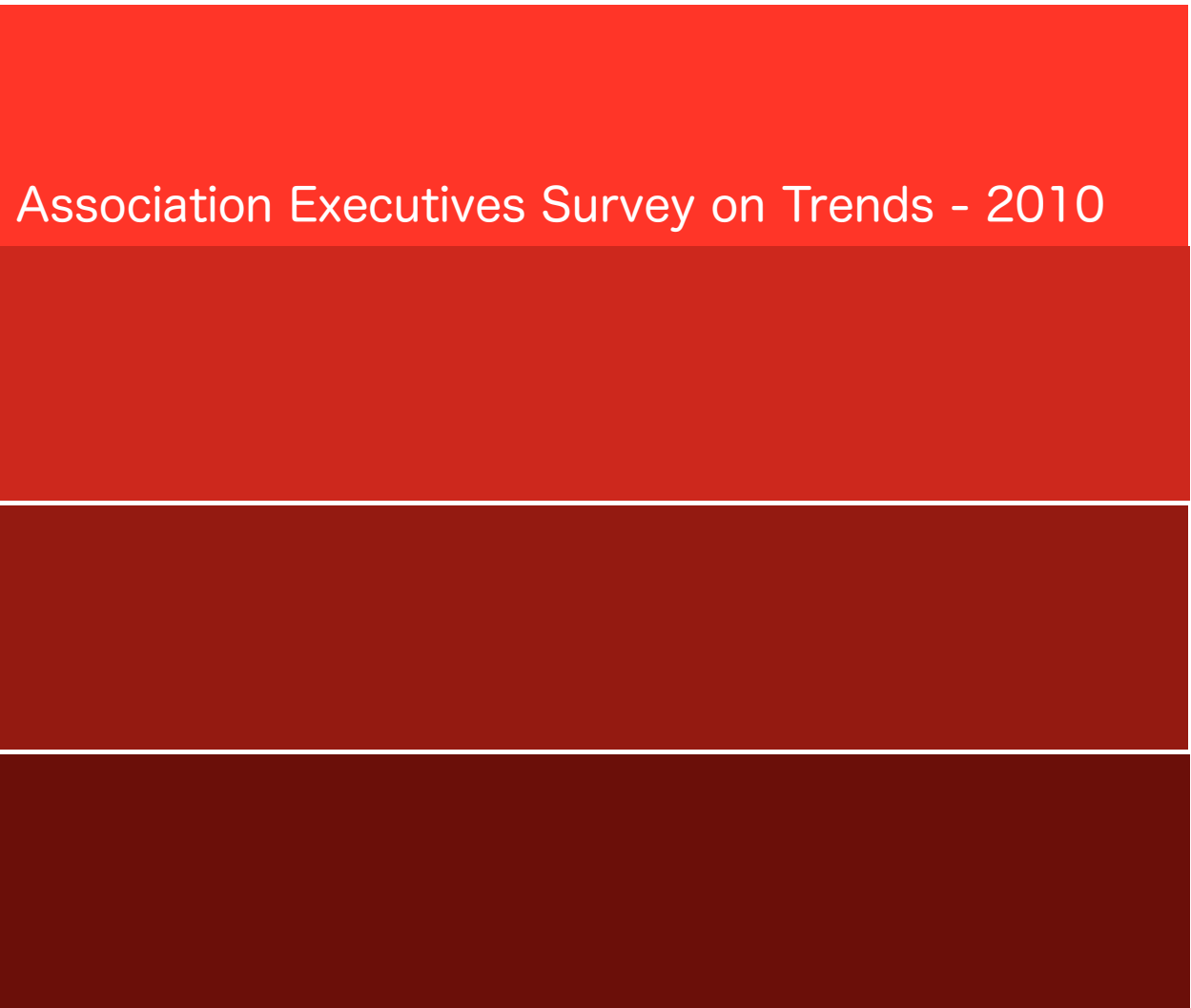


Strategic Issues



Association Executives Survey on Trends - 2010

Strategic Issues 2010

The Strategic Issues Work Group of the National Association of REALTORS®' Association Executives Committee is charged with identifying emerging trends and issues that are likely to have a significant impact in the near future. The purpose is to create a report that will assist real estate associations, brokers, sales associates and affiliated professionals in their business planning. It will be the fifth such report in the last decade and will be released May 2010.

One step in the process is an e-mail survey of all Association Executives on changes occurring now and in the future in the real estate business. The response rate to the recently sent survey was good with 289 responses of 1,421 surveys or over 20%. Some questions were with pull down lists. Others were open-ended response. Realize open comments will draw out more negative points. A review of the over 250 responses to each question indicated many recurring themes. These are listed below after the question. The comment order does not indicate intensity or priority.

The Association Executives on the NAR AEC Strategic Issues Work Group are: Mark Allen, Ed Barisa, Karl Berron, Cindy Butts, Chris Carrillo, Helen Carter, Ginger Downs, David Foster, Bob Golden, AnneMarie Howard, Kristi Jerkovich, Bill Malkasian, David Phillips, and Tricia Thomas. NAR Staff are: Gar Anderson, Alice Martin, and Cindy Sampalis. The facilitator is Jerry Matthews and he compiled this analysis of the survey.

