



Experience with the Future<sup>SM</sup>

**Peer Focus Groups**  
**REALTOR® Association of Greater Fort Myers and the Beach**  
**November 19 – 20, 2009**

**Strategic Plan**

The REALTOR® Association of Greater Fort Myers and the Beach is developing a Strategic Plan. The Strategic Planning process they are conducting includes a membership survey, focus groups, trends session and a planning retreat.

**Peer Focus Groups**

The focus group has emerged as the most effective way to gather membership opinion and data. There are many ways to gather qualitative data such as written surveys, phone interviews, and focus groups but focus groups are best. An experienced facilitator can develop lines of inquiry not possible with other types of research. Focus groups composed of similar individuals (independent brokers, new agents, top producers, etc.), are called Peer Focus Groups, and are much more effective than a random group. The participants in such groupings are more open and comfortable and participate more in the discussion.

Peer focus groups were conducted on November 19 and 20, 2009 with the following groups: new agents, top producers, large market share brokers, independents, medium market share brokers, multi-lingual, small market share brokers, and agents under age 35. The industry advisor facilitating the strategic planning process, Jerry Matthews, conducted the sessions. The set of questions were similar but some were unique to the group.

**Overview**

The purpose of the focus groups was to gather confidential input from different groups on current trends and future directions of the real estate business. The strategic planning group will use this as input for their deliberations.

A complete report of the strategic comments from the focus groups by each group follows. But first is a list of strongly held general comments from all groups.

## **Strong General Comments**

### **Major changes have shifted the real estate market**

Unemployment is directly affecting real estate and all businesses  
Increasing real estate taxes, decreasing property value have huge impact  
Government incompetence will wreck the economy and our nation  
Anger over clueless politicians at all levels  
A double dip recession will devastate real estate and small business  
National negative media harms area locally and with those relocating here  
Fraud issues has damaged our area reputation  
Chinese drywall is an issue  
Rise in international cash buyers as Canadian dollar and Euro strengthens  
Concern about commercial crash coming very soon  
Too many local small businesses are closing  
Media sensationalism causes some out of state buyer disillusionment  
Bad press encourages business from bargain hunting investors / buyers  
Investors with cash have an advantage against real homebuyer financing

### **Technology has impacted everything**

Consumer has more power through information on Internet  
Loss of information challenges the Realtor® in defining value of service  
Access to information by consumer is broad, but not always accurate  
Some Realtors use technology to their great advantage  
Internet marketing is replacing all forms of print  
Technology has changed the business and will continue to  
Speed delivered by technology has made keeping up more difficult  
Consumers will use technology even more in the future  
Some Realtors lament loss of information control, others revel in new methods  
Realtors® struggling to keep ahead of consumers in technology / information

### **Consumers are informed and demanding**

Consumers more demanding on performance, response, communication  
Consumers more savvy, more knowledgeable on the process  
Generational differences are impacting cooperation, communication  
Realtor® services are losing value to consumer  
More marketing of property is expected, staging, web sites  
More analytic, cautious buyers, and less emotion  
Consumers blame the Realtor for things out of the Realtor's control  
Buyers more difficult to convert and having harder time getting credit  
Poor image places Realtor® in defensive position  
Buyers are more educated by Internet resources and value motivated  
Media negativity affecting consumer purchase / selling strategies and timing

### **Changes in the real estate business are dramatic**

Agents are non-professional, incompetent, discourteous, and unethical

Professionalism is waning from those who lack flexibility in the changing market

Training of agents is lacking

Sales are 80-90% bank / corporation owned, foreclosed properties

First time homebuyer or cash buyers primarily in the market

Mortgages are more difficult to secure, higher standards

No mortgage or loan adjustment are approved by banks

Corporate control over properties has changed buyer/seller relationship

No set protocol on process of short sells on both lender and Realtor sides

Too easy to get a license, to keep a license, and to become a Realtor

Should require more training / apprenticeship before / after licensing

More difficult to establish a property price, market shift and foreclosures

“Back to basics” of the business is now necessary

Cash transactions from both investors and homeowners are common

Foreclosures and short sales have changed and expanded agent’s responsibilities

Convoluting bank bureaucracy and lack of accountability

Need to join multiple Associations and MLS is an expensive burden

## **Agents Under age 35**

### **How is the business changing?**

Sales are up

More out of state cash buyers converting investments to real estate purchases

Cash transactions from both investors and homeowners

### **What is the most challenging part of the business today?**

Getting financing is more difficult

Condo community restrictions complicate transactions

### **What do consumers (agents) expect from you? Has this changed?**

Increased need to set consumer expectations in current market conditions

More analytic, cautious buyers (less emotional purchasing)

