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## Commentary

### The Iconic Lead

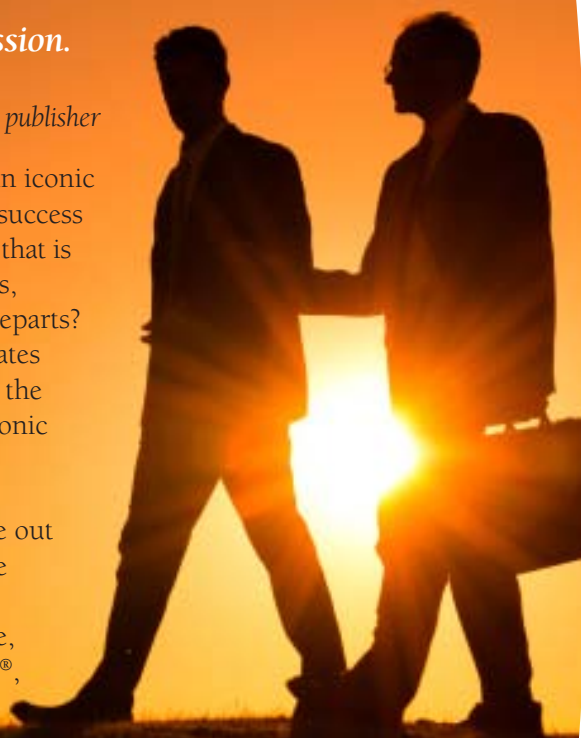
# Why is it So Hard to Replace a Founder?

*How to find success in succession.*

*Written by Steve Murray, REAL Trends publisher*

How does an organization replace an iconic leader? How do realty firms whose success is dependent on effective leadership that is based, in great part, on relationships, continue to grow when a founder departs? Why is it so difficult to find candidates from the next generation to assume the mantle? What happens when the iconic founder is no longer around?

Successes are rare; however they are out there. Some that come to mind: The Deasy brothers of Windermere Real Estate, the Elsea's of Real Estate One, the Horning's of Shorewest Realtors®,



*Commentary cont. on p2*

## The Investment Boom in Residential Real Estate Technology

By now everyone has had a chance to digest numerous articles about this summer's blockbuster deals. It is not just the large ones that are interesting, but also the ability of firms like SmartZip, Boomtown and INRIX® to raise substantial sums of money to fund their growth. Of course, the main question people are asking is "what does it mean" for residential brokerage?

From our view, in the short run, it doesn't mean much. Business will continue to be done the way it has been with brokers and agents making decisions about where best to invest finite resources to generate new customers in the most effective manner. Where and how brokers and agents do so continues to vary widely. When we interview or survey sales agents or look at a brokerage firm's profit and loss, we find that there is a lot of variety in the way each of them reach, communicate with and find new customers. With the proliferation of technology, one wonders why there seems to be an uptick in those who are growing their business through door knocking neighborhoods.

Longer term, could giants like Move and Zillow/Trulia change how brokerage works? Absolutely. As one bright CEO said recently, they may not replace agents in the process but they may replace the system for how customers find and select agents through such devices as ratings, reviews and profiling. Yes, it could happen. However, does one really think that media firms want to employ agents directly? That is highly unlikely and not to be considered seriously. ■

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**Commentary cont. from p1**

Pam Leibman of Corcoran Group Real Estate, Diane Ramirez of Halstead Property and Pat Riley of Allen Tate Real Estate. Other examples of success stories in the making include Candace Adams at Berkshire Hathaway HomeServices New England Properties, Mike Knapp at Iowa Realty and Rosey Koberlein of Long Realty. Each has succeeded in continuing the success after a founder has departed. I am confident there are other examples, but they are indeed the exceptions.

One challenge is that successful founders are often larger than life individuals—not that they would admit it. Each is a particular combination of smarts and charm, toughness and warmth, insight and doubt. What is key is the people of the organizations they lead are used to them, can predict how they will act and react, know where they stand within the organization and where they fit in it. Whether management or sales executives, they feel like they know the leader and have a sense of a personal relationship with them. Founders have built legends around their firms, a collection of all that has come before.

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## Founders have built legends around their firms, a collection of all that has come before.

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### The Challenge

Finding someone or several people to fill that role is a huge challenge. In fact, in most of the cases listed above, the new leaders have only a little in common with the founders. Some are quite different from the founders. Their personalities, habits, ways of communicating and the means by which they make decisions often are the exact opposite of how the founder acted.

