



**REALTRENDS**  
THE TRUSTED SOURCE

COMPLIMENTS OF



AUGUST 2015 NEWSLETTER

# FUTURE CHALLENGES



## FIRST PERSON

### UPSTREAM

# THIS GENERATIONS MOST IMPORTANT LEGACY?

*Upstream has the potential to be a true game-changing event in the history of our industry.*

- By Steve Murray, publisher

I have been thinking about the recent developments regarding the Upstream Project and the joint development with the National Association of Realtors®. Obviously, there has been much written about it, and my assumption

is that there is more to come. Should the project come to fruition, it will be remembered as one of the most significant developments in the history of our industry.

*Continued on pg. 2*

## REAL TRENDS VALUATIONS

**HUNDREDS** of reasons to get one, **ZERO** reasons not to.

Contact Amy Broset today to get more information about brokerage valuations.

abroset@realtrends.com  
303.741.1000

### 1-6 FIRST PERSON

- Upstream: An Important Legacy Project?
- The Future of Organized Real Estate
- Observations on the Ranking of Agents

### BROKERAGE

- The Potential Perils of Being Out of Control
- 3 Simple Steps to High Production

### 11-12 HOUSING MARKET

- Summer Home Sales Off to Strong Start

### 13 FEATURED LEADER

- Gretchen Pearson, president at Berkshire Hathaway HomeServices Drysdale Properties, Northern California

### 14-16 TECHNOLOGY

- Millennials and Technology
- Unique and Creative Brokerages Sites



# REALTRENDS

THE TRUSTED SOURCE

7501 Village Square Drive, Ste. 200  
Castle Rock, CO 80108  
Phone: 303-741-1000  
FAX: 303-741-1070  
E-Mail: [realtrends@realtrends.com](mailto:realtrends@realtrends.com)  
Web: [realtrends.com](http://realtrends.com)

## **Publisher:**

Steve Murray - [smurray@realtrends.com](mailto:smurray@realtrends.com)

## **Editor:**

Tracey Velt - [tvelt@realtrends.com](mailto:tvelt@realtrends.com)

## **REAL Trends Team:**

Alec Gress - [agress@realtrends.com](mailto:agress@realtrends.com)  
Amy Broset - [abroset@realtrends.com](mailto:abroset@realtrends.com)  
Brittany Shur - [bshur@realtrends.com](mailto:bshur@realtrends.com)  
Bryan Warrick - [bwarrick@realtrends.com](mailto:bwarrick@realtrends.com)  
Cade Madison - [cmadison@realtrends.com](mailto:cmadison@realtrends.com)  
Daniele Stufft - [dstufft@realtrends.com](mailto:dstufft@realtrends.com)  
Deirdre LePera - [dlepera@realtrends.com](mailto:dlepera@realtrends.com)  
Doniece Welch - [dwelch@realtrends.com](mailto:dwelch@realtrends.com)  
Jaime O'Connell - [joconnell@realtrends.com](mailto:joconnell@realtrends.com)  
Paul Salley - [psalley@realtrends.com](mailto:psalley@realtrends.com)  
Terry Penza - [tpenza@realtrends.com](mailto:tpenza@realtrends.com)  
Travis Saxton - [tsaxton@realtrends.com](mailto:tsaxton@realtrends.com)

Copyright 2015 by REAL Trends. All rights reserved. Material in this publication may not be electronically stored or reproduced in any form without written permission. Violators will be punished by a fine of up to \$100,000 per offense.

Please visit us at [realtrends.com](http://realtrends.com) for the following noteworthy products:

New Book: Game Changers  
Online Performance Study  
REAL Trends 500  
& More!

That got me thinking about legacies and about the leaders who were founders of the industry. I think about those who are no longer with us and how much they contributed to where we are today. Some who come to mind are Dick Elsea of Real Estate One; Sid Syvertson of RE/MAX of California and Hawaii; Paul Knapp of Iowa Realty; Vince Aveni of Realty One; Bob Walters of Baird and Warner; Allen Tate of the Allen Tate Companies and several others. In their time, they built the foundations of the modern brokerage organization, which includes multiple branch offices, mortgage, title and other settlement services. Others built the modern franchise business from scratch. Remember, the first, modern-day franchise is less than 45 years old.

They did not know how it would turn out, but they had faith in the Realtor organization and the marketplace. They had faith that Americans would continue to pursue the American

**REMEMBER, THE FIRST,  
MODERN-DAY FRANCHISE IS  
LESS THAN 45 YEARS OLD**

dream of homeownership and that they would continue to use Realtors to do so.