Media sensationalism causes some out of state buyer disillusionment

Short sale listing prices also contribute to this misconception

### **What real estate information /data sources are most useful to you every day?**

Craigslist, listing book, trend graphics (visual graph generator to educate buyers and sellers on market trends and potentially turn any 'on the fence' consumers)

Realtor.com is outdated and not useful

### **Is there anything about the way that real estate is being marketed and sold that is different from even a year or two ago?**

Craigslist

Mostly online advertising with the exception of printing to specific target community

Personal web page development and utilizing technology to drive traffic to site

### **What are the issues outside of real estate that have a big impact on you every day?**

Decreased value of dollar attracting foreign buyers

Commercial business decline

Low appraisals

### **Name two or three real estate trends you see now that you expect to evolve and grow stronger in the next five years.**

Fewer part-time, untrained bargain brokers

High taxes and cost of living in other states might lure more out of state buyers

### **If you could make one change to the business, what would that be?**

Increase the standard requirements to obtain and maintain a license

### **What are the things you expect of the Association?**

Do better job of explaining fee schedule and how these fees are being put to use and what services they offer

More mentorship programs that provide "on the job" training

**Why are you in real estate?**

Family history of in the business  
Desire to improve the business  
Interest in construction and real estate  
Enjoy the mobility, non-cubical environment

**In what ways do you interact differently with consumers than older agents?**

More flexible, able to roll with the punches  
No pension or other income security adds more drive to succeed  
Greater use of technology

**How do you see the future changing your real estate role?**

The way the business will change via technology will change but the Realtor's job will endure

## **Independents**

### **How is the business changing?**

Many order-taker agents left business with economic downturn  
Technology like Listing Book allows buyer to do searches  
Incompetent, under-educated Realtors  
Harder market for first time homebuyers  
REO market analysis provides erroneous or skewed evaluations to the banks making it difficult to get offers accepted  
80-90% bank owned, foreclosed properties  
People still leaving area  
Fluctuating market requires the Realtor to be much more on top of things  
Defective drywall issues

### **What is the most challenging part of the business today?**

Getting an offer accepted  
Difficult to get full-time people in the industry  
Short sales  
No mortgage or loan adjustments are approved by bank that would rather collect mortgage insurance  
Unethical agents

### **What do consumers (agents) expect from you? Has this changed?**

Consumers have not adjusted to recent market changes  
Buyer is more knowledgeable due to technological advances  
First time homebuyer or cash buyers primarily  
Agents expect a lot of leads and high commissions from brokers  
Gen X and Gen Y are different and expect different treatment

### **Is there anything about the way that real estate is being marketed and sold that is different from even a year or two ago?**

More Internet based  
No print except property management/rentals  
Down economy has contributed to online advertising, which is often free

### **What are the issues outside of real estate that have a big impact on you every day?**

Clueless politicians at Federal, State and local levels  
Fraud  
Non-fluent English speaking agents

### **Name two or three real estate trends you see now that you expect to evolve and grow stronger in the next five years.**

#### **2-3 years:**

More of the same (repeat of current events)  
Government will be unable to continue to fund banks  
Commercial real estate will suffer similar affliction of the residential market

Boomers and investors are going to continue to buy up property  
Collapse of economy due to government bungling

**5 + years:**

Return to a 'normal' market, prices more in tune with inflation and consumers will have equity again.

**If you could make one change to the business, what would that be?**

Banker's mentality; should have allowed more loan modifications to keep people in their houses.

Better credit reporting system than current

Consolidate all SWFL Real Estate associations and MLS into one

Prefer quarterly association fees rather than yearly

**What are the things you expect of the Association?**

Need rental market statistics

More specialized classes

Online classes

Commercial Agents that do not use MLS should not be required to be a member if they do not want to be.

Association should not be so quick to fine you for MLS violations for non-habitual innocent mistakes

**Why have you decided to be Independent?**

Enjoy being own boss

Can better control costs

More freedom to make decisions not subject to corporation policies

Not required to recruit more agents if no more desired

Internet allows for greater, corporate-style marketing opportunities for independents

## **Large Market Share**

### **How is the business changing?**

Short sells occupy 80% sales.

