

OCTOBER 2019 NEWSLETTER

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IGNORE THE NOISE

## BROKERAGES AND TEAMS ARE ADAPTING TO CHALLENGES

*While it's essential to pay attention to what's going on, for the most part, leaders need to ignore the noise and formulate their plans for remaining viable and competitive going forward.*

By Steve Murray, president

I don't recall a time when there were more challenges to the residential brokerage industry, nor when more broadcasters were talking about them constantly. Among the big topics: The advance of technology and the massive amounts of capital flowing into real estate tech; the rise of the iBuyer phenomenon; the moves by Zillow and Realtor.com away from an ad-based revenue model to referral-fee based systems; litigation in the form of challenges to the 'cooperation and compensation system,' as well as continued challenges to the independent contractor system for the employment of agents; the rapid growth of teams, and the challenges of





## REAL TRENDS

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## FIRST PERSON

low inventory and reduced affordability leading to declines in existing home sales.

In our 33 years of reporting on real estate brokerage industry trends and news, I don't recall this much noise all at once. Not that the noise is unimportant, for these issues are having impacts on the brokerage business, but it does seem that too many brokerage leaders are following that old maxim of "when all is said and done, more is said than done." There is too much talk and not enough focus on how to adapt to these challenges.

# THERE IS TOO MUCH TALK AND NOT ENOUGH FOCUS ON HOW TO ADAPT TO THESE CHALLENGES.

I have heard numerous experts who are far smarter than I share with audiences of brokerage leaders, agents, and teams, that the fundamentals haven't changed that much. From our research with Harris Insights, we know:

- Housing consumers still prefer using agents, even Millennials and Gen-X.
- The majority of housing consumers still find and select an agent based on a relationship, whether direct or via referral.
- Housing consumers respect the commission-based compensation system where everyone gets satisfied when a closing happens.
- Not all agents make their decision on where to work based on what the commission split or fee system is (otherwise they would all work for the lowest cost brokerage.)

We know all these things. What else have we observed? Based on the performance of brokerages ranked on the REAL Trends 500 and Up-and-Comers, we know:

- A majority grew their closed sides over the past five years above the rate of growth of existing home sales.
- Many did so organically—that is without an acquisition.
- Through our extensive valuation work, we know that, while brokerage gross margins have declined, they don't have much further to go downward.
- Profit margins have shrunk but remain positive for leading brokerage firms.

So, while the voices talk about all that is going on, leading brokerage firms, agents and teams are still growing their businesses, serving housing consumers in much the same way they always have and are adapting to the new challenges facing the brokerage industry.

While it's essential to pay attention to what's going on, for the most part, leaders need to ignore the noise and formulate their plans for remaining viable and competitive going forward. 🏡



## SUCCESS SECRETS

# WHAT ARE YOUR THREE PRIORITIES?

*Most leadership experts have one piece of advice they all repeat over and over. Are you following it?*

*By Steve Murray, president*

As with most leaders in the brokerage world, we read and follow many of the finest management and leadership thought leaders — individuals such as Jim Collins, Darren Hardy, Patrick Lencioni, and Simon Sinek. We have been blessed to have both Lencioni and Collins address brokerage leaders at our Gathering of Eagles (GOE) conferences in the past few years. In fact, Lencioni is coming back with new thoughts to share at the GOE in April 2020.

We've also heard from great teachers from within the industry like Tom Ferry, Larry Kendall, and Mike Staver. These smart and experienced leaders have something in common that they've shared through their writings and their teachings.

It boils down to something Collins says succinctly, which is, "if you have more than three priorities, you have no priorities at all." It begs the question for all of us, which is, "What are your priorities?"

At times of high stress on our businesses, it pays to heed this advice more than ever. Rather than give in to the psychosis of worrying, find a clearer focus on the fundamentals of your business? We've found that, for our small consulting and publishing company, such a focus is not only good for business, but it is refreshing. Rather than being a mile wide and an inch deep, isn't it better to master fewer basics which lead to success?

