

REAL *Trends*

The Trusted Source

COMMENTARY

The "Secrets" to Success in Sales Management

In a series of interviews done in 2010, we asked over 25 top sales managers from brokerage firms throughout the country, from different sized and branded firms and with different business models what they believed made them successful.

(Commentary continued on page 2)

ADDITIONAL COMMENTARY:

December Sales Show Rebound

BROKERAGE:

Know Your Community and Build Your Connection To It
A Discussion with Saul Cohen

5 Ways to Reach Global Buyers and Investors

Focus on a Niche of High-Performing Sales Professionals

NETWORKS:

The Expanding Global Footprint of Brookfield
Residential Property Services

TECHNOLOGY:

The Next Wave at Realtor.com

Joint Development and Launch of eEdge

REAL *Trends* Interview: Michael D. Harris

Getting Started – Real Estate Technology

TRENDS:

REAL *Trends* Housing Market Report

Understanding the Speed of Change

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Here is a sample of what we found:

- These top performing sales managers spent an average of 55-60 hours a week ‘formally’ working and another 6-8 hours informally working (taking calls while at home, etc).
- They spend about thirty percent of their time on formal recruiting activities with some spending as much as 50 percent of their time on it.
- Each viewed their primary objective to be developing relationships with the sales professionals in their office. They also viewed recruiting mainly as an extension of that goal, that is building relationships with sales professionals outside of their own firm is the only way to achieve long lasting success in recruiting.
- Many said in fact that where a sales manager views recruiting as cold calling, they will mainly fail.
- A majority said that the pursuit of additional education and learning was critical to their success. Typically they invest about 5-8 days a year in additional education both inside and outside of their firm and/or their market.

I am reminded of a key principle of the book *Outliers* by Malcolm Gladwell that lays out the theory of 10,000 hours. This principle mainly states that greatness does not often emanate from intellectual firepower but from dogged, persistent attention to learning one’s trade, craft or skill. Gladwell mentioned stories about the lengthy amounts of time that those at the pinnacle of achievement spent perfecting their skills.

Thus, after interviewing these top sales managers, it is apparent that it is not how much education one has, nor how many awards one might have achieved but rather how much time and attention a sales manager must invest to become truly effective in our business.

Interestingly enough, when we researched the secrets of top sales teams last year, we found the same thing. These top teams have spent and are spending extraordinary amounts of time on their profession. The same 55-60 basic hours a week with significant amounts of time beyond that on ‘informal’ work is more the norm than the exception.

Regardless of your business model or brand, location, or size, growth in your personal business, office, or brokerage, without a dedicated effort on the development of professional relationships there is little chance that one can build a business in residential

real estate brokerage. While the airwaves are full of information about the new consumer, social media, and the direction of housing sales, the real answer is on a 'hyper' focus on the fundamentals of building relationships with people, whether they are your own sales professionals, or for sales professionals, their customers and clients.

While it is true that we start new relationships with consumers online, ultimately it is not where or through which medium you start a relationship it is how you build it over time that will determine whether you will be successful in residential brokerage. ■

December Sales Show Rebound

As you can read in the *REAL Trends Housing Market Report* for December 2010, the annual rate of sales improved considerably from November 2010 both in unit sales and in the average price of the homes leading brokerage firms are selling. The annualized rate increased from an adjusted rate of 4.69 million new and existing home sales in November 2010 to 5.48 million in December. The average price moved up 2.8 percent nationally with every region showing improvement in pricing.

Compared to the peak at the end of 2005 of nearly

8.40 million new and existing home sales, it is still a weak result. However, it is a positive note that the December rate is well above the annualized rate of the third quarter of 2010 where the industry was running in the low 4 million annualized rate.

NAR, Fannie Mae, and *REAL Trends* are all calling for sales in the 5.1 million range of existing homes sales for all of 2011. With prices due to stay flat or see continued small increases we think overall volume will be up 3 to 6 percent. Not great but the first full year of increases in the past five years. ■

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BROKERAGE

Know Your Community and Build Your Connection To It: Build High Service High Support Service Environment

Interview with Pam Furtney, Principal, Century 21 Champions, Jacksonville, North Carolina

Jacksonville, North Carolina is home to one of the principal bases for the Marine Corps. It is a metro area of approximately 175,000 people and much of the economy is based on the Corps.

According to Pam Furtney, principal of Century 21 Champions, 90 percent of the people in the area are associated with the Marine Corps or with those who provide services to the soldiers and their families.



According to Furtney there is a very strong sense of community throughout the area especially given the special nature of the families involved with the Marines.

“Several of the people in our company are either former active duty Marines, have family still serving and clearly all of us know Marines and their families. Given the service that these men and women are involved in and the extraordinary stresses that they face we are always mindful of who our clients and customers are,” says Furtney. “We have built a culture and set of services that tries to address the special needs of these families. Even though we are not a large firm, with just 36 sales professionals, we have 11 full time support staff including relocation and property management personnel who are able

to offer a full range of services for all of the families either in the Corps or supporting them. We also have closing coordinators who work with our sales professionals to be sure that the process of selling, purchasing or renting is as easy as it can be for all parties involved in the transaction.”

Furtney says that this is the key to their success. “We are selective about who we recruit to work here. It is important that each person here realizes that we are a team and that our team must work together to deliver the special service that members of our community needs. It is why we have property management, relocation assistance and mortgage right within the firm. We communicate this vision consistently even asking our people to sign a “commitment to excellence” agreement. We feel like we have our own ‘mission’, to be sure that housing is not a problem for the Marine families that live here and many who retire here.”

According to Furtney the commitment to high levels of service and supporting the community have led to a #1 market share ranking for many years since the firm’s founding in 1997. She commented that even though business is down for everyone, the firm maintains both its commitment to being a truly full service firm and to profitability. She believes that the two go hand in hand.

“What can we do to make others dreams come true is the motto we live by here”, says Furtney. “I can’t imagine being a part of an organization otherwise.” ■

A Discussion with Saul Cohen, President and Co-Founder of Hammond Residential Real Estate, LLC

In the nearly forty years since Saul B. Cohen became involved in real estate, the industry has changed in countless ways. Yet for all of the new tools and technologies, for all that has come and gone during this time, he stands as testimony to the fact that the fundamental tenets of running a successful brokerage remain unchanged and have nothing to do with what we tend to spend much of our time focusing on.