### Why do some succeed? Here are some observations.

Realty firms are still mainly a series of promises that leaders make to their management and sales associates. One fools with the delicate balance of these constructs at one's peril. Call it culture or call it shared vision, but the people of the organization will compare a new leader to a founder, not so much on how smart he or she is, or how much of a visionary he or she might be, but on the simple question of "does he or she care about me and the organization as much as the founder did?" Woe to the new leader who thinks that change and shaking things up should be their priority. Rather, spending significant time understanding how the culture works is tantamount and should be the focus of a new leader. The organization will only follow a leader in whom they have trust and faith that their views and feelings have been considered before charging up new hills.

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## Replace an Iconic Founder?

No one can replace an iconic founder entirely, nor should a new leader try. In our experience, there is simply no way to do so. Rather, taking what has been left to them (and assuming the organization is not in chaos) new leaders should not be in a hurry to make drastic changes. Instead, they should first deliver something of benefit to the organization. Recently, we heard one such successor say that his main goal was to reinforce a sense of emotional attachment between the leader, management and sales associates. Focus on those improvements that will improve people's lives within the organization. Don't be in a hurry to ramp up profit margins. The most successful founders and their successors know instinctively that reinforcing a strong culture first will most often result in increased profitability. Essentially, profits follow culture, not the other way around.

## The Transition

Sometimes it is necessary to split the responsibilities of a founder. Founders grew up "growing up" inside their companies, long before the business became as complicated as it is today. No matter how much training young leaders get on the way up, there is nothing that will prepare them for what it is like when the buck stops with them. Great general sales managers have a hard time transitioning to being effective CEOs because of the lack of actual experience in finance, accounting, legal and regulatory affairs, not to mention technology, core services and the general competitive landscape. It is overwhelming. Too often new leaders can't quite get the hang of prioritizing their time to allow for the on-the-job learning they must go through.

## Succession planning

This leads to the question about how to develop succession plans that have a chance of working. Some of the principles laid out above are, we think, helpful. Here's a recap:

- Don't try to replace an iconic founder with someone just like them. Instead, find a person with a blend of maturity, experience and empathy whom is also excited about the opportunity to lead your organization.
- Insist that a new leader be in a hurry to learn

the culture and build relationships with its people and not be in a

hurry to make personnel or other significant changes inside the company.

- Surround a new leader with people whose skills complement those of the leader, not duplicate them.
- Establish written objectives and benchmarks to help the new leader focus on what is important and not what is urgent.

## Successor Children

While family dynamics make succession planning a bit different from a human point of view, the challenges remain the same. Children have an extra burden both from high expectations emanating from their parents; but also suspicion from the internal organization. Is it being earned or handed over? Considering the success of the Horning's, Elsea's and Mike Knapp (among many others), it is clear that great preparation can make succession work when it is driven from within the family.

Lastly, without some plan to replace an iconic founder, another manner of achieving a good outcome is to combine, merge or acquire another firm that has the kind of successor leadership you think is best for your firm. Leadership talent is scarce but available. Much of the scarcity is due to a lack of investment in developing new leaders—a situation that can be remedied. ■