When listening to such great teachers as Ferry, Kendall, and Staver, for instance, one hears over and over that indeed not much has changed in residential brokerage. Brokers still need to focus on recruiting and developing talent. Agents need to focus on their customer databases and build relationships with their past, current, and future clients. Or, as Gary Keller has said to agents, "Your database is your business—without one, you have no business."

Again, it's vital that leaders read, listen, and learn from what's going on in the industry, but evidence shows that doing so can distract a leader from focusing

on their priorities. Want to do yourself a favor? First, develop that list of your three key priorities. Second, build a plan to execute on them. Finally, build a system for measuring results and hold yourself and your team accountable for those results.

There is no other way to succeed in an environment where there's so much noise. 🎧

**"IF YOU HAVE MORE THAN THREE PRIORITIES, YOU HAVE NO PRIORITIES AT ALL."  
— Jim Collins**

# CREATING CLARITY WITH YOUR COMPANY PLAYBOOK

*Lessons learned from Organizational Expert Patrick Lencioni.*

*By Jill Belconis*

**A**s we head towards 2020, your entire team must understand and fully buy into your organizational purpose, values, goals, and the shared roadmap for success. A Company Playbook can ensure company-wide clarity and alignment and will pave the way for scalable growth.

In his book, *The Advantage*, Patrick Lencioni insists that leaders answer these six questions in their Company Playbook:

1. Why do we exist?
2. How do we behave?
3. What do we do?
4. How will we succeed?
5. What is most important —right now?
6. Who must do what?

The answers should be concise, actionable, and reviewed regularly. The Playbook should be used for all decision-making, company communications, and strategic planning.

It's your go-to roadmap for developing and maintaining a thriving company culture equipped for success.

Once you have your Company Playbook, consider creating a complementary Operations Playbook, which outlines how you function internally and how you deliver your products or services. Likewise, a Sales Playbook includes your elevator pitch, customer profiles, and messaging pillars.

Your Company Playbook should become a core part of your company DNA, referenced at all strategic planning meetings and retreats, updated regularly, and easily accessible to every member of your team.

Do you have a Company Playbook that will give you the clarity you need and help you succeed in 2020 and beyond?

*Jill Beconis is a strategic coach and CEO strategist with Jill Belconis Enterprises Inc.*





# JOIN PATRICK LENCIONI AT THE 2020 GATHERING OF EAGLES (GOE)

*By Steve Murray, president*

The entire focus of the 2020 GOE will be providing information about what's happening in the brokerage business told through the sharing of the in-depth information possessed by REAL Trends about brokerage performance over the past five and ten years. Also, we'll discuss what leaders must be prepared to do to continue to grow and prosper in a full-day presentation and workshop with Patrick Lencioni and his Table Group consultants.

There has never been and likely never will be another GOE like the one we are presenting on April 29 – May 1, 2020.

While we will have discussions about the impact of technology and related brokerage matters, the 2020

GOE will focus on the practices and conduct of leadership considering the actual financial and operational performance of the industry from 2010 to 2020.

For the first time, we will welcome leaders to bring three members of their leadership team to experience both the true story of our industry and learn from one of the most followed leadership coaches of the last 20 years, Patrick Lencioni.

For more information, go to [Realtrends.com/GOE2020](https://Realtrends.com/GOE2020) for session and registration information. Questions? Contact Amy Falko at [afalko@realtrends.com](mailto:afalko@realtrends.com)..

**Your Company Playbook should become a core part of your company DNA, referenced at all strategic planning meetings and retreats, updated regularly, and easily accessible to every member of your team.**



## SUCCESS STRATEGIES

# FIVE ELEMENTS OF A GREAT BUSINESS PLAN

*Help your sales associate finish the year strong and start 2020 on a high note by helping them create an effective business plan.*

*By Larry Kendall, author of Ninja Selling and Chairman Emeritus of The Group, Inc.*

**W**ant your sales associates to finish the year strong and carry momentum into next year? A well-executed business plan is a key. We believe a great business plan needs to be in place and activated by November 1. It takes 30 to 45 days for the activities to result in contracts, so your associates will finish the year strong and carry their momentum (pending contracts) into next year. A great business plan has five elements.