“Keep it simple, keep it clean,” Cohen stresses. Although he would seem unlikely to claim that it is easy, he conveys a sense that running a profitable brokerage is not the least bit complicated, either. There is an almost startling lack of complexity when Cohen, a Harvard-educated man born and raised in the Boston suburbs, explains himself. His strongest advice is, well, to focus. “Gather together a group of good agents. Create an environment in which they are comfortable, happy, feel supported and feel a part of.”



For most of the last twenty years, Cohen and his business partner, Joseph Hare, have managed Hammond Residential Real Estate with an unwavering belief that their success is inextricably dependent not on technology or systems but upon a solid group of highly professional agents who are deeply knowledgeable about their communities and are well supported by a staff that lets them concentrate on their jobs, which he lists very plainly as: knowing the inventory, making presentations and securing listings, showing properties, and negotiating. “Everything else, let the administrative staff take care of it,” Cohen advises.

This is how things have been run since the summer of 1991, when Mr. Cohen and Mr. Hare founded

Hammond to serve some of the high-end markets in and around Boston. They grew their business over the decade not in leaps and bounds, but methodically and with purpose. In March of 2000, having grown to nearly \$1 billion in annual closed sales volume to become one of the 100 largest brokerages in the country, the business was sold to GMAC Home Services. The five Hammond offices operated for most of the next decade as one of three company-owned brokerage units of GMAC in the Boston area (the others being Carlson Real Estate and Kinlin Grover Properties on Cape Cod).

In March of 2009, many of the GMAC company-owned operations were losing money and the market was in tatters. Cohen and Hare were offered the chance to repurchase their former offices, along with several former Carlson locations. Despite the challenges, the partners looked at the business, which had recently come under the ownership of the Canadian-based Brookfield Residential Property Services, as fundamentally sound.

“We know how to handle this market; we know how to handle these conditions and these market towns,” Cohen explained as rationale for jumping back in when many were trying to get out. “There was fundamental strength in this market.”

With the purchase, twelve locations were now back in local hands and operating as a Brookfield franchisee, though somewhat quietly as far as branding is concerned. Despite a fairly low ratio of agents to offices (and operating in some fairly expensive neighborhoods), the partners kept the locations open and never considered anything as dramatic as, say, virtual offices (which Cohen describes as “a formula for isolation and disengagement”). Indeed, the changes Cohen and Hare put in place to bring the operations back into the black were hardly revolutionary and focused mostly on fine tuning as well as a return to personalized service, both between ownership and agents and between agents and customers. Once again, they found that their simple ethos paid off quickly.

“We were profitable in the first year that I bought the Company back,” Cohen proudly points out.

As they had before, Cohen and Hare kept the formula straightforward and concentrated on doing the things to keep the agents focused on winning business.

As an example, the company’s commission plans are easy to understand but unlikely to be apparently the most generous around. As Cohen points out, “Our splits are very good for people who are good producers. For people who are average producers, we are very average.” Not surprisingly, what you see is what you get and Hammond eschews the agent fees that are common in their markets. “Sorry, we don’t charge our agents all over the place,” Cohen says. “In fact we work very hard on not doing that. I don’t view the relocation department as a profit center – it’s a service center. Leads come in and their job is that of a traffic cop: sending them out to the right office and making sure they’re followed up upon. We don’t lay another five to fifteen percentage points on top for this department. That makes me very much a heretic in this industry, I know.”

The focus on keeping their people happy is especially notable around the holidays, when Cohen spends hours in his kitchen filling over 500 bottles of what he humbly describes as “the world’s greatest eggnog” while Mr. Hare and his wife Elisabeth are busy baking gingerbread cookies for the entire company. This sincere attention to its people was recently recognized by The Boston Globe in its annual ranking of the “Top Places to Work” in Massachusetts, where Hammond was placed in the top twenty among mid-sized firms in all industries throughout the state.

Today, Hammond Residential Real Estate has over 350 agents in its 12 locations and closed nearly \$1.5 billion in sales volume last year. In a climate when many business owners, especially in residential brokerage, are spending a king’s ransom searching for the “next big thing” to save their business, Hammond was built (and rebuilt) by staying focused on the most simple of philosophies.

For those looking for a profound business secret, it won’t be found here. Yet Cohen’s words bear repeating: “keep it simple, keep it clean.” ■



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5 Ways to Reach Global Buyers and Investors

When Christel Silver, CRS, broker/owner of Silver International Realty in Delray Beach, Fla., first moved to the United States

in 1985 from Germany, she knew she should continue to market to her sphere of influence in Germany. “This was before Facebook and email and it was very expensive to advertise internationally. In addition, I was living in Maryland but most property requests were for Florida or California, so I was referring out most business.” But, she persevered.

Now, Silver, who’s currently NAR’s President’s Liaison to Germany, lives in Florida and has expanded her global reach to work with buyers in Germany, Great Britain and Canada. And, she says, “There are many people living in the United States who are considered international, don’t forget them.” In fact, it wasn’t until her second year selling real estate in the United States that she actually worked with an American client.

Silver says you don’t have to be from another country to build a successful niche in working with global buyers and investors. But, you do have to do your homework and take advantage of

travel opportunities. “The biggest mistake real estate professionals make is not knowing the culture and customs of a particular country. Don’t assume that these buyers know how business is done in America,” she says.

Here are her suggestions for building a niche in global real estate:

Educate. “I attended two CRS global real estate courses this year. One had a VISA attorney talk to us and teach us all the different VISA requirements. The second course was about risk reduction when working with foreign nationals,” she says. “It’s important that you know about the tax implications for both buyers and renters,” says Silver. “The first question I ask now is if these buyers have a U.S. tax I.D.” She was also given a briefing on the Patriot Act and how that pertained to real estate. “If you’re working with a client that the United States doesn’t want in the country, you could be liable,” she says.

In addition, the [National Association of Realtors](#) has multiple lists of the customs of other countries. “I recommend you read the book *Kiss, Bow or Shake Hands*.” Also, CRS’s referral database makes it easy for Silver to help clients who may want to relocate outside of her area.

Attend. “If you want to get into the international arena, you must attend international events,” says Silver. If you can’t afford to fly to Europe or Canada, Silver suggests you start locally by connecting with other professionals at local and state Realtor conventions.