Professionalism is waning from the young and inexperienced to the old who lack flexibility in the changing market

Foreclosure is driving business

### **What is the most challenging part of the business today?**

Keeping agents accountable

Trying to enforce agent attendance at educational meetings

Suggestion of a third party mandatory training program

No loan adjustment are approved by banks

### **What do consumers (agents) expect from you? Has this changed?**

Consumers are less loyal, savvy from increased access to Internet listing databases, many of which are out of date and inaccurate

Communication is now chiefly through technology

Generational communications different

Agents expect to get everything for free

### **What real estate information /data sources are most useful to you every day?**

Market stats

### **Is there anything about the way that real estate is being marketed and sold that is different from even a year or two ago?**

Very little newsprint ads, mostly Internet business

75% leads generate from online sources

### **What are the issues outside of real estate that have a big impact on you every day?**

Fair weather – 3 years with no storms has helped lower insurance rates

Increasing real estate taxes, decreasing property value

Low employment and impaired building industry

Market shifted from mostly second homebuyers to the younger first homebuyer

Condo insurance regulations and maintenance fees make it a less affordable product

Commercial vacancies negatively effecting residential property sales

### **Name two or three real estate trends you see now that you expect to evolve and grow stronger in the next five years.**

Concern about market resiliency in a downturn economy under a government that may not be supportive to business development

Strengthening Euro luring more international buyers

**If you could make one change to the business, what would that be?**

Make criteria for becoming a Realtor more rigorous and thorough, requiring a degree or degree equivalent

More broker to agent relationship examination to eliminate 'absentee' brokers or virtual brokers

**What are the things you expect of the Association?**

Need to advertise services to agents more effectively

Association should do more traveling out to offices with mandatory educational supplements

First year agent payment plan to help new agents get started in the business

**What is the most important one?**

Encourage agent education at the broker level

**What do you like most about being a big firm?**

The 'action'; the buzz

Positive momentum required to do the job

**If you were to build a new firm today, what would you do that would be different?**

More formal education vs. learning on the job

Return to being an agent

**How do you think the industry will evolve in the next 5 years?**

Flat market will peak and then go back down

Less face-time and personal interaction from technological advancement

**What is the biggest challenge for the future?**

Agent incompetence

Sour job market

## **Medium Market Share**

### **How is the business changing?**

Regulations intimidate buyers.

Most business is 'trouble' business (foreclosures, etc.)

People are more informed by Internet searches and less reliant on Realtors

Many Internet sources are outdated and/or inaccurate

No set protocol on process of short sells on both lender and Realtor sides

No mortgage or loan adjustment are approved by banks

### **What is the most challenging part of the business today?**

Compliance with complex government regulations

Stupid government decisions, out of sync with public

High property taxes coupled with dropping property values hurting business in Florida

### **What do consumers (agents) expect from you? Has this changed?**

Agents working three times as hard for half the money

Buyers more difficult to convert and buyers having harder time getting credit

Investors are squeezing out homebuyers with inflated prices

Consumers lack trust in the Realtor and blame the Realtor for aspects out of the Realtor's control

### **What real estate information /data sources are most useful to you every day?**

Trade magazines, websites, news media

### **Is there anything about the way that real estate is being marketed and sold that is different from even a year or two ago?**

Return to basics

Internet advertising

Appraisers are undervaluing properties.

### **What are the issues outside of real estate that have a big impact on you every day?**

Economic downturn

Overreaching government influence

### **Name two or three real estate trends you see now that you expect to evolve and grow stronger in the next five years.**

Increasing maintenance expenses of condo associations

More foreclosures and short sells (particularly commercial) in the next two years

70-90% of business is distress sells/foreclosures

### **If you could make one change to the business what would that be?**

Lending

Improved agent success ratio.