**1. Learn from Last Year.** What worked? What didn't work? Where did business come from? How many listings and sales did I have? How can I improve? Unfortunately, many sales associates never take the time to evaluate their business and progress.

They drift from year to year as *on-accident real estate professionals*. They don't have ten years in the business; they have one year ten times.

**2. Set Goals for Next year.** Set goals in four areas:

- a. Your Why; Your Life List; Your reasons for living.** What is the rocket fuel that motivates you to get up and go to work?
- b. Your Financial Goals.** Your Why has to be funded!
- c. Your Net Worth Goals.** Do you want financial freedom someday? Real wealth comes from income-producing net worth, not ordinary income.
- d. Your Database.** Do you have enough relationships to achieve your financial goals? A good measure is one household for every \$1,000 of Gross Commission Income.

**3. Set Activity Goals.** Unfortunately, a lot of sales associates skip this step. They are good at setting goals, but the key to achieving those goals is the productive activities called flow. There are two types of flow: Live-flow (face-to-face

and voice-to-voice) and auto-flow (mailings and electronic communication). Set specific flow goals—number of calls, mailings, lunches, etc. Research shows that 50 live-flow contacts result in one contract. Want to increase your income? Increase your flow and measure it. As we say, "Flow Fixes Everything."

**4. Schedule Your Activities.** Schedule time for your flow activities. We tend to do what we schedule. The system used by nearly every top producer I've studied is time blocking. They control their agenda rather than drifting through the day. They make appointments with themselves to accomplish their flow activities.

**5. Take Action!** A great business plan is only useful if you execute it. Sales associates who schedule their activities through time-blocking (Step 4) are much more likely to take action. Consistency is the key. What we do every day is more important than what we do once in a while.