Be on a mission. “Attend inbound and outbound trade missions,” she says. However, she cautions, “You can’t go to Great Britain for one week and expect a ton of business. But, you can expect to take contacts back so you can build relationships and gain referrals. “My association is planning a

mission to Canada next year.” Silver will bring a packet of information and network heavily at the event.

Join an Overseas Real Estate Organization.

“I found out that Germany has an organization similar to NAR. They recently opened it up to international members,” says Silver, who finds it to be a treasure trove of information to help her reach German buyers and investors.

Invite. “Invite foreign agents to be friends on Facebook,” she says. “It’s amazing how it works and how the invitations keep coming, I started by inviting a few German agents I met at NAR and now I have a bunch of connections.”

Sell the Positives. “The dollar is so weak, property appraisals are low – start a campaign that tells these buyers, ‘If you can’t make it now you’ll never make it,’” she says. “Get information about the exchange of currency. It’s nice if you have someone from Europe looking into a \$150,000 property and you can tell them, ‘Oh, it’s \$110,000 Euros.’ Don’t overlook the exchange rate as a great selling point,” she says.

Be Prepared. “Have a list of professionals on hand who speak your global niche’s native language, even if you don’t speak it,” says Silver. Most global buyers and investors speak enough English to get by, but when it comes to the contract, it’s better to have them speak to someone in their own language, she says.

“You can’t be a member of the whole world. So, choose your niche wisely and really learn that niche before seeking out clients in other countries,” says Silver. “There are lenders who are giving money to foreign nationals.” With the right education and partners, you can build a thriving niche in global real estate. ■

Focus on a Niche of High-Performing Sales Professionals

Develop Marketing Services to Support Their Businesses

Stay True to Who You Are and Who You Aren't

*Interview with Lois Schneider, Principal,
Lois Schneider Real Estate, Summit, New Jersey*

"I started the firm in 1976 with just two of us. From the start I wanted to do something different than others were doing. My goal was to have a great company with outstanding sales professionals who were truly full time," says Schneider. "We also knew that to attract and retain these kinds of sales professionals we would have to have a full range of marketing support tools, many highly specialized. We offer a full range of other support services as well like contract management, signage and other areas that relieve them of areas that aren't related to serving a client."



Schneider said that they have just one office to house their current 34 sales professionals. Much of the business comes from New York City and in particular the area the firm services is highly tied to Wall Street. "Our typical client is a highly successful Wall Street executive, who is intelligent and demanding. They require sales professionals who are equally intelligent about the market, pricing, financing and all of the aspects of housing. We

have to have people who are up to that level of expertise and service delivery."

"We are therefore highly selective about who works here. We don't actively recruit but work mainly on the basis of 'invitation only.' When we have openings we generally know sales professionals who would fit in and who fit our profile. Given that our goal is always 'superb service' we have to be highly selective about the skills and experience that our sales professionals have," says Schneider.

With 15 service and support staff the firm is obviously committed to providing a full range of services to the sales professionals including marketing and graphics, relocation and internet lead management and transaction support. "We want our people to be able to focus on serving their clients and staying in touch with them. We try to take those duties that they have not directly related to that core function and have the company do those services for them. We think it is one of the big differences that our firm offers."

As a result of this focus, the firm has the leading market share in its core markets. Schneider says that she enjoys having that kind of lead but instead of focusing on that as a goal prefers to focus on the goal of having the best sales professionals backed by the best service support people. She believes the market share emanates from staying true to that vision rather than the other way around. ■

NETWORKS

The Expanding Global Footprint of Brookfield Residential Property Services

Before the spring thaw arrives, Graham Badun, managing partner and CEO of Brookfield Residential Property Services, will have made two trips to the United Kingdom, at least one trip to each of Brazil, India, and China, and no less than half a dozen flights to various parts of the United States. Not to mention any number of visits within his native Canada. This all comes due to a parent corporation, the nearly \$20 billion market cap Brookfield Asset Management, that has charged Badun and the companies he manages with expanding its residential real estate reach to all corners of the globe.



“One of the wonderful things about having the ownership structure that we have is that we are constantly encouraged to think bigger, to be bigger, to look at opportunities that take us well beyond our Canadian roots,” said Badun recently.

For a company with an ancestry that goes back a century, this quest for international expansion has been a fairly recent phenomenon. Up until three years ago, Brookfield RPS was solely, and proudly, a Canadian firm headlined by Royal LePage, a well recognized and respected brand. Having already achieved no less than 22% market share from its more than 15,000 agents (including those with La Capitale, which was acquired in November of 2007), the management team at Brookfield RPS gazed southwards in hopes of a complementary business that could make them a player throughout North America and beyond.

A major step towards that came in September of 2008 when it was announced that Brookfield RPS would purchase GMAC Home Services, which,

though struggling in many ways, still included over 1,000 franchised and about 80 company-owned offices with a total of almost 13,000 sales professionals as well as the world’s third largest relocation network. As of that moment, Brookfield RPS was no longer “just” a Canadian company.

Although the transaction immediately satisfied two wishes, it created a new problem: what to name the U.S. operations. The relocation business was fairly easily merged with its Canadian counterpart to form Brookfield Global Relocation Services. The franchise unit, however, was a bit trickier, especially since the GMAC name was not part of the purchase and therefore needed to be phased out.

“As we looked at the franchise business, we looked at several different options,” Badun recalled. “We looked at creating a brand from scratch. We looked at exporting one of our existing brands from Canada. And we looked at acquiring a brand from the United States.”

The third option was, in fact, what Badun concluded was their best choice and, a year after acquiring GMAC’s real estate business, Brookfield RPS purchased Real Living Network Services in November 2009. Real Living’s founder, Harley E. Rouda, Jr., was named president of the combined U.S. franchise system.

As might be expected, 2010 was a year of transition that was not without its challenges, yet it is too early to judge all that has happened. Brookfield RPS set no easy task for itself by converting the GMAC Real Estate-franchised operations to what was still a relatively new brand; in addition, many of the GMAC Real Estate affiliates were still smarting from the abandonment of the original Better Homes and Gardens franchise system when GMAC bought and converted that network in 1998. The difficult market certainly didn’t make this task any easier, either. Badun states, however, that Brookfield’s expectations

were slightly exceeded; given that the combined U.S. network now has approximately 10,000 sales professionals that says quite a bit about what a tough row they expected to hoe.

“We knew there would be a dip; we knew there would be some departures,” Badun explained. “But we thought that was the right number to have a foundation that was large enough to grow this into the future.”