What is amazing is that they have kept this faith through multiple, harsh housing recessions, a massive increase in government regulation and a huge change in how the mortgage market works. They had faith that whatever came their way, they would find a way to grow their companies and prosper.

Now we are hearing a lot about Upstream/NAR we await whatever name it will ultimately be given, so for now, I will use Upstream. REAL Trends has spoken about Upstream with many people, both inside and outside the process. From that, we can piece together that Upstream is the following:

- One national listing and sales data on residential real estate. The database may also include brokerage and agent profiles;
- A database engine that will manage the data in the background;
- An interface system that will enable brokerage firms to

distribute the data to end users, such as MLS operators, websites, etc.;

- A system that enables integration with MLS.

There may be other apps built for analysis purposes.

For the moment, let's assume that Upstream gets built and that it works. What are the implications?

- Brokerage firms will now be firmly in control of the distribution of their data. It will only end up where they allow it to end up.
- Brokerage firms will have access to timely, accurate information on housing sales whether they are MLS or off-MLS, assuming that all brokerage firms are inputting all of their listing and sales data. There will be no more mystery about how much is on and off.
- National realty organizations will have accurate information about the performance of the market, of their affiliates and other firms and agents in the market.
- Technology providers could now write systems to access that data for widespread distribution and use, as opposed to having to navigate the differing technology platforms of 700-plus MLS operators.
- Brokerage firms, national realty firms, and others can develop their front-end data access systems that could provide the ability to more easily integrate all software necessary and desirable to a realty organization.

I am confident that there are more potential developments that aren't listed here. In short, Upstream has the potential to be a true game-changing event in the history of our industry.

There are many hurdles yet to be overcome. How will the affiliates of the major national networks be encouraged to join the LLC? How will the tens of thousands of 10-person and under agent firms in the country view this development? Their market share is not insignificant. Will MLS and Upstream build the capability to upload from the MLS to Upstream to support these smaller firms? Will the MLS and Associations view this as beneficial and support the effort, or will they sit on their hands and await the outcome? While many can talk about why it may not work, the focus should be on what the benefits would be if it succeeds.

So, what does this have to do with legacies? Upstream could be this generation's most important legacy. When future generations look back at this significant development, they will likely think "it took them long enough" or "it was a simple task." They would be wrong on both accounts. For one, this is the first time in the past 40 years that a project brought the major national and regional brokerage firms and NAR into an agreement on anything major. Secondly, it is the first time that the national realty firms and the independents truly found a way to work together on a major project. These two items alone make it a legacy worthy of their efforts.

## NOW YOU KNOW

**NAR's Core Standards Results.** Since the beginning of Core Standards, there have been 66 mergers involving 149 Realtor Associations. There are about 95 fewer associations than the previous year. Compare this with an annual average of seven mergers involving 15 Associations the prior four years.

**As we end the first year of Core Standards, there are more than 1,300 strategic plans approved, so less than 50 remain outstanding. Some of those could be in final processing or postponed for merger talks.**



## DISRUPTION

# THE FUTURE OF ORGANIZED REAL ESTATE

*Does the Upstream Project mean certain death to Realtor associations and MLSs?*

- By Terry Penza, director of network membership

Things can change quickly. Many association CEOs went into the NAR DC meetings anxious about their association's future existence, or at the very least, they pondered how to keep relevant to their members. Blogs, real estate media outlets and vocal members continually question the benefits of associations. Add to this the previous year's mandate of core services, and you can understand their concern. At this year's Board of Director's meeting, many left questioning MLSs continued existence.

In May, NAR's Board of Directors voted to approve a single, back-end entry point for distributing listings. It is partnering with RPR and Upstream. The issue in many minds is, why should there be a middle man (the MLS) if all of the listings go to one spot?

## SO, IS THAT THE END OF MLSs, THE ASSOCIATIONS OR BOTH?

Since the early 1900s, the Realtor Associations have been

instrumental in stabilizing the industry. The Code of Ethics helped with standardization. The MLS was developed, not as an advertising vehicle, but as an agreement of cooperation and compensation. Is the industry ready to lose this middle man just to save about \$1,000 (local, state, national and MLS fees) a year? Associations have a constant flow of requests to solve commission disputes and mediate perceived violations of the rules. Most associations and MLSs are doing an excellent job delivering relevant services to their members. Associations and MLSs take member calls all day long. They are always working on their value proposition.

Take them away, and the owner will need more staff to answer questions, resolve disputes both internally and externally. Whom do they call for assistance?