**Consumer Financial Protection Bureau**

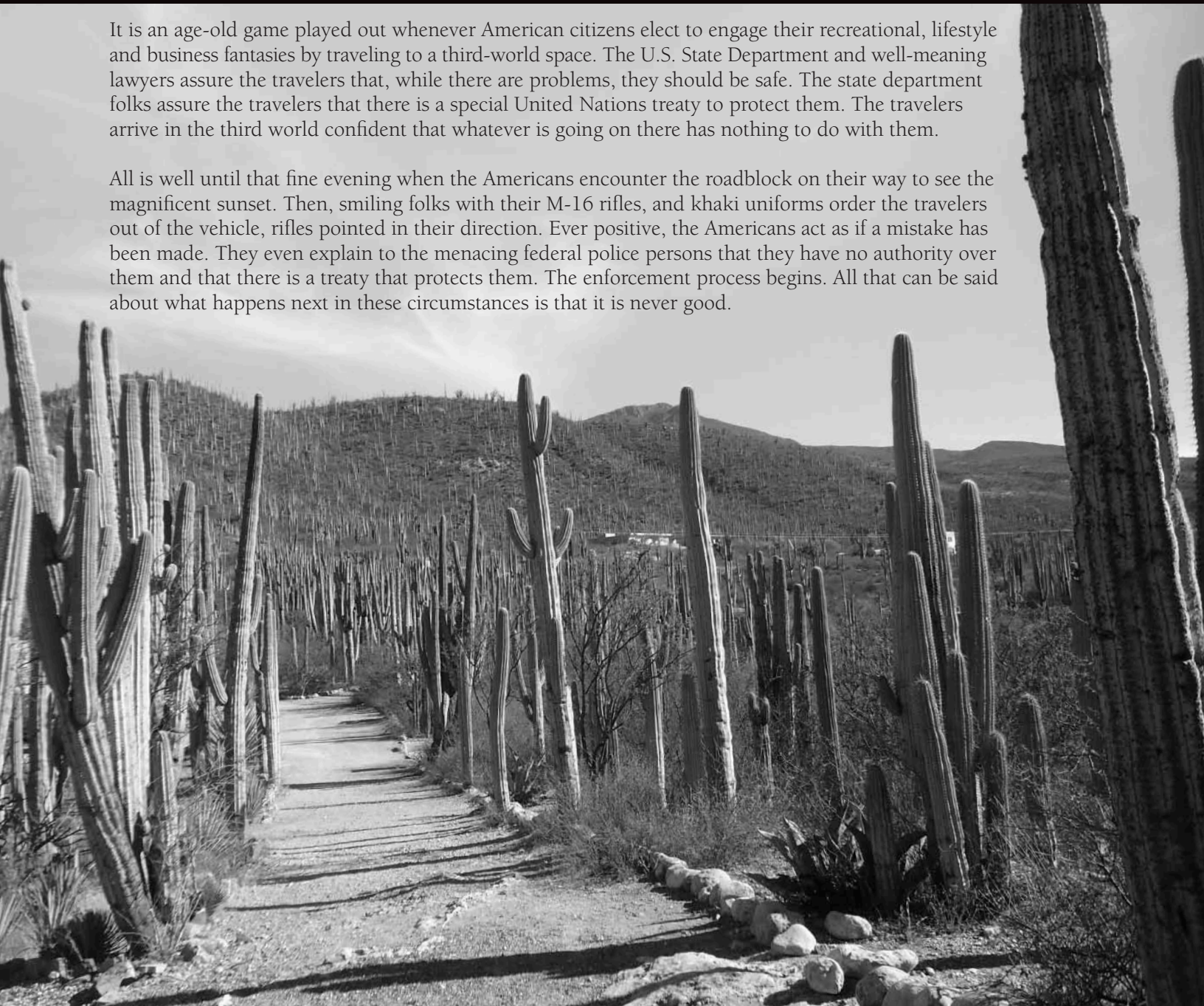
# It is Time to Learn How to Play the Federales Game

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*Written by Jeremy J. Conaway, contributing editor*

It is an age-old game played out whenever American citizens elect to engage their recreational, lifestyle and business fantasies by traveling to a third-world space. The U.S. State Department and well-meaning lawyers assure the travelers that, while there are problems, they should be safe. The state department folks assure the travelers that there is a special United Nations treaty to protect them. The travelers arrive in the third world confident that whatever is going on there has nothing to do with them.

All is well until that fine evening when the Americans encounter the roadblock on their way to see the magnificent sunset. Then, smiling folks with their M-16 rifles, and khaki uniforms order the travelers out of the vehicle, rifles pointed in their direction. Ever positive, the Americans act as if a mistake has been made. They even explain to the menacing federal police persons that they have no authority over them and that there is a treaty that protects them. The enforcement process begins. All that can be said about what happens next in these circumstances is that it is never good.



A strong parallel can be drawn between the events outlined above and what is currently happening in the American residential real estate industry. A third-world space is how one might describe the current residential real estate marketplace. There are nice Americans wandering about looking for the perfect sunset for their career confident that the market they have known for the past 25 years is alive and well and waiting to fund their retirements. The reality is that today's residential real estate marketplace is filled with forces that are digitally disrupting virtually every aspect of the traditional marketplace.

## A third-world space is how one might describe the current residential real estate marketplace.

### Impact of the CFPB

Nowhere is this disruption more impactful than in industry regulation. The *Federales* are easy to spot. They are called the Consumer Financial Protection Bureau (CFPB). They are young (inexperienced), they are dedicated (don't need no stinking knowledge about the industry), they are committed to protecting the American consumer (peasant) and they get to keep a part of the fines (loot). Most of all, they are driven by a sincere and almost spiritual belief that American consumers are being harmed.

The only thing the American real estate licensees will not find is the M-16. Such weapons pale in comparison to the power and force made available to the CFPB warriors as a result of their enabling legislation; the now famous Dodd-Frank Wall Street Reform Act. It is a piece of legislation unequaled in American jurisprudence. It affords the CFPB the power to enact rules with little or no review, execute enforcement with no appellate process and effect fines seemingly established only by the level of the Bureau's annoyance.