Despite the drop in agent count, the company did manage to sell and convert to franchisees all of its company-owned operations, which were a drain on financial and management resources but remained competitive brokerages in most of their markets.

Still, Brookfield clearly isn’t overstating any short term gains or losses.

“We didn’t enter into this to just have a foundational base; we do expect to have some pretty good growth coming out over the next two or three years,” continued Badun. “We’re aggressive and we’re interested. We’ve been in this business for almost one hundred years and we’re going to be in it for one hundred more.”

The U.S. business is “an established model” but is part of a wider vision. As Badun says, “In addition to being very keen to succeed in the U.S. and to grow this business beyond our wildest imagination, we also believe it is a foundational component of a broader international strategy.”

This broader, globally-focused strategy would seem to center around the relocation business, which immediately became second worldwide only to Cartus. This unit, which is in over 100 countries and is expanding in depth and reach rapidly, has outperformed Brookfield RPS’s expectations and has arguably been worth the entirety of the rumored price paid for the GMAC Home Services’ operations.

While the industry consensus seems to be that the Real Living network still needs to clarify and

broadcast the value proposition and key differentiators of its new “premier service model”, Brookfield RPS can now put the transition phase behind it and get back to looking for ways to expand its businesses while integrating its various pieces and technologies.

One of those key technologies could lie with Centract, which is a platform that has expanded well beyond its initial scope of providing appraisal support to the mortgage industry in Canada. Centract currently has detailed housing and market information (with a user interface that has received considerable investment and attention) on well over half of all homes in Canada, but Brookfield RPS is exploring its potential extension to many other countries, including the U.S., as both a valuable technology platform for financial institutions and as a consumer-facing tool.

Badun believes this tool (and the analytic expertise they believe transfers anywhere), along with the relocation business, will open doors internationally to help Brookfield RPS develop any number of possible business relationships.

But, as Brookfield looks to grow, Badun recognizes the local nature of real estate no matter where his travels may take him and sees his company’s role as helping its affiliated companies realize and take advantage of its many businesses.

“How can we take the kernels of those good ideas that are germinating in different parts and then help get those spread? I think that’s a big part of what our role should be and often is. I think that’s part of the value that we bring to the table.”

Although it may be many years before Real Living grows to the size of its largest competitors, Brookfield RPS seems focused on the global potential of the various businesses it has purchased and developed in the last three years. That alone should be interesting to watch. ■

TECHNOLOGY

The Next Wave at Realtor.com

There is no technology driven organization in the industry that has borne more “slings and arrows of outrageous fortune” than [Realtor.com](#). From their inception in the late 1990s they have been witness to the rise of the Internet in residential brokerage, the advance of firms like [Zillow](#), [Trulia](#), and [ListHub](#), and the move from Web-based distribution to mobile access. Despite all of the challenges and all of the “arrows” aimed at them they stay true to their mission of producing one of the leading home sites available to both professionals and consumers.

REAL *Trends* talked with Errol Samuelson, CEO of Realtor.com, about how they see the future and their role in it.

REAL *Trends*: What are two of the bigger changes that have happened at Realtor.com in the past year or so?

Samuelson: We completely changed our platform, away from a traditional data base approach to one based on search and how people use search. This development that cost in the millions was based on a need to make search easier for consumers and based on what we had learned in years past in studying their behaviors. Instead of just facts and figure based search consumers can use key words and descriptive terms to better focus their search for homes that fit their dreams and their lifestyles.

Another big development was the acquisition of ListHub. What drove that decision was the view that a) brokers and agents were using listing syndication services at a rapid pace, b) there was little quality control downstream as to where and how listing information was being used, c) there was a growing concern among MLS and brokerage firms about downstream use of their data, d) the growing concern about the quality, accuracy and timeliness of the listings that were being syndicated and the conflicts between different sources of listing data that consumers were accessing and lastly, the ability to produce better business

analytics that brokerage firms and sales professionals want to be able to measure their spend online.

So we acquired ListHub with the belief that we can make changes for the better to address each of these concerns and provide brokerage firms and others with a much better set of tools and higher levels of protection for their data. We also believe we can drive some additional revenue from medium to small listing sites where we can share ad revenue. We believe it is a win for all involved.

REAL *Trends*: Was it also because of the growth of other sites?

Samuelson: Certainly people are accessing more sites for their search for homes and other property related information. But interesting enough through ListHub we syndicate to many of our biggest competitors. It is not just about our traffic to our site (which is still hugely important) but our view that we are here to serve brokerage firms, sales professionals and MLS with their ability to reach consumers wherever they happen to be looking. So while a broker may choose to have all of its listings on Realtor.com they may also want to be on 6-10 or more sites. Our view is we need to be in a position to help them there as well and to improve the quality of the system that does that for them.

REAL *Trends*: What do you see on the horizon for your organization?

Samuelson: There are a few big areas and obviously there are some I prefer not to talk about just yet. But one big area we are looking at is business analytic tools for real estate professionals, both brokerage firms and sales professionals. We have access to and generate enormous amounts of intelligence about how consumers act online, what their behaviors are, what messages or marketing is most effective in reaching and retaining more customers.

We think there is a large potential for sharing that intelligence in an organized way with real estate professionals. In much the same thinking that drove our deal with ListHub, we are looking for ways to make our relationship with brokerage firms and sales professionals deeper and more valuable. We know there is information that we have access to through the operations of our business that would be of great benefit to each of these audiences, help real estate professionals target their syndication and marketing efforts much more efficiently. There is a lot of room for us to grow our relationships with all real estate industry participants in this regard. Obviously we are considering this only for the business professional. That is where the value is likely the highest.

The other area we are thinking about at this stage is the licensing of our search engine to brokerage firms. We think the new system is one of the best yet in the business and the costs for a brokerage firm to develop and deploy a search tool with these capabilities makes the possibility of licensing what we spent millions doing an interesting idea. This is still at the imaging stage within our organization.

REAL Trends: What are your major objectives going forward for the near term?

Samuelson: One big area that we all have to address and that we are addressing is how do we get better content, more accurate and more timely and consistent data on properties. Listing accuracy is a huge issue with consumers and real estate professionals. Where accuracy or timeliness is low you lose trust in the eyes of the consumers – they see a property listed for sale that fits what they want and come to find out it was sold two weeks ago, things like that drive consumers nuts.

Working with MLS and brokerage firms we are working non-stop to increase the accuracy of the information. That is likely a never ending process but one we are investing significant amounts of time and attention to.