**AMERICA'S BEST**  
**REAL ESTATE**  
**AGENTS**  
**REALTRENDS**



**THE THOUSAND**  
 AS SEEN IN **THE WALL STREET JOURNAL.**

## AMERICA'S BEST AND THE THOUSAND OBSERVATIONS ON THE RANKING OF AGENTS

*Our goal is to provide the most accurate list of agent performance possible.*

*- By Steve Murray, publisher*

We are honored to present the rankings of the highest-producing agents and agent teams each year through [REAL Trends The Thousand](#) and [REAL Trends America's Best](#). We started this process more than 10 years ago, and this past year we had over 10,000 applications. The results for The Thousand were released June 26, and for Americas Best on July 7. Last year, these rankings received over 300,000 unique visitors, up hugely from the year before.

Our goal is to provide the most accurate list of agent performance possible. To achieve this, we require third-party

verification of performance data, which can come from the principal brokerage of the firm, MLS data, verification from franchisers and, in some cases, federal tax return documents. No one gets ranked without providing verification.

A significant area of concern is the difference between individual agents and teams. We have a clear, written and published definition. We clearly state that any intentional violation of this rule could result in being banned from our ranking lists. We have, in fact, banned some who are teams but filed as individuals after being suitably warned about this policy.



[CLICK TO VIEW THE THOUSAND RANKINGS](#)



[CLICK TO VIEW AMERICA'S BEST](#)

We check numerous sources, including broker-owners and agents' websites whenever we have reason to be concerned.

The biggest challenge is the evolutionary nature of the business structures in our industry. There are numerous kinds of agent teams. There are agent teams that are separate brokerage firms and agents who provide far less in service and receive less in commission than the standard agent receives. There is the issue of a group of high-producing, individual agents forming a team in the middle of the year and the problem of the teams that break up in the middle of the year. There are agents who co-list high-end properties and have to share that sales volume even though they are not a team. The variety of agent business structures grows daily.

The major goal was to recognize the top-performing agents and teams in the country, and that will continue to be our primary objective. Last year, we partnered with Trulia to help drive more consumer recognition to the rankings. That worked enormously well. This year, we added the ability for agents and teams to create a profile that would include up to 30 additional cities or communities that they cover so that consumers could find them more easily. In the future, we are seeking to link our data to agent rankings, testimonials and review data so consumers can get an accurate picture of the performance of an agent or an agent team.

This is not a perfect and complete list. Each year, we reach more agents and brokerage firms than the year before, and we get more applications from previous years. There are some who don't know about the rankings; there are some who don't choose to participate and there are those that just missed it. We acknowledge this fact in the publishing of the reports. These issues, together with the changing face of agent business structures make it very difficult to be perfect. We will also have those who disagree or think the report is flawed. Our view is that even when we miss one agent who qualified, the report is flawed in some regard.

We make a few basic promises. First, no one can buy his or her way on either list. You either qualify, or you don't. Second, we do not lease or sell this list to anyone. Further, we use it sparingly ourselves in how often we communicate with those featured on the rankings. Lastly, as we said earlier, when we find someone intentionally attempting to mislead us, we are firm in our response.



CFPB

# THE POTENTIAL PERILS OF BEING OUT OF CONTROL

*Is the brokerage industry ignoring the new mortgage rules?*

- By Jeremy Conaway, contributing editor

The American residential real estate industry is currently going through a quiet but particularly dramatic phase of its contemporary history. Brought about by the now almost two-year-old announcement by the Consumer Financial Protection Bureau (CFPB) that, effective October 3, 2015, it would be developing and enforcing a new set of lender mortgage disclosure and RESPA audit rules. Understandably, the industry is reacting in many ways.

Over the past two years, the mortgage and title sectors invested significant energies and resources into creating processes and procedures that will ensure that its business practices will be in compliance with the new rules. Both deserve a hero's medal for the millions of dollars and human resources that they have invested in making sure that the return of regulation to the industry is accomplished with as little disruption as possible.

## **BROKERAGES, IT DOES APPLY TO YOU**

The fourth player in this historic drama, the real estate services or brokerage sector, has also executed on several reactions and responses. Instead of acknowledging the new rules and doing their

best to comply, by and large the brokerage sector has elected to ignore the rules and deny any potential impact or liability.

In its defense, the brokerage sector was relying upon representations by its advisors that nothing in the Dodd-Frank Consumer Protection Act of 2010 applied to them. Between July 2013 and July 2015, brokerage sector inquiries were met with absolute assurance that there was a specific provision and a political promise that nothing in the CFPB program was relevant to brokerages and agents.