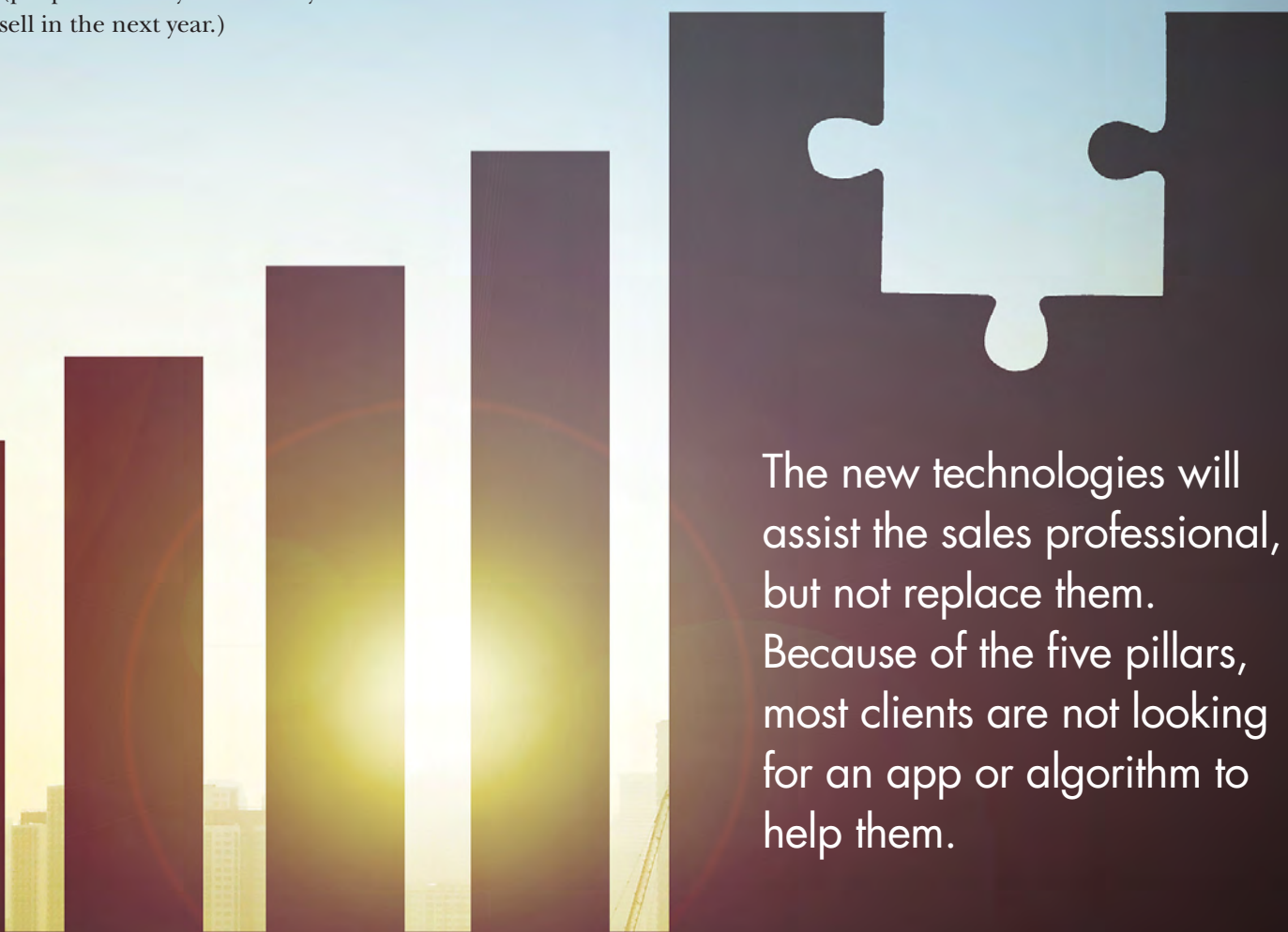
I recently moderated a panel of four very high performers. All had taken the Ninja Installation training. I asked them, “What is the one thing you took from the training that helped you the most?” To my surprise, all four of them said the same thing—The Ninja Five Daily Habits. This is a morning routine consisting of:

1. Gratitude, affirmations, and positive reading to get your positive energy going.
2. Showing up for work and time-blocking your day and week, so you stay on your agenda.
3. Writing two personal notes
4. Focusing on your Hot List  
(people who want to buy or sell in the next 90 days.)
5. Concentrate on your Warm List  
(people who may want to buy or sell in the next year.)

As one of the \$60 million producers said to me, “When I start my day with these five activities, I have a great day. When I do it consistently, I string great days together, and I have a great week. Great weeks lead to great months and great months lead to my best year yet!”

What would your company/office be like if everyone had their best year yet? When I go over these five pillars with sales associates, owners, and managers, they seem to get a stroke of insight and clarity. They stop being confused and afraid of the disruptors and the new technologies. They start focusing on

their relationship-building skills, empathy, and finding ways to create a WOW! experience for their clients. The new technologies will assist the sales professional, but not replace them. Because of the five pillars, most clients are not looking for an app or algorithm to help them. They want an empathetic, trusted advisor. Provide this level of service, and our future is very bright! ▲



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## THE ONE THING THAT MATTERS

# Relationship Building

*A subtle shift back to basics is happening in the industry.*

By Tracey C. Velt

In my interviews with team and brokerage leaders and sales professionals, I've noticed a move away from discussions about technology and toward relationship building. The shift is subtle; after all, I'm constantly deluged with press releases on new technology and information about what the networks are doing in terms of building and providing a technology platform.

Stop me if you're heard this one: Technology is there to facilitate the offline relationship. But, all too often, real estate professionals use it as a crutch to form "fake" trust. Let me tell you a secret; no one trusts you just because you post on social media and reach out through text messaging. But, social media, text messaging, and online contact can help you build trust quicker once you do meet in person.