We are also working to develop better means, easier ways for consumers to find an agent who fits their needs. We believe we can get much better at this and it is a growing need as more consumers find their agent online.

REAL Trends: A lot has been made of the fact that a majority of consumers now find the home they ultimately bought online first and not through their agent. What are your thoughts?

Samuelson: It occurs to me that with search and content getting better all the time and a large majority of consumers starting their search online it was only a matter of time before this happened. It is not that surprising an event really. And with the literal explosion of mobile access the percentage of people who find a home they like online will only increase.

Speaking about mobile access we have apps for several devices and I can tell you after Christmas our mobile access levels literally exploded (iPad, iPhone and other Christmas gifts may have had something to do with that). New Year's Day we set an all time record which was broken again the very next day. That may also bode well for housing sales in 2011.

REAL Trends: Sounds like there is quite a bit left to accomplish.

Samuelson: The future looks very good to us as far as opportunities to grow and innovate. ■

Keller Williams International and Market Leader Announce Joint Development and Launch of eEdge

Fully integrated platform for sales professionals to conduct virtually all functions online and paperless

Keller Williams International and Market Leader announced that they were launching a new integrated platform that incorporates virtually every part of a sales professionals activity. The system, called eEdge, includes all listing management, marketing, customer relationship management, contact management, transaction management and document support functions in one platform. It is believed to be the most comprehensive integrated platform available to the affiliates of a national branded network yet developed.

“Five years ago when I left the field at Keller Williams and began working at headquarters, I told everyone that my dream was to have a system for our sales professionals that would incorporate every function needed to do business on one fully integrated platform. eEdge is that platform and we could not be more excited for our sales professionals,” said Mary Tennant, president of Keller Williams International.

“This new platform did not reinvent all of the applications that sales people will need it just ties them altogether in one system that makes it easy to conduct business,” added Tennant. “One point for all contacts, all communications, transaction management and contract management, virtually every marketing function one could dream of and all integrated with listings and sales information. This will give our sales professionals the ability to be more efficient and intelligent about their markets, their customers and their business. It also ties to our Keller Williams financial and operating systems so that the time and effort required to process even closing statements and commission information will all be automated.”

Tennant added that Keller Williams had taken this to the field to gain input and buy-in from their affiliates and sales professionals. Almost 98 % of the sales professionals approved the development and expressed their support for it. “I am very proud of the people in our organization for their foresight

in working together on this project. It also reinforces our culture in the strongest way; focus on the agent and their business and deliver the means for them to spend more time building relationships with customers and less time on paperwork and processing.”

Tennant added that the development had been the smoothest, most incredible integration effort among multiple suppliers that she had ever seen.

Ian Morris, CEO of Market Leader said “one of the most important goals of many in residential brokerage has been the development of a fully functioning platform that provides each and every tool that a sales professional could want or use in the conduct of their business. The work we have done with Keller Williams International on this project has proven that there are firms that see the value in this goal and are willing to invest their time and talent in seeing it through. Keller Williams and their team shared this goal and despite the challenges of pulling it off, did just that.

While there are others that have significant platforms that may do most of what this new system will do we think it is a breakthrough for Keller Williams and their people and a one of its kind system. When you combine one system for all customer activities, integrated with all property functions, all transaction functions and tie that all to the financial and operational systems of a brokerage, we think it is the first of its kind to each and every one of these on one platform.”

Tennant said “while we know that there will be additional enhancements that will always need to be made, my dream of one system for sales professionals that will enable them to expend more effort with their customers and less time either finding information or entering it into multiple data bases is finally being realized.” ■

REAL Trends Interview: Michael D. Harris, President Ardynn PR and Lime Magazine

REAL Trends: Tell me a about Ardynn's Strategy and Philosophy.

Michael Harris: Our main focus at Ardynn PR is public image and brand reputation. There are two sides to every business' reputation. One that is perceived and the actual. The perceived side of a brand is how the world really sees it, through the rose-colored glasses of its marketer, and then there is the brand as it is, seemingly with a life of its own. Once you get a brand through its infancy, you will notice that it tends to take off on its own and the once clear waters of the future become muddied. Here at Ardynn PR, we understand and remember what it is like to build a brand and all that it entails. When the average person is asked "What is PR?" the general response is that it is simply the public relations aspect of a marketing strategy. In reality, it acts as the focal point of marketing efforts and expands to encompass virtually EVERY aspect of a brand's marketing strategy. No matter what medium you use to deliver a brand's message, you are touching and eliciting a response from your target audience. That is the real meaning of public relations. And with today's technology it has become more social than public, since every day we move to a more open knowledge society. The Team at Ardynn PR has the expertise to ensure that you have and use EVERY component your brand marketing strategy needs.

REAL Trends: You have a new promotion taking place called "How Social is Your PR." Can you explain this?

Michael Harris: We wanted people to really take a look at their PR and see how social it is. See which outlets they are using and if they are using them efficiently. This is one aspect of having a good balanced branding campaign in place. All contact points with a client can be attributed to marketing and PR in some fashion whether it's internal or external and we want to make sure that we make the most of this for our clients.

REAL Trends: Who is your typical client at Ardynn PR?

Michael Harris: We deal with all scopes within the real estate industry from large brokers to individual agents and all the way down to single properties. We also deal with affiliate companies and other vendors in our industry.

REAL Trends: On January 1st, you launched a new product called the Techion. How is this taking shape?

Michael Harris: The Techion is an online technology magazine geared towards the IT and tech professional or the Generation X and Y audience. People who are so used to technology that it is an everyday activity for them. We can put the raw technical information out there and it will be consumed in that format versus dumbing it down. In March we are going to be increasing the volume of information posted and released to multiple pieces per day. The site can be found at www.thetechion.com.

REAL Trends: Why is branding, brand awareness, and brand monitoring so important in real estate?

Michael Harris: Because you are your brand. Really when I think of a brand, take *REAL Trends* for instance, the first thing that comes to mind is the *REAL Trends 500*. That is the most crucial report in the entire industry and is the report that I want to see. Really when you take a look at a company and their products or brand this is really how they are relating to the public. Everything that touches the general public is part of your PR.

REAL Trends: Supply us with one tip that most agents or brokers overlook when it comes to brand image.