Stronger community property management to keep business going

**What are the things you expect of the Association?**

Competent education and rule enforcement

Encourage class attendance via broker involvement and incentive programs

**What is the most important one?**

Education

**What do you like most about your sized firm?**

Middle size allows for easier oversight of agents

**How are you different from larger or smaller firms?**

More intimate contact with agents

**How do you think the industry will evolve in the next 5 years?**

Fewer and more professional agents (at least 50% decrease)

**What is most valuable for your firm from the Association?**

More Realtor involvement at local levels

Uncertainty among agents about what the board offers

## **Multi-Lingual**

### **How is the business changing?**

Post 9/11 immigration and citizenship hindrances has decreased international buyers  
Changed from renting back to selling doing short sales  
Market crash slowed selling and reduced home values  
More long-term investing (less house 'flippers')

### **What do consumers (agents) expect from you? Has this changed?**

The majority of buyers are much more selective and frugal with their spending  
There is a minority of retiree buyers for whom cash is not an object  
More cash buying  
Mostly REOs and short sales  
Investors who can buy with cash have an advantage against homebuyer

### **What real estate information /data sources are most useful to you every day?**

Cape Coral.net, Lee County clerk office; mortgage broker sources (weekly updates on trends)

### **Is there anything about the way that real estate is being marketed and sold that is different from even a year or two ago?**

Short sales are a large source of business  
YouTube and Internet social media, Listing Book  
Mostly no longer using print advertising  
Print advertising mostly used by senior buyers  
Cable channel advertising

### **What are the issues outside of real estate that have a big impact on you every day?**

Rising insurance costs have hindered sales  
Government control of everything, much higher taxes  
Buyer credits and tax incentives have helped sales  
Mild weather is plus

### **Name two or three real estate trends you see now that you expect to evolve and grow stronger in the next five years.**

Prices are steadily rising  
Good interest rates and rising prices indicate a brighter future  
Bad press encourages business from bargain hunting investors  
Commercial collapse will negatively impact residential market  
Internet and social media has shifted Realtor's job to more consultant role  
Realtors will continue to be needed despite technological advancements

### **If you could make one change to the business, what would that be?**

Would make banks more knowledgeable of real estate market  
Negative consumer perception of the Realtor as a used car salesman  
Temporary short sales and foreclosures are an opportunity to build a client base

**What are the things you expect of the Association?**

Keep Realtor's informed and educated

Board needs to come up with a solution to the defective Chinese drywall

**How is your business different from other Realtors?**

Diverse cultural background allows for more open dealings with buyers

**In what ways do you interact differently with consumers than other agents?**

More tolerant to persons of different ethnic backgrounds

Shared cultural background offers opportunity for greater personal attachment/loyalty

## **New Agents**

### **How is the business changing?**

More Internet driven/individualistic business  
Price-points rising as out of state investors and second-homeowners continue to buy  
Retiree's cash in their IRAs  
Under \$100K inventory decreasing  
Rise in international cash buyers as Canadian and Euro dollar strengthens  
Foreclosures and short sales have changed and expanded agent's responsibilities  
SW Florida is attracting 'bargain' shoppers

### **What is the most challenging part of the business today?**

Short sales protracted transactions frustrate buyers and sellers  
Need more from MLS to illuminate the bank process for handling short sale transactions  
50% of all business is short sales and foreclosures

### **What do consumers (agents) expect from you? Has this changed?**

Buyers are more educated by Internet resources and value motivated  
More cash buying

### **What real estate information /data sources are most useful to you every day?**

Newspaper for legislation, mortgage broker email updates, ABR, online newsletter blasts

### **Is there anything about the way that real estate is being marketed and sold that is different from even a year or two ago?**

Dwindling personal contact element from short sales and/or broker transactions  
Print advertising nearly defunct except for clients that don't use computers  
Online listing sources are frequently incorrect  
Listing Book service through MLS is preferred  
Need for a streamlined contact management system that could synchronize Outlook or similar databases with the MLS client portal

### **What are the issues outside of real estate that have a big impact on you every day?**

Gas prices  
Everything!

### **Name two or three real estate trends you see now that you expect to evolve and grow stronger in the next five years.**

Short sales  
Banks entering into the real estate business  
Chinese Drywall checks  
People buying Chinese drywall houses to remediate and sell

**If you could make one change to the business, what would that be?**

Better information management—a simplified and accurate utility to control worldwide web data population from MLS.