All that has changed. By early April, the alarm had been sounded and, while even then the majority of the brokerage sector refused to consider the ramifications of the new regulatory threat, significant numbers of firms undertook to respond to the threat posed by the Bureau's efforts to protect the real estate consumer.

## **CONTROL OVER TRANSACTIONAL OPERATIONS**

It is sufficient to say that as brokerages have attempted to affect some level of control over their transactional operations they

have discovered what many have always known. After decades of deferring command and control they now found themselves almost totally unable to exercise even the most minimal impact on the most fundamental processes and procedures. Even when faced with the certainty of failed audits, immense fines by an agency and the high potential of lawsuits from consumers whose lives become disrupted because of non-complying transactions, many brokerages refuse to submit to even the most basic of best practices and transactional safeguards. It would appear that the industry's traditional adage that "I don't need no stinking boss" has risen to become its nemesis and "Achilles heel."

For many brokerages, the findings have been nothing short of horrifying. The broker's almost total lack of control coupled with the refusal of agents and, in many cases, managers, to comply with management systems and internal rules has been alarming. One of the more classic examples was a firm that discovered that the local MLS records reflected over 500 listings attributed to the firm that it didn't know existed.

Many within the industry saw the recent CFPB decision to defer rule enforcement by 90 days as some manner of political or strategic victory. Those who are familiar with what is happening realize that the delay will only serve to amplify the existing circumstances. The Bureau will be that much more prepared to execute on its mandate, the mortgage and title sectors will be that much more competent in its compliance, and the brokerage section will be that much more unprepared to protect itself and its consumers.

#### HOW CAN A BROKERAGE FIRM PROTECT ITSELF?

What can a brokerage that has not undertaken or been able to effect actions to protect itself do at this late moment with only 90 days remaining in the countdown? The answer is due diligence.

One morning or afternoon on a date after Saturday, October 3, your receptionist may look up to see individuals introducing themselves as being from the Consumer Financial Protection Bureau. They may announce that they are present to conduct a TITLA/RESPA audit.

What happens from this point forward may have everything to do with the size of the fine that will ultimately be levied on your brokerage. This moment in time compares rather

nicely with being pulled over for a traffic violation. Just as a significant percentage of drivers pulled over elect to respond by being hostile and argumentative, so will a like percentage of brokerages fall into the same trap. The operative assumption on the part of auditors is that the treatment they receive is likely to be the same treatment that the brokerage will give to a consumer with a problem.

Given these circumstances how should the brokerage respond? Leaving CFPB personnel standing in the lobby while contacting the broker, calling legal counsel, asking for a search warrant or demonstrating a belligerent attitude is not the right answer. The first contact, and all subsequent contacts within the brokerage should respond as if the brokerage is prepared for such an audit. To a great extent, the auditors will judge the brokerage on the basis of what due diligence is in effect.

## WHAT HAPPENS FROM THIS POINT FORWARD MAY HAVE EVERYTHING TO DO WITH THE SIZE OF THE FINE...

If the auditors' request to see the firm's TITLA/RESPA Audit procedures file and the response is that "there is no such file," what does one imagine will be the response? If the brokerage doesn't respect the law or the consumer enough to have such a file, then there is really nothing to discuss, it is now just a matter of how much the fine is going to be.

What should be in this magic file(s) is the evidence of what efforts the brokerage has made to comply with the new rules. This effort is referred to as due diligence. It is the total of the efforts undertaken by the brokerage to prepare for an audit. Initial due diligence is nothing more than common sense and respect. It is time for the industry to demonstrate these qualities.





MOTIVATE

## 3 SIMPLE STEPS TO HIGH PRODUCTION

*How to motivate agents and increase productivity.*

- By Larry Kendall, chairman of The Group, Inc. and author of *Ninja Selling*

The REAL Trends list of “America’s Best Real Estate Agents” recently hit the media. My email lights up, and my phone starts ringing. “Did you see how many Ninjas are on this list?” an owner exclaims. Another asks, “How did you get 21 of the top 100 brokers in Colorado in your small company of 179 Realtors?”

My answer is simple. Hire people with talent. Keep them motivated. Show them the way. Our last two articles talked

about how to recruit and hire talent. In this article, we’ll cover how to motivate and increase productivity. We’ll start at the beginning with the all important goal setting session.

This initial goal setting session is a simple 1-2-3, process. I will often use it in the recruiting interview to connect with the sales associate and show them how we can help them achieve their goals.