### Passionate About Reforming Real Estate

Since 2011, the new *Federales* have marched a triumphant course through the traditional institutions responsible for student loans, payday loans, credit cards, automobile loans and, most recently, the mortgage industry. Today, the CFPB is focused on reforming the real estate transaction. Thousands of consumer complaints fuel their passion. They are focused on the real estate licensee.

The CFPB's actions have either been outrageous and un-American or righteous and redeeming, depending upon one's political and cultural beliefs. Interestingly, what the general public thinks about the CFPB doesn't matter. They are not asking for permission, nor are they asking for friends—because they are legal.

### CFPB Proposed Changes

The industry is divided on how it is going to respond to

the CFPB's assault on the real estate transaction. To date, the following Bureau strategies and tactics have emerged:

- The anemic enforcement policies of the Department of Housing and Urban Development (HUD) relative to the Real Estate Settlement Practices Act (RESPA)—enacted by Congress in 1974—have been terminated for cause.
- The Dodd-Frank Wall Street Reform bill of 2011 replaced HUD's efforts with the motivated and muscular enforcement powers of the CFPB.
- The venerable HUD-1 form, having served as the administrative centerpiece of the real estate closing since 1975, will be replaced by a new process.
- The new closing process incorporates new standards and practices for loan estimates, closing disclosures, settlement agents, signing professionals, independent escrows (CA), Uniform Closing Dataset, HMDA data set, Universal Loan identifier, Universal Property Identifier, Universal Agency, integrated disclosures, mortgage disclosures, purchase disclosures and appraisal rules.
- Accompanying these changes will be a new empowered and motivated enforcement program funded in part by the penalties and fines it collects.

The CFPB has sent out request for funding proposals for a new electronic closing system that will combine all of these changes into a sophisticated Internet-based closing system that electronically identifies process violations.

In response to these significant changes, the mortgage, title, escrow and closing segments of the industry are working overtime to be prepared for the August 15, 2015 onset of most of these changes. They are already in training for a new closing process. More importantly, they are moving to protect their businesses and professions by establishing, developing and implementing standards and best practices. This is what responsible people do under these circumstances.

### What About Real Estate?

What about the real estate services sector? Well, not so much. For the most part, they are ignoring and/or denying this oncoming tsunami of regulatory fury. Their favorite response is based upon the interpretation of Dodd-Frank that says the CFPB has no jurisdiction or power over the American real estate licensee.

Soon, the American consumer and free enterprise system, backed by the Bureau will make a determination of status relative to the licensee. In the meantime, real estate professionals might want to avoid invitations to see beautiful sunsets. This is a basic tenant of *Federales* law. ■



## Getting in Front of the Inevitable

# Cyclical Change

*Are you a change leader? Read on to find out how to recognize the four types of change.*

*Written by Larry Kendall, chairman emeritus of The Group, Inc. and author of "Ninja Selling"*

The ability to anticipate and manage change is a critical leadership skill. The first step in being a change leader is recognizing the four types of change: Cyclical; Structural; Exponential and Incremental. In this article, we'll focus on cyclical change and how to predict and benefit from market cycles.

We are in a cyclical industry. Knowing where we are in the market cycle is a critical skill. Real estate market cycles tend to be long, slow and predictable (when we watch the fundamentals). I teach market cycles in the College of Business at Colorado State University. Here are four fundamentals you can use to predict market cycles:

- **Jobs.** Employment is a leading indicator of a real estate market cycle by 12 to 18 months. This is your earliest warning signal of a change. Contact your state employment office and join the mailing list to receive the monthly employment numbers for your county. Watch for a change

in employment (either up or down). This is your best crystal ball, giving you a 12- to 18-month head start.

- **FHFA.Gov.** Go to this government website and download their quarterly "House Price Index" report. This is a long report (usually 75 pages) so scroll down to the charts that give you "House Price Appreciation by State" and 300 individual metropolitan markets. These charts show the house price appreciation for the last year, the last quarter, the last five years and since 1991. Want to see if the market is speeding up or slowing down? Take the quarterly change in prices for the market and annualize it (multiply x 4). Then, compare this number to the annual price change. Here's an example using the June 30, 2014 report:

*Nevada led the nation with a 14.80 percent price increase for the last year. However, their increase in the last quarter was only 0.87 percent. Annualize this last quarter (multiply x 4) and we get 3.48 percent, indicating that this market is slowing down. On the other hand, Massachusetts with a 4.95 percent, one-year appreciation and a 2.5 percent quarterly*



# Tracking these four fundamentals will help you get in front of the inevitable. Unfortunately, some real estate leaders ignore these fundamentals when they succumb to media hype or the euphoria of a hot market.