Lazy Realtors that under-describe their listing

**What are the things you expect of the Association?**

Information, knowledge and guidance

Reinforcement of rules and standards that encourage ethical business practice

More helpful information given at the beginner's class level

**What is the most important one?**

More overview of the basics

**Why are you in real estate?**

Sought more dynamic role

Desire to control income by own efforts

Physical limitation and market appeal

Challenging market dynamics

Loves the thrill of the hunt and meeting client's expectations

**In what ways do you interact differently with consumers than older agents?**

Newer agents rely more specifically on technology and less on personal contact

Much more of a business than in the past

Develop awareness of the different generational biases and their preferred method of communication

Determine their individual needs

**How do you see the future changing your real estate role?**

Need more Realtor-focused technological tools

## **Small Market Share**

### **How is the business changing?**

Bank and corporate involvement in 70%-80% transactions (beginning 06)  
False media contributing to unrealistic buyer expectation  
Complex litany of paperwork involved in short sales frustrates buyer and agent  
More cash buyers and more investors

### **What is the most challenging part of the business today?**

Dealing with the banks/bank control  
Media sensationalism and mixed-messages influencing buyer confidence

### **What do consumers (agents) expect from you? Has this changed?**

More knowledgeable from Internet searches  
Few to none loan modifications  
Agents are working multiple jobs outside of realty  
Harder to recruit agents in down economic times and less time to devote to hiring and training

### **What real estate information /data sources are most useful to you every day?**

Listing book, County Clerk of Court

### **Is there anything about the way that real estate is being marketed and sold that is different from even a year or two ago?**

Fewer newspaper ads replaced by Internet advertising  
Website and relationship-building social media

### **What are the issues outside of real estate that have a big impact on you every day?**

Unemployment  
Bloated government  
Property taxes, property insurance, future income tax increases  
Faltering consumer confidence

### **Name two or three real estate trends you see now that you expect to evolve and grow stronger in the next five years.**

Younger and more frugal consumers  
More international clients  
As current inventory empties new construction and industry will revive

### **If you could make one change to the business what would that be?**

Convuluted bank bureaucracy and lack of accountability  
Standardize short sale listing process for agents

**What are the things you expect of the Association?**

Education on business practice

Copy members on agenda to increase sense of transparency

More member involvement in major expenditure decisions

Local and national representation to counter negative media

Help Realtors develop new business avenues through trade shows and promotions for internal cooperation

**What do you like most about your sized firm?**

Independence and freedom of schedule

More intimate relationship with and finer selection process of agents

No superfluous 'corporate' meetings

Less stress and headaches

Fewer distractions

**Do you desire to be a larger firm?**

No!

**What is most valuable for you from the Association?**

Effective database management

Some have not used the Association

Realtors should take it upon themselves to promote positive media

## **Top Producers**

### **How is the business changing?**

Prices are down

Corporate control over properties has changed buyer/seller relationship

95% -80% Bank/Corp owned, REO business

### **What is the most challenging part of the business today?**

Ill-prepared, ill-educated, unprofessional Realtors exacerbated

Too low entrance standards and new brokerages with untrained, poorly managed agents

Some agents not fluent enough in English for basic communication

### **What do consumers (agents) expect from you? Has this changed?**

Buyers are distraught and frustrated and jump from Realtor to Realtor

Out of state corporate buyers undercut price

Undervalued properties occupy approx. 20% of listings

Buyers are more educated

More homebuyers in the market again

### **What real estate information /data sources are most useful to you every day?**

Lee Clerk of Court, Lee County Prop Appraiser website

Title Company (HOA docs)

### **Is there anything about the way that real estate is being marketed and sold that is different from even a year or two ago?**

Listing Book

Clean and maintain props before showing

Current active market requires more marketing since the boom

### **What are the issues outside of real estate that have a big impact on you every day?**

Chinese drywall issues

Stock market collapse

Unemployment and commercial closings

Government

### **Name two or three real estate trends you see now that you expect to evolve and grow stronger in the next five years.**

Prices have largely flat-lined

Possible second wave of foreclosures

Press about the market will influence homeowners on the fence to give up or hold onto their house

Seller frustration

### **If you could make one change to the business, what would that be?**

Implement ethical training to incompetent and dishonest Realtors/agents

**What are the things you expect of the Association?**

Other than mandatory training, some Realtors have not utilized the association  
More experienced Board members

**What is the most important one?**

Policing on rampant unprofessional practice of incompetent/unethical Realtors

**What do you think you are doing right to be so successful?**

Strong work ethic  
Focus, perseverance and return to basics  
Love of the business  
Sense of humor

**What would you have liked to have in your early career that you did not have?**

Database of clients

**What services do you expect from your broker?**

In-house training for agents and better selection process for agent recruiting

**Closing Issues:**

SW FL partitioning of MLS data within surrounding markets makes tracking down info difficult

“Experience with the Future” is a trademark of Gerald W. Matthews.