Brokers work to build trust with their agents. Real estate professionals work

to earn trust with consumers. Here are some activities brokers, team leaders, and agents are telling me they are doing to build relationships.

- 1. No lunches alone.** For brokers, it means lunch with an agent, manager, ancillary service provider, or recruit every weekday. These one-on-one, or small group lunches, create a culture of sharing, thus building relationships that transcend business.
- 2. Prospecting phone calls.** Successful brokers set aside one or two hours each day to recruit new agents. Phone calls lead to in-person meetings which leads to connection. For sale associates, calling five to 10 people from your database each day and offering them information of value shows you care.
- 3. Video emails.** I know a broker who sends out personalized BombBomb

videos to prospective recruits. In the videos, he addresses the person by name, offers a personal comment, and offers something of value to the recruit. It's more personal than a phone call and makes it easier to build a relationship.

The key to using many of the technology platforms on the market today is to use them to move the conversation offline and in person. For brokers, it's also vital to teach your sales professionals how to take that online contact offline. The funny thing is, the Millennial generation understands this. Think dating apps. They use them to facilitate an in-person meeting. So, next time you use your technology platform to communicate to consumers, agents, or recruits, think about how you can move the conversation offline. Build your marketing around that goal. ♠

Next time you use your technology platform to communicate to consumers, agents, or recruits, think about how you can move the conversation offline.







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# NATIONWIDE GROWTH FOR THE FIRST TIME IN MORE THAN A YEAR

*Midwest, Northeast, South and West Regions all Experience Year-Over-Year Increases, Which Could Mean More Buyer Competition is Likely This Fall*

## KEY POINTS:


- U.S. showing traffic saw its first year-over-year increase in more than a year with a 3.5 percent boost in activity
- All four regions saw positive buyer interest in August compared to the same time last year, the first time all regions have reported increases in traffic since January 2018
- The Northeast Region recorded its most significant year-over-year increase since March 2018

More prospective home buyers across the country came out in August compared to the same time last year as U.S. showing traffic grew for the first time in 13 months, according to the latest ShowingTime Showing Index report.

All four regions tracked by the Showing Index saw an uptick in buyer activity, contributing to the first nationwide year-over-year increase since July 2018. For the fourth consecutive month the Northeast Region saw its largest year-over-year increase at 5.9 percent, the biggest jump recorded in the region since March 2018. The South also saw more showing traffic, with a 2.7 percent increase in activity

compared to 2018. The West Region came in with a 2.2 percent increase, its first year-over-year gain since January 2018. The Midwest recorded a more modest increase of 1.3 percent.

“The trend we saw in year-over-year buyer traffic in previous months continued across the U.S.,” said ShowingTime Chief Analytics Officer Daniil Cherkasskiy. “For all four regions there were more showings per listing this year compared to last year, making it the most competitive August in the last five years. If this trend continues, we are likely to see even more buyer competition this fall.”



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— Daniil Cherkasskiy, ShowingTime Chief Analytics Officer



# ShowingTime® Showing Index

## August 2019



The ShowingTime Showing Index tracks the average number of buyer showings on active residential properties on a monthly basis, a highly reliable indicator of current and future demand trends.

**Methodology:** The ShowingTime Showing Index® measures showing traffic per residential property for sale by agents and brokers utilizing ShowingTime solutions for property-access management. A higher number means that an average home receives more buyer visits in a given month. All index values are scaled relative to initial index value set to 100 for January 2014.

The ShowingTime Showing Index, the first of its kind in the residential real estate industry, is compiled using data from property showings scheduled across the country on listings using ShowingTime products and services, providing a benchmark to track buyer demand. ShowingTime facilitates more than four million showings each month.

Released monthly, the Showing Index tracks the average number of appointments received on active listings during the month. Local MLS indices are also available for select markets and are distributed to MLS and association leadership.