Michael Harris: 1) Engagement Factor and let's say I am a generation X or Y consumer and I am doing my first time home buying process. I may be just as likely to reach out via social networks as I am texting and email nowadays. Probably more so than reaching out and making initial contact by phone as was the case just a few years ago. As we

have seen this trend change it is increasingly important to engage the audience on this platform and interact there as that is what the consumer wants. Method of contact is important and also the time lag between initial contact and follow up is increasingly important with numerous sources available in the online world.

REAL Trends: How do you see technology affecting or transforming the real estate industry?

Michael Harris: I think the next or most current big change in our industry will be application based image branding. Apps are becoming our lives these days and it has started with the iPhone and now onto the android systems and tablets. Even young kids are consuming apps at an impressive

clip. So tapping into this market in an efficient useful way will be increasingly important.

REAL Trends: 5-10 years from now what one technological advancement do you foresee shaping our industry?

Michael Harris: Honestly I think it will be something virtual, when I look at things like the new Xbox Kinect™ from Microsoft and how it can read your body language and display that virtually I really feel we are going to be at a place where you can be sitting at home and you could virtually walk through an open house. Much more elaborate than the online open houses people are offering these days. So expansion and streamlining these technologies will certainly be a thing of the future. ■

Getting Started - Real Estate Technology

By Travis Saxton, Marketing & Technology Manager

This past week found me at the Inman conference in New York City where I was fortunate enough to take in many topics and panels regarding Real Estate Technology. I will write several new articles on individual topics discussed at the conference like real estate CRM's, email marketing, SEO, and etc. The topic I would like to cover first is new technology emerging in the real estate industry. Several new companies have caught my attention both during my time at the conference in New York City and our interactions and affiliations at REAL Trends. I am going to describe the basic concept of these companies and link out to their website for greater details.

The companies are in alphabetical order:

[Agentlistserv.com](#)

[Kanubee](#)

[N-Play](#)

[Propertybase](#)

[SCVNGR](#)

[SocialMadeSimple](#)

[SpatialMatch](#)

[Sweetworth](#)

Agentlistserv.com - This company takes a novel approach that leverages strength in numbers. In a nutshell the system allows a real estate agent to leverage a network of agents to match a buyer with a seller or listing. It is a blend of a dating site concept, a social network, and the MLS. The agent

places either a need or a want into the system that then gets matched up with everybody else's needs or wants to find a matching buyer or property.

Definitely takes the strength in numbers concept to our real estate industry. This program is free and as more and more agents take part it could be a valuable asset in the future.

Kanubee - This new company brings the concept of Photoshop to a web based platform for agents but in a much simpler interface. As an agent you can upload your photos to their site and instantly enhance the photo so it is ready to go on your website in a quicker and better fashion. Add your logo, enhance brightness, remove that newspaper from the front yard you didn't notice. It makes the process simple and can even be done on a mobile phone right at the property as you take the photo. Neat concept as this plays out and grows it has the potential to simplify the agent's marketing efforts.

N-Play - Imagine a real estate consumer market where they controlled the action on the buying end. N-Play is like the mending of eBay and the traditional housing market buying process all in one. The concept gives the buyer the opportunity to submit a non-binding bid directly into a web based system that the home seller and listing agent have

access to. They can login to view the current bids along with the qualifications of each bid like closing time, money down, financing type, etc. Depending on the quality of the bid the listing agent and home seller can rank the buyer based on all of the criteria involved. The greater overall concept implies that each homeowner can truly get a feel for market price for their home based on all of the features related to that home. This is definitely a unique and new concept for the real estate industry and I am eager to see the end result of it's progression and growth.

Propertybase – Propertybase states “Propertybase revolutionizes the way you sell and lease properties: Capture Leads, create sale and lease offers and agreements, manage your listings, track payments.” In a short demo presented to me at the Inman conference, the team at Propertybase, displayed how an efficient lead generation and CRM tool can increase agent commissions and close rates. The concept is genuine and has been around quite sometime. What makes this company stand out amongst the competition remains to be seen.

SCVNGR – A unique concept applied to real estate marketing. It is a blend of gaming, mobile, challenges and open houses all built into one concept. They apply challenges in a mobile and social format while going through “treks” through your open houses. As more and more people pick up ambient awareness or location based apps and games it will be interesting to see this concept applied to the real estate industry. A handful of Realtors® are trying it and it seems a bit too early to tell. If the investors were to decide, SCVNGR will take off, as Google has invested \$4 million in the small company.

SocialMadeSimple – This appears to be a great resource for those agents and brokers that are intimidated by social media. This gives the inexperienced or even the experienced broker the opportunity to manage multiple social networks all in one place with a simple user interface. This system makes tweeting, posting, blogging, etc., an easy and simple process. What differs SocialMadeSimple from other social media

management programs is the built in easy to follow planning and growth opportunities. They have an easy to follow path for the beginner to the advanced social media user.

SpatialMatch – This has been a concept in the works for quite some time and there are companies out there that implement bits and pieces of this technology but as far as I can see they take the technology to the next level. The concept is simple. Present the real estate buyer with exactly the inventory they want to see. How do they do it? It is an easy to use web-based program that acts like Google Maps, IDX, MLS, and a Realtor® all in one. The system allows the user to pick and choose from numerous criteria like home price, schools, parks, coffee shops, and the list goes on. These are all layered on a map and the user can set the proximity to these options they would like their future home and the system kicks out the current listings that match your criteria. This allows the buyer to pick the perfect home to fit their lifestyle.

Sweetworth – This is a unique but rudimentary thought. From a personal perspective it can be a greatly valuable tool for agents and brokers. The problem they solve is the disconnect between today's buyer or seller and the agents. This disconnect is in the form of communication. Unless you are referred to an agent by friends, family, colleagues, etc., the finding of an agent can be a daunting and intimidating task. Enter Sweetworth: This online system allows the user to pick their agent based on their criteria and start the initial contact steps based on their terms. This could ease the process for the consumer and make you look better if you have this system on your site. It will be interesting to see this company's future in the real estate industry.

In the end there are some pretty impressive concepts and displays in the real estate startup arena. If I had to pick some favorites I would say N-Play would be my top followed by SpatialMatch closely behind. I urge the readers to dive into these companies as one day you may be hearing much more about some of them. Good luck to them all! ■

TRENDS

REAL Trends Housing Market Report – December 2010

The combination of new and existing home sales in December 2010 increased from November 2010 with the annualized rate of sales climbing to 5.48 million from November's adjusted rate of 4.69 million. However the annualized rate for December 2010 was below the rate of December 2009 at 5.81 million. Unit sales were down 5.5 percent from a year ago.