## STEP 1:

### LEARN ABOUT THEM AND BUILD YOUR RELATIONSHIP.

I have a template of questions I ask about them. These questions fall into the categories of family, occupation, recreation, dreams (F.O.R.D.) We'll talk about a prospect's spouse, kids, birthdates, his work, her work, what they do for fun, and their hopes and dreams. I'll always ask, "If we are sitting here a year from now and looking back on your year, what are the important things you would like to have achieved?" "If you could wave a magic wand, where would you like to be in 5 years?" Learning about them and what drives them is critical. This step also proves to them that I care about them as a person and not as an object.

## STEP 2:

### DISCOVER THEIR WHY.

Ask them if they have ever seen the movie *The Bucket List* with Jack Nicholson and Morgan Freeman. I will also give them John Goddard's original list that is the inspiration for the movie. I give them a template with four categories of what they want to have, do, be, and give in their life. We brainstorm some ideas together. I will put them in an as-if state of pretend by asking, "If you could wave a magic wand and design your life to be just the way you want it, what would that look like?" We discuss the fact that their bucket list is really a reasons-for-living list. It is their why. It is what gets them up in the morning. It is the fuel that motivates them.

## STEP 3:

### SHOW THEM THE WAY. SHOW THEM HOW. THEIR WHY HAS TO BE FUNDED!

Do you have a formula for success? You should. Often, when I ask a recruit, "Why are you interested in our company?" They will say, "Word on the street is that you have a formula for success." And we do.

We walk them through a financial goal-setting template that funds their why. Then, we show them the formula to achieve the financial goal. It starts with their database. Generally, each household in their database is worth about \$1,000 a year in gross commission income if they work the Ninja Selling System. If they want to earn \$300,000 a year, they need to have at least

300 households in their database. We then show them how to categorize their database and the transaction rate in our market, which is 20 percent. So, their 300 households will do approximately 60 transactions this year. Their mission is to discover and do those transactions.

We then go over the fact that these 300 households each know an average of 10 real estate professionals and how they need to become the real estate sales associate of choice. They accomplish this by what we call FLOW—frequency of interaction with their people in a way that creates value. I then help them design their FLOW system, and we put it on auto-flow, so they don't have to think about it.

At this point, they are very amped up with this flash of clarity. They know what they want, why they want it, and how to get it. They will usually say something like, "**Larry, this is so simple, so clear and so powerful. Why hasn't any other broker shown me this?**" I ask myself the **same question!**

“MY ANSWER  
IS SIMPLE.  
HIRE PEOPLE  
WITH TALENT.  
KEEP THEM  
MOTIVATED.”



# SUMMER HOME SALES OFF TO STRONG START

*June sales jump 15.3 percent over June 2014*

The REAL Trends Housing Market Report for June 2015 shows that housing sales increased 15.3 percent from the same month a year ago. All four regions reported unit sales had increased from a year ago with the West leading the way with an increase of 17.8 percent.

The annual rate of new and existing home sales for June 2015 was 6.313 million units up from a rate of 5.473 million in June 2014.

Housing prices rose an average of 4.0 percent from June 2014 showing continued moderation in home price increases.

“June housing sales are far stronger than anticipated and reversed earlier slowing in May,” says Steve Murray, editor of the REAL Trends Housing Market Report. “The increase in the average price of homes sold continues to be moderate and is in line with increases for the past six months,” he adds. “Foreign purchases and the rise in first-time homebuyers appear to have contributed to this new-found strength.”