Strategic Issues 2010

What are the most dramatic changes you see occurring in the real estate business in the next few years?

- Increased use of social media
- Technology's impact everywhere
- MLS changes, external challenges
- Possible loss of MLS by the Realtor organization
- Consumer stays ahead in all areas of technology and information
- Internet changing fundamentally how real estate is transferred
- Government intrusion into business
- Increased governmental regulation of members
- Oppressive tax policies on business and real estate
- Loss of desire by licensee to be a Realtor
- Moving from print to Internet marketing
- Outside pressures making the real estate business change
- Consumer pressure on commissions
- Fewer members, fewer Associations
- Loss of trust by everyone
- Continuation of short sales / foreclosures
- New member not loyal to the Association or MLS
- Different type of physical networking events
- Rating of member services by consumer
- Broker loss of control of agents
- Uncertainty, not knowing what to do next
- Complete online transactions
- Higher interest rates, inflation, taxes, and home ownership costs
- Social media evolving from social to business

In this changed market, what programs, products or services do members need to assist them now?

- Understanding social media
- New rules for financing and credit
- Explaining the value of a Realtor
- Cost control, budgeting
- Better real estate information for clients
- Handling a technology-savvy consumer
- Short sales, foreclosures, REOs
- Working with banks on process
- A consistent, standard short sale process
- Lowering legal exposure, risk management
- How to run a real estate business

Addressing higher levels of information available to the consumer
Handling constant change
Health insurance
Advanced marketing, cost-effective marketing
Mobile technology use
Small business skills
Surviving a down market
Real estate basics
Knowing the new consumer
Understanding what is the “new normal”
Moving from a sales mentality to a consulting role

What has surprised you about the down real estate market?

Length of the downturn
Severity of the drop in prices and activity
Slow market adaptation by members
Unethical actions by members and the public
Members hanging on despite the market
Not losing more members
Ineptness of banks
Members not prepared for the downturn
Breadth of the economic recession
Impact of negative media on the public
Increase in Code of Ethics / Professional Standards filings
Anger and negativity of members
The damage to the real estate “product”
Sites giving negative information about listings

As an AE, what assistance do you need to get through this time of change?

Better leadership decisions on long-term issues
How to handle difficult members
Accurate information on markets and cycles
Communicating effectively with members
Handing the increased micro-managing by leaders
Knowing about future challenges to come
Board of Directors viewing the Association as a business
Cost control / cutting, budgeting
Better technology tools to keep up
Knowing what other Associations are doing to survive
Services that directly help members cope with the market
Managing the overload of information
Interpreting data
Proving the value of the Association
Transition of current staff to new competencies needed in the future

What major changes do you see in the next few years in your Association?

Loss of MLS, loss of income from MLS

More virtual Associations

Mergers of Associations

Fewer members, fewer Associations

Loss of effective leaders

More technology to deliver services

Getting through such a long transition period

Fewer volunteers, different view of voluntarism

Difficult to get market leaders to participate in the Association

Competition from other Associations

Retiring Boomers, rising Millennials

Less involved, less informed, less experienced leaders

Different method of delivering services

More services with less staff

Cooperative ventures between Associations

Less personal contact with members

Need for personal skills with increase of technology use

Focus on core services, less social extravagance

Increase in data sharing and syndication

Generational issues and shifts

Creative new business models

More ethics violations from changes in business models

More staff driven Associations

Tremendous increase in social media, web based activities, and all technology

Drop in member loyalty

Less value seen in Realtor identity by licensees

Direct communication with the public on real estate issues

RPR controversy, but may spur needed outside innovation

AE Issues Survey 2010


Results Overview

Date: 3/11/2010 1:47 PM PST













Responses: Completes

Filter: No filter applied

2. How long have you been an Association Executive?

One year or less		12	4%
1 - 5 years		67	23%
6 - 10 years		61	21%
11 - 15 years		43	15%
16 - 20 years		35	12%
21 - 25 years		38	13%
More than 25 years		33	11%
Total		289	100%

4. What is the membership size of your Association?

Less than 500		121	42%
501 - 750		20	7%
751 - 1,000		26	9%
1,001 - 1,500		33	11%
1,501 - 2,000		13	5%
2,001 - 5,000		31	11%
5,001 - 7,500		14	5%
7,501 - 10,000		9	3%
10,001 - 20,000		11	4%
20,001 - 30,000		4	1%
30,001 - 50,000		3	1%
Over 50,000		3	1%
Total		288	100%

5. What are your projections on membership changes in the next 2 years?

Increase of more than 20%		2	1%
Increase of 15% - 19%		1	0%
Increase of 11% - 14%		7	2%
Increase of 5% - 10%		31	11%
Increase of less than 5%		32	11%
Stay the same		55	19%
Loss of 1% - 5%		61	21%
Loss of 6% - 10%		72	25%
Loss of 11% - 15%		19	7%
Loss of 16% - 20%		8	3%
Loss of 21% - 25%		0	0%
Loss of more than 25%		1	0%
Total		289	100%