The average price of new existing home sales increased 2.8 percent from December 2009 continuing the month's long recovery in the prices.

January 17, 2011 – The *REAL Trends Housing Market Report* for December 2010 showed that the annualized rate of the combination of new and existing housing sales decreased from 5.81 million in December 2009 to 5.48 million in December 2010. The December home sales rate was up from the prior month, increasing from 4.69 million to the 5.48 million level. Overall housing sales fell for the fifth month in a row when compared to the same months in 2009.

December 2010 unit sales fell 5.5 percent from December 2009. The average price of all sales increased 2.8 percent from December 2009.

Housing unit sales for all regions fell in the last twelve months with the Northeast showing the greatest decline of 14.1 percent followed by the South which saw unit sales fall 4.3 percent from December 2009. The West had the smallest decline at 2.1 percent.

Average prices of homes sold in December 2010 increased 2.8 percent compared to December of 2009 on a national basis. Every region showed increases in the average price with the Northeast showing the greatest improvement with an 8.6 percent increase in the average price of homes sold.

The Midwest showed the smallest increase at 1.4 percent improvement.

“The December results, while down from a year ago, improved significantly from the November showing indicating that positive results in the general economy are beginning to have a similar affect in the housing market. Continued low interest rates, increases in retail sales and the marginal improvement in employment are having the desired impact on housing sales” said Steve Murray, editor of the *REAL Trends Housing Market Report*.

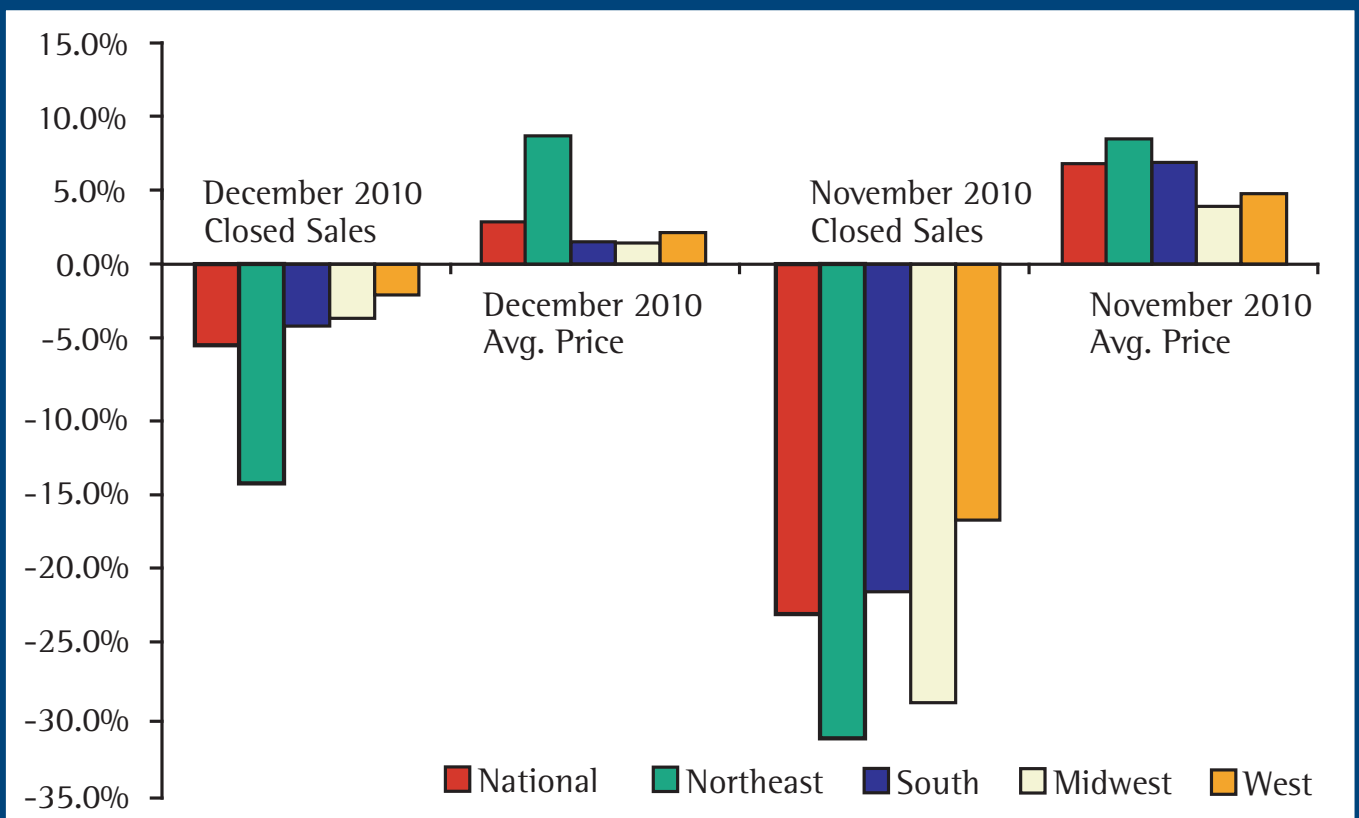
“The downside is that on a year-over-year basis, housing sales continue to fall. We expect that the unit sales rate will continue to show year over year declines during the first quarter of 2011 as the results will be compared against sales that took place during the second wave of tax credit fueled housing sales in the first and second quarters of 2010. The declines will be partially offset by improving conditions in the overall economy.” ■

*See the REAL Trends
December/November Housing Market
Report Chart on the Following Page*

REAL Trends December/November Housing Market Report

(Versus same month a year ago)

	December 2010 Closed Sales	December 2010 Avg. Price	November 2010 Closed Sales	November 2010 Avg. Price
National	-5.5%	2.8%	-23.7%	6.5%
Regional Report				
Northeast	-14.1%	8.6%	-31.2%	8.2%
South	-4.3%	1.5%	-21.8%	6.8%
Midwest	-3.9%	1.4%	-28.7%	4.2%
West	-2.1%	2.2%	-16.5%	4.9%



Understanding the Speed of Change

By Jeremy Conaway, Contributing Editor

It was a great opportunity. Spending a week in a wonderful city conducting an operational audit with one of the finest brokerages in the country. What a great project to start off a super year.

