■

ShowingIndex - Leading Indication of Home Sales



Source : "Housing Sales" is the actual property sales statistic as reported by the National Association of REALTORS. The "ShowingIndex" is a moving trend statistic that tracks the rate

Save the Date!

The 2015 Gathering of Eagles (GOE) will be April 29 through May 1, 2015, at the Four Seasons Hotel in Denver. The theme of next year's GOE is "Building Great Organizations."

Joining us will be one the world's leading organizational development experts, Patrick Lencioni, who has published a series of tremendous books on leadership and organizations. Lencioni will host a 2.5 hour workshop on how great organizations function and how to build a strong, sustainable company.

attendees in the hotel's conference center. There are also limited hotel rooms.

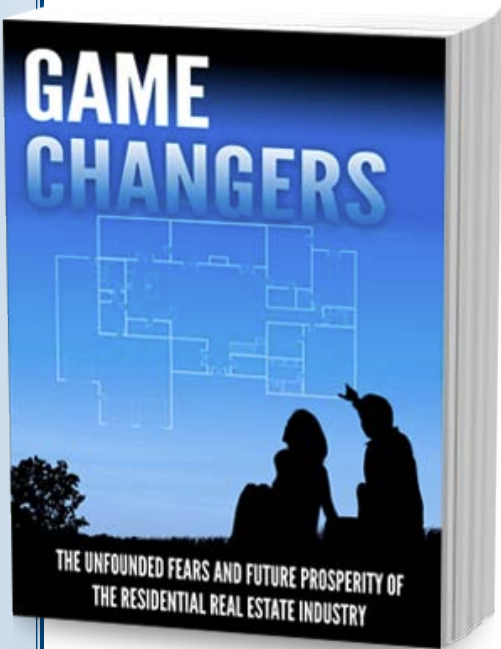
For questions, call us at 303-741-1000, or register online at Realtrends.com

Football star quarterback Peyton Manning, four-time NFL MVP, will address real estate leaders about building great teams and providing inspired leadership (in good times and bad).

The entire program will feature industry insiders on various panels that will explore the functioning of agent teams and top sales managers, as well as how technology and marketing executives can work better together. Each panel is meant to broaden your knowledge into the benefits of building great organizations.

Registration will open July 1, 2014. Act soon as we are limited to less than 300 GOE

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Get the Book Before it Sells Out!

Our new book, "Game Changers–The Unfounded Fears and Future Prosperity of the Residential Real Estate Industry," is selling briskly. The book covers eight key areas of the future of the residential real estate industry and how agents and brokerages can prosper in the years ahead.

A sample of chapter discussions includes the impact of listing portals, agent ratings and reviews, the decline of the commission rate and the decline in the homeownership rate.

Copies are \$25 each up to orders of 20 and \$18 each on orders of more than 20 copies. To order, call 303-741-1000, or go online to Realtrends.com