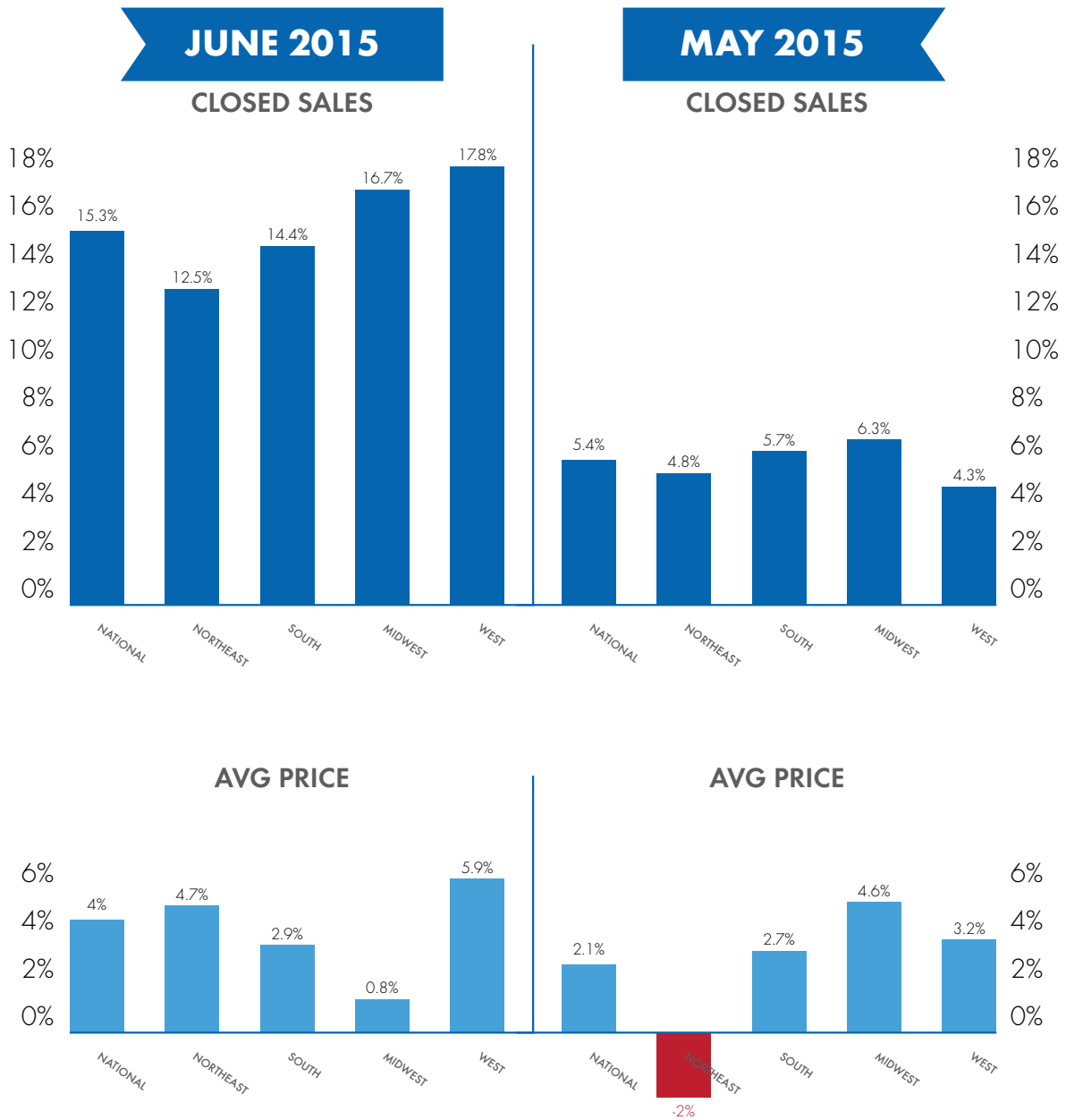
Housing unit sales for June 2015 increased 17.8 percent in the West, the best performance in all regions. Sales in the Midwest region were up 16.7 percent, the South saw an increase of 14.4 percent, and the Northeast had an increase of 12.5 percent.

The average price of homes sold in June 2015 in the West region increased by 5.9 percent, the best result in the nation. The Northeast saw average prices increase 4.7 percent, average prices in the South were up 2.9 percent, and the Midwest saw average prices rise by just 0.8 percent.

“Recent reports from the National Association of Realtors® about strong increases in pending home sales would seem to presage additional strong increases in homes sales for the next month or two,” says Murray.

# REAL TRENDS HOUSING MARKET REPORT

J U N E & M A Y 2 0 1 5 E D I T I O N





# GRETCHEN PEARSON

PRESIDENT BERKSHIRE HATHAWAY  
HOMESERVICES DRYSDALE PROPERTIES  
SAN RAMON, CALIF.

Berkshire Hathaway HomeServices Drysdale Properties is a fast-growing Northern California real estate brokerage with over 900 sales professionals and 30 offices throughout the Bay Area, East Bay, North Bay, Greater Sacramento and the Central Valley regions.

**REAL Trends:** Tell us about your path to real estate.

**PEARSON:** I've been in real estate since, graduated from college in 1985. I started as an assistant property manager for a developer who was building Section 8 housing in San Francisco. As a 22-year-old, I saw the money you could make. It didn't take me long to realize that I should own real estate. So, I soon got my license so I could invest in real estate. I loved it, worked my way up to commercial leasing, to residential sales, then on to branch management, the executive level, and ownership.

I founded my brokerage in 2005 with core values that continue to inspire a culture and spirit that so many have come to respect and appreciate.

They are: Do the right thing, not the easy thing; create positive interdependent relationships; serve remarkably; do more with less; be humble, respectful and grateful; live passionately and adventurously; lead change; grow and learn; leave a legacy and have fun!