To view the full report, visit [CLICK HERE.](#)

### ABOUT SHOWINGTIME

ShowingTime is the residential real estate industry's leading showing management and market stats technology provider, with more than 1.2 million active listings subscribed to its services. Its showing products and services simplify the appointment scheduling process for real estate professionals, buyers and sellers, resulting in more showings, more feedback and more efficient sales. Its MarketStats division provides interactive tools and easy-to-read market reports for MLSs, associations, brokers and other real estate companies, as well as a recruiting tool for brokers. ShowingTime products are used in more than 250 MLSs representing nearly one million real estate professionals across the U.S. and Canada. For more information, contact us at [research@showingtime.com](mailto:research@showingtime.com). 🏠

## HUD PROPOSAL

# RAISING THE BAR FOR HOUSING DISCRIMINATION CLAIMS

*The Department of Housing and Urban Development (HUD) proposed a rule on August 16 that would make it harder to bring discrimination claims under the Fair Housing Act for unintentional policies or practices.*

*By Sue Johnson, strategic alliance consultant*

HUD's proposal is the latest attempt by the Trump administration to roll back the Obama administration's extensive use of the disparate impact theory in housing and financial services enforcement. Under this theory, a program can be found to be discriminatory if it has a disproportionate effect on a protected class, even if the defendant did not intend to discriminate.

## THE CURRENT LAW

The 1968 Fair Housing Act makes it unlawful to discriminate in the sale, rental, or financing of homes because of race, color, national origin, religion, sex, familial status, or disability. HUD has the authority to enforce the Act against lenders, housing developers, homeowner insurance companies, real estate professionals, and other participants in the home buying or renting process.

HUD's current disparate impact regulation (adopted in 2013) formalized the Obama Administration's policy that a disparate impact claim based on a statistical disparity is allowable under the Fair Housing Act. It established a three-part burden-shifting test for determining whether the program has an unjustified discriminatory effect:

1. The plaintiff must show evidence of statistical disparities involving a protected class.
2. The defendant must then prove that the challenged policy or practice is necessary to achieve a substantial,

HUD's current disparate impact regulation (adopted in 2013) formalized the Obama Administration's policy that a disparate impact claim based on a statistical disparity is allowable under the Fair Housing Act.





## HUD's proposed rule would replace the Obama administration's three-step "burden-shifting" approach with a five-step threshold that plaintiffs must meet to prove unintentional discrimination.

legitimate, and non-discriminatory interest.

3. If the defendant successfully proves a justifiable interest, the plaintiff must show that another policy or practice could serve the interest with a less discriminatory effect.

After HUD issued its current disparate impact rule, the U.S. Supreme Court held by a 5-4 decision in *Texas Department of Housing and Community Affairs vs. Inclusive Communities Project* (2015) that

disparate impact claims may be brought under the Fair Housing Act, but stated that a plaintiff must show that the defendant's practice or policy actually caused a statistical disparity. Essentially, all lower courts have since taken this position. HUD states in its proposed rule that it is attempting to bring its regulation in alignment with this Supreme Court decision.

### HUD'S PROPOSED DISPARATE IMPACT TEST

HUD's proposed rule would replace the Obama administration's three-step "burden-shifting" approach with a five-step threshold that plaintiffs must meet to prove unintentional discrimination. Plaintiffs would need to prove the following:

1. That the policy or practice is "arbitrary, artificial, and unnecessary to achieve a valid interest or legitimate objective."
2. A "robust causal link" between the policy or practice and the alleged discrimination, and that the policy or practice adversely affects members of the protected class as a group, and not just an individual

who happens to be a member of the protected class.

3. That the alleged disparity has an "adverse effect" on members of a protected class.
4. That the alleged disparity is "significant."
5. A "direct link" between the policy or practice and the discriminatory effect resulting in the plaintiff's alleged injury.

Defendants would only have the burden of proving that their programs are not discriminatory if plaintiffs could meet that five-part test.