The project started off smoothly. Each of the first tier functions came off the checklist in perfect compliance. It wasn't until the second day that the problems began to emerge. They came slowly at first and then with increased frequency. By the end of the second day the warning lights were blinking on the instrument panel and the real challenge had begun.

Today's real estate brokerage exists in one of the most complex markets in the history of the North American real estate industry. At every turn and from every direction the current market environment is generating complexity and uncertainty. From one direction comes complications of a market in which closings have gone from being a mere bump in the road to hurtles that more often than not are capsizing and killing entire transactions. From another direction comes the subtle changes and demands of emerging mobile technologies that seem slight yet pack powerful influence with respect to compatibility. From the other side of the table comes the not so subtle demands and expectations of modern day consumers who seem to derive an increasing level of joy discovering their agents are human and even fallible. The almost sinister reality here is that these are the dangers that one can see eye to eye.

The real changes and challenges in today's market are coming from forces that cannot be seen. These forces are causing veteran agents and managers to wince in pain upon crashing into what appeared moments before to be a perfectly safe and sane process.

These circumstances are not accidental nor are they random. In most cases they represent the mainstay of trends and directions set in motion in 2006, 2007 and 2008 and that are just now crashing on

the shore of today's marketplace. Nowhere are they more acute or terrifying than in the area of lifestyle engineering. If agents and brokers are to protect their persons and careers from the dangers of these world-class shoals and snags they must broaden their areas of inquiry and response.

An amazing number of people in our industry today feel comfortable proudly announcing that they have been in the business for over 30 years and proclaiming that they are immune by experience from the evil forces of industry and market transition. Some even announce an across the board rejection of the changes and proudly suggest that things never change.

This is simply not true and nowhere is this evolving truth more obvious than area of lifestyle marketing. A starting point of understanding in this area comes from the fact that the life styles of virtually every generation and individual are in the midst of changing. Since much of the discussion regarding lifestyle changes has been aimed at Generation X and Y it seems like a good opportunity to see how it is impacting the boomer generation, more specifically boomer generation males.

The Great Recession forced millions of men in construction, manufacturing and other traditionally male occupations out of work and into more domestic duties. At the same time, gender roles were already changing anyway, with Gen X and millennial men in particular more likely to take an active role in parenting and household duties.

The next hints of what was to come came from the Meredith Corporation and its research reflected in two excellent white papers published in August and November of last year. Titled *The Rise of the Real Mom* and *The Reality of the Working Woman* these two publications carefully outlined what had happened to that generation of woman who we once called woman's "libbers." To make a long story short it turns out that they are now educated, experienced, well employed and wise beyond their

years. Moreover they know what they want and have become experts in getting it from an economic system that one denied them.

Then, four months ago came manofthehouse.com, an exceptional website sponsored by the Proctor and Gamble folks dedicated to the success of the new male homemaker. On this site one can find an entire world of new tricks for the boomer generation male who might have relied a bit too heavily on his spouse over the past years. Featured on this weeks offerings is *Serious Toilet Blowout* (about a new super plunger) and *Teaching Kids About Stereotypes* (under the how to be a good parent column.)

Now comes the latest news from the streets. a study by Yahoo based on interviews of 2,400 U.S. men ages 18 to 64 finds more than half now identify themselves as the primary grocery shoppers in their households. Dads in particular are taking up the shopping cart, with about six in 10 identifying themselves as their household's decision maker on packaged goods, health, pet and clothing purchases. Not surprisingly, given that such ads long have been crafted for women, only 12% to 14% of men felt the advertising of consumer goods, pet supplies or clothing speaks to them, according to the Yahoo survey.

The key lesson to be learned here is that a significant portion of the changes now hitting the market place are relatively new in formation and

arrival. This is just one of many major lifestyle changes that are currently striking the marketplace.

All of these changes will have a significant impact upon the real estate industry more specifically how it markets properties to all traditional couples.

Our friends in the brokerage were not poised to intercept this news nor to engineer on important consumer shift. When were they going to adjust their print marketing program, their internet presence, their agent training and their real estate services package to accommodate a whole new approach to the roles played by both their male and female consumers.

This shift in gender based house making and household maintenance is but one of a wide range of similar trends that are impacting how and by whom the new real estate service package will be delivered. Each firm should begin immediately to determine how they are doing inputting the avalanche of new information that will dictate the changes they will be making in their standards of practice and consumer experience.

The speed of change in today's real estate market is meteoric and increasing everyday. Someone must be responsible for monitoring, listening, communicating and teaching the brokerage team to accommodate these new requirements.

We can do this. ■

EDITOR'S NOTE

2011 Gathering of Eagles May 4-6, 2011

Game Plan

We will be giving out copies of the new book from REAL Trends and Market Leader, "Game Plan - How real estate professionals can thrive in the future" which includes a review of the history of brokerage innovations and leadership challenges and scenarios of the paths to success for brokerage firms and sales professionals. Ian Morris of Market Leader and Steve Murray will also host a session to the findings of over 50 interviews from a wide variety of sales professionals, sales management, broker/owners and leaders of existing and emerging technology firms.

REAL Trends 500 and Canadian Top 250

The REAL Trends 500 ranking surveys are out as well as the surveys for the Canadian Top 250 for brokerage firms. We expect a record number of firms to participate this year in both surveys. Should your firm have closed over 500 sides in either the U.S. or Canada and if you have not received a survey please click below to access the survey:

REAL Trends 500 Survey:

http://www.realtrends.com/go/page.php?menu_id=70

Canadian 250 Survey:

www.realtrendscanadian.com

or contact us at 303-741-1000
with any questions.

Heard at Quantum Digital Ignite conference

According to several leaders of brokerage technology groups the most important technology tools that real estate professionals must have to succeed are Mobile access and a contact data base management systems. Yet according to a survey done by Realtor.com less than 24 percent of sales professionals are using contact management tools today and less than 40 percent are using an updated PDA of some kind.

Broker Compensation Study

Finally, we are once again compiling our Broker Compensation Study. This report will benchmark key positions in residential brokerage companies of all sizes and in all locations throughout North America. Any broker who confidentially submits their compensation data (for office managers and a whole host of other positions) on our secure website will receive a final report for free. When we last did this several years ago we produced a nearly forty-page study filled with invaluable information found nowhere else. To find out more or to complete the survey, please visit <http://www.realtrends.com/Broker-Compensation-Study>. ■