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

**PEARSON:** I opened my office in the middle of 2005 with zero agents. Previously, I was an executive and didn't have a bunch of agents in my pocket to walk over and start. I just had a vision. So, from 2005 to 2009, with market falling, we built the company to 90 agents and three locations. Getting there and trying to get scope and scale and dig out of a deficit as the market was crashing was a challenge. It was a challenge to outrun the capital I had set aside.

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

**PEARSON:** At a REAL Trends Gathering of Eagles in 2009, all the big hitters from around the country attended. Regardless of their business model, they all complained about how managers weren't getting recruiting done. I realized right then that I needed to roll up my sleeves and do it.

**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?

**PEARSON:** In 2005, we changed our growth strategy. We decided to grow through mergers and acquisitions. We'd go to another market and decide if there was a local company that matched culturally. The location wasn't important. We've since done 26 acquisitions of all different sizes. We had 90 agents in 2010; today, we have more than 900.



## MILLENNIALS AND TECHNOLOGY

# THE MORE THINGS CHANGE; THE MORE THEY STAY THE SAME

*Sure, technology is changing the industry, but some things remain the same.*

*- By Steve Murray, publisher*

Recently, a software firm based in Boulder, Colo., announced that they have an app that enables buyers and sellers to navigate the housing market and the process of buying and selling homes. A local business writer for the Denver newspaper called me to get some perspective.

In the interview, I explained that there was little evidence that Millennials, or Gen-Xers, were bailing on the use of real estate professionals. However, there are those who may use such technologies to have a greater sense of control or involvement in the process. The founder of the new app disagreed and said he

strongly feels that his system of combining mobile technology and traditional agents at a discounted price (of course) would begin to take market share from the incumbents.

### SOME THINGS NEVER CHANGE

Let's be clear. After a few billion dollars of real estate technology development, our industry amazingly looks like it did 20 and 30 years ago. The percentage of buyers and sellers using an agent hasn't changed much and how consumers find and use agents hasn't changed much either. Transaction processing, home search, and communications have changed hugely, and it could be that someday soon someone will crack the code, and we will see massive erosion in agent market shares of buyers and sellers of homes. However, there is no evidence that it is happening today or that it will anytime soon.



A recent study done by Digital Risk of 1,344 Millennials showed that 60.42 percent of them found agents most helpful in their search for a home versus 57.52 percent who said the Web was most helpful. Some 47.49 percent said they found the home they bought through an agent versus 29.82 percent who found it online; and 56.73 percent of Millennials said they prefer to search for homes with an agent versus 43.27 percent who said they prefer to do so independently. Interesting, right?

### AGENTS VS. ONLINE

Do agents have a significant lead over online? Not as much as they once did, but even this young, Web-savvy hip generation gets the value of the use of a real estate agent. Will this industry have to fight to keep its market share as high as it is now? Absolutely, there is no doubt about it.

As we said over a year ago in our book, "Game Changers," and through the knowledge we obtain through our consulting work with brokerage firms, we firmly believe that the next major impact will be the spread of agent reviews and ratings.

In our own research on consumers in 2014, the percentage of recent buyers and sellers who used ratings and reviews and where it affected their ultimate choice of an agent was astounding. Agents who have experience and who have reviews, testimonials and ratings will get and keep a large share of the business in the next few years. They will matter.

Apart from that, we think that all of the great apps and all of the ideas that such technology will enable consumers to lower costs or do away with agents altogether is something that, even today, is far into the future.

**57.52%**  
**SAID THE WEB**  
**WAS MOST**  
**HELPFUL...**

# THE UNIQUE AND CREATIVE THE RESEARCH BEHIND OUR REAL ESTATE WEBSITE RANKINGS

*While reviewing websites for our August 19 launch of real estate Web rankings, we discovered some fun and imaginative sites.*

*- By Travis Saxton, vice president of technology*

As REAL Trends, along with 32 industry technology and marketing leaders gear up for the launch of our online interactive website rankings on August 19, we thought it would be fun to point out some of the unique and creative brokerages website functions that we've come across.

So far, we analyzed 700 brokerage websites, all submitted to us for the ranking. We then analyzed each of those sites for excellence in seven categories: design, neighborhood/local experience, map search, property detail pages, mobile experience, video strategy and conversion strategy.