### IMPACT ON CREDIT SCORING MODELS

HUD's proposed rule also makes it more difficult for plaintiffs to advance disparate impact claims when a scoring model (risk assessment algorithm) is used.

When the defendant uses its scoring model, the rule allows a defendant to prevail if it can show that it (or a neutral third party) reviewed the material factors in the model; that the model was empirically derived; that none of the material factors is a "substitute" or "close proxy" for a protected characteristic; and that the model as a whole is predictive of credit risk or another valid objective.

When the defendant uses a scoring model of a third party that determines industry standards (such as the automated underwriting systems of Fannie Mae or Freddie Mac), the rule relieves the defendant from liability if

it can show that it did not determine the inputs and methods within the model and that it is using the model as intended by the third party.

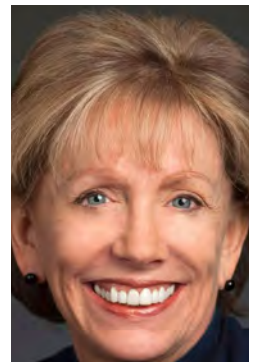
### CFPB HINTS AT DISPARATE IMPACT RULEMAKING UNDER ECOA

On a separate front, the Consumer Financial Protection Bureau (CFPB) is considering a regulation to revamp its approach towards disparate impact claims under the Equal Credit Opportunity Act (ECOA), which makes it unlawful for any creditor to discriminate against any credit applicant. The CFPB under former Director Richard Cordray often used the disparate impact theory when exercising its supervisory and enforcement authority under the ECOA.

But the CFPB's Fall 2018 Rulemaking Agenda hinted at future ECOA rule-making activity "in light of recent Supreme Court case law"—an apparent reference to *Inclusive Communities*.

Comments on HUD's proposed disparate impact rule are due on October 18, 2019.

*Sue Johnson is the former executive director of RESPRO, the Real Estate Services Providers Council Inc. She retired in 2015 and is now a strategic alliance consultant. ▲*



## 2019 MOVING PRICE INDEX

## THE REAL COSTS OF MOVING TO THE WORLD'S TOP CITIES

*When it comes to relocating, many people don't truly understand the realities of the cost of living in global cities.*

*By Peter Gilmour, chief foreign correspondent*

With the rapid growth and development of technology over the last 30 years, we've seen how a more connected world has opened up opportunities for individuals and their families to move both locally and abroad. Demand for special skills has grown, and global companies are competing with each other for the best talent. This has led to the growth of thousands of corporate relocation programs and specialist relocation companies, such as Realogy's Cartus which has helped employees find new homes and establish themselves in different communities across the country and around the world.

#### WHAT ABOUT THE COST OF LIVING?

In the excitement of deciding to relocate to take up a good job offer, individuals don't always give enough thought to the realities of moving to another city in terms of the real estate market and the actual costs of living. Movinga, an online-platform-based moving company in Berlin, Germany, specializes in relocation worldwide and has recently published their 2019 Moving Price Index. Managing Director of Movinga, Finn Age Håmel,

commented, "We hope that our index will help people better prepare for realities and difficulties of relocating to some of the in-demand cities around the world. The survey covered 85 cities across the globe that are known for attracting people due to work opportunities and excellent education, as well as having a robust start-up culture and alluring lifestyle. The study set out three month's worth of costs associated with moving, including one month of temporary rent, two months of permanent rental, rental deposit, work visa (if required,) transport, phone charges, household consumables, internet charges and more.