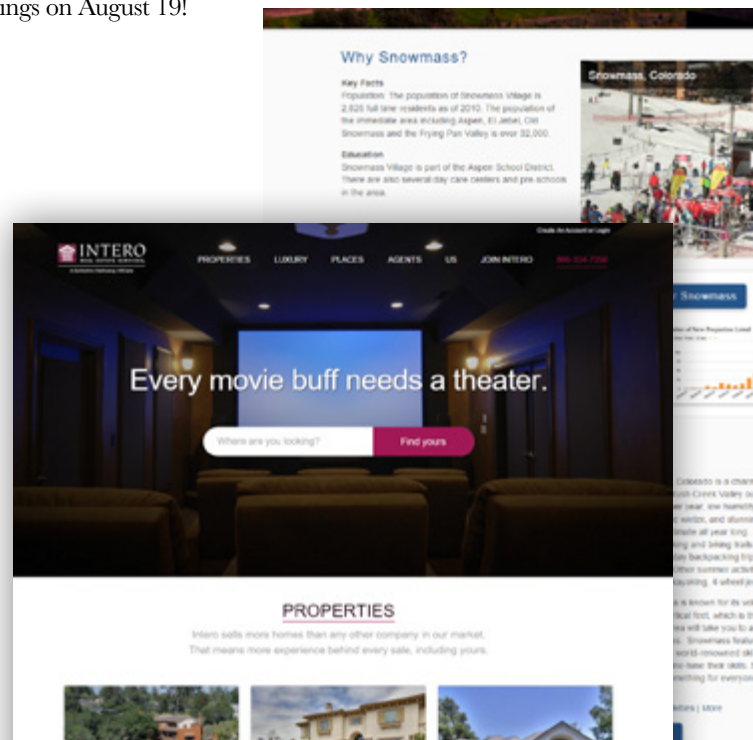
We narrowed down the 700 entries and chose our top 25. Now, our panel of judges will place their votes on the top for each category, and one winner in each category will be crowned, along with an overall website champion.

During the 60 hours our team spent analyzing sites, we stumbled across some very unique and creative website attributes. Here is a list of some of the clever and fun items in no particular order:

1. <http://www.cbshome.com/pages/kidsartwork>. Check out the fun way they used kids' artwork to engage visitors.
2. <http://www.michaelsaunders.com/lifestyles>: We love the ability to search by lifestyles!
3. <http://www.masonmorse.com/offices/367-Snowmass-Village-office>: This site has spectacular neighborhood pages.

4. <http://www.johngreeneactor.com/page/1101619/Communities/CommunityVideos>: Excellent community videos are hosted on this site.
5. <http://www.interorealestate.com>: Hit refresh a few times and check out the unique main images and text. What a fun way to promote housing!
6. <http://www.johngreeneactor.com/site/index.php>: Enter your phone number and you receive their mobile app—what an excellent way to capture leads and phone numbers on their homepage.
7. <http://www.realtyonegroup.com/home/find-a-community/?state=AZ&county=CO04013&Search=-Search>: Slick community sliders allow you to tailor your community search to your lifestyle.
8. <http://www.williampitt.com/search/real-estate-sales/255-grace-church-street-rye-ny-10580-4529553-1186654>: Send a property as a text to a significant other, family or friend and they offer listing commute times into New York City in a nice visual format.
9. <http://www.elliman.com/new-york-city/the-aldyn-60-riverside-boulevard-1601-manhattan-udpllvj>: Recently viewed bottom banner acts like a shopping cart for a visitor's home search.
10. <http://www.beverly-hanks.com/communities>: We like having the ability to narrow down the community of your dreams.

For more great brokerage websites, look for our top website rankings on August 19!







**REALTRENDS**  
THE TRUSTED SOURCE

# VALUATIONS

## NEED A VALUATION? WE'RE THE EXPERTS

REAL Trends Consulting provides valuations for a variety of purposes including sale or purchase of brokerage firms, for ownership issues, insurance, gifting of shares and for partnership issues. A full report with all the financial analysis along with a narrative report is provided along with 2-4 hours of personal consultation.

Each assignment starts with a *confidential initial consultation* with a client to determine their actual needs. Valuations are done using recognized professional methodologies such as the Income Approach and the Discounted Cash Flow Approach. In addition, we develop a Company Revenue Approach to value that is industry specific.

Since 1987, we have performed over 2,350 valuations for realty firms in the United States and Canada and have provided expert testimony in over 65 legal proceedings related to the valuation of residential realty firms.

For more information on how we may assist your company please contact:

**Steve Murray or Amy Broset** at  
**303.741.1000 or [abroset@realtrends.com](mailto:abroset@realtrends.com)**



**REALTRENDS**  
THE TRUSTED SOURCE

[www.realtrends.com](http://www.realtrends.com) | 303.741.1000