The most expensive city, because of its high property rentals was San Francisco at the cost of \$13,531 (all numbers in USD) for an individual and \$24,004 for a family of four. Other cities where an individual will have to pay more than \$10,000 to cover living costs for three months are New York, Sydney, Geneva, Hong Kong, Zurich, Boston and Reykjavik, Iceland. Surprisingly, the second most expensive city was Dublin, Ireland, well ahead of some

traditionally more costly cities. According to Movinga, this was because residential rentals are high due to internet companies like Google and Facebook setting up offices in Dublin's Silicon Docks a few years ago. These companies attracted an influx of technology talent. An individual would need over \$12,000 to cover three months living costs in Dublin. The two least expensive cities to move to according to the Index are Istanbul, Turkey, and New Delhi, India, where three months of costs for an individual are in the \$2,000 range. Other U.S. cities in the index are Los Angeles (12) Washington, DC (14), Miami (18), Seattle (20), Chicago (27) and Houston (50).

The most expensive city for a family of four to move to was Sydney at \$28,649 for three months of living expenses, followed by Melbourne at \$24,873.

When it comes to internet connectivity, the most expensive city in the world is Dubai, according to the study at nearly \$100 per month for internet costs.

Being able to budget accurately for your costs of moving goes a long way to reducing the emotional impact of the move. 🏡

*Beachfront homes in Edithvale in suburban Melbourne.*





## SHIFTING LANDSCAPE

# THE MARKET FOR MERGERS AND ACQUISITIONS



*As the markets shift, so do mergers and acquisitions. Here are some trends we're seeing.* | By Steve Murray, president

In the last two months, we assisted two brokerage firms, Joyner Fine Properties of Richmond, Virg., and Heritage Texas Properties of Houston, to combine with two other local firms. In the case of Joyner, it was with a local, strong credit union. In Houston, it was a merger with another local privately held brokerage, Better Homes and Gardens Gary Greene Realtors®. Both mergers were similar in many respects to how the market for residential brokerage mergers and acquisitions has changed in the past two years.

As we wrote nearly two years ago, the market for mergers and acquisitions was likely to shift in a new direction. With NRT deciding to forgo large acquisitions for the time being and Berkshire Hathaway HomeServices slowing its pace, the 20-year boom in acquisitions, the price and the terms of such acquisitions were going to soften as well. Many more mergers and acquisitions would be between local and regional firms with a few hybrid investors such as with credit unions or investment firms with a background in residential brokerage like Peerage Capital out of Toronto.

## THE BIGGEST SHIFT

One of the most significant changes apart from the absence of NRT and HomeServices is that the prices and terms that the market is willing to pay have also softened. With the biggest acquirers out of the picture (for the most part) active purchasers and investors, such as Pittsburgh-based Howard Hanna, have adjusted to both the lessening of competition for premier brokerage firms and the softening of the U.S. housing market.

This is not to say that the market for M&A has softened. REAL Trends has had a record number of clients both seeking to acquire as well as those looking for purchasers or investors for their firms. Our advisory work for both kinds of firms has been at record levels for the past two years at a minimum.

For those who are looking to exit equity from their brokerage firms or those looking to acquire for growth, we published a special booklet called, *Valuing Small to Medium Sized Brokerage Firms* which covers the topic

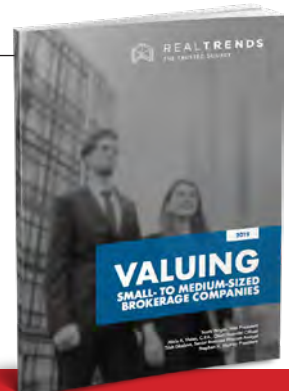
in some detail and is based on our experience in the market for mergers and acquisitions.

## PRICES AND TERMS

It is also important to note that while the prices and terms being offered in the market today are less than they were two years ago, they remain well above those of the 1990s before the entry of NRT and HomeServices. Smart brokerage firms look at both organic recruiting and carefully orchestrated mergers and acquisitions to grow their businesses. We expect the market to continue to be very active for both those willing to purchase or invest as well as those seeking to sell their companies or perhaps exit a part of their equity.

## CLICK HERE

to download the free booklet, *Valuing Small-to Medium-Sized Brokerage Companies*. ➤



**SMART BROKERAGE FIRMS** look at both organic recruiting and carefully orchestrated mergers and acquisitions to grow their businesses.





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