*appreciation (10 percent annualized) is a market that is speeding up. Some markets are seasonal, so be careful about jumping to conclusions based on just one quarter. Start tracking each quarter, and you will spot the trends.*

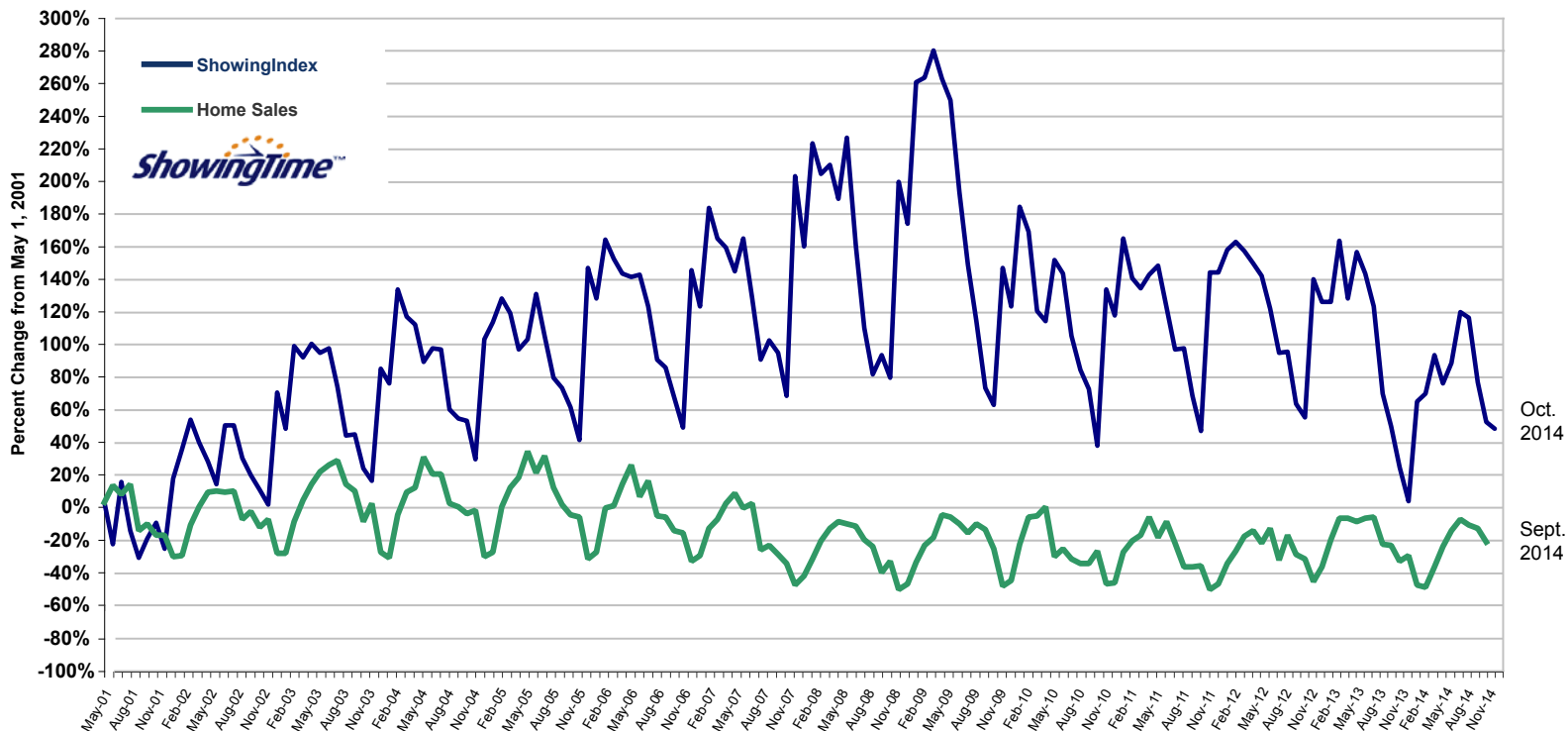
- **Affordability.** The three components of affordability are house price, household income and interest rates. Because of the low interest rates, most markets are more affordable today than they were 10 years ago—even with rising home prices. Ultimately, home prices and real estate activity is a function of people's ability to pay. The funny money, subprime lending was an aberration that was not sustainable and contributed to the housing bubble.
- **Investment Ratios.** Tracking supply, demand, rents and the relationship of rents to prices will also give you a clue as to whether a market is overheated, and a bubble is building. Markets tend to seek equilibrium over time and develop historic ratios. If a market gets out of sync with these historic ratios, watch out. Unless there has been a

structural change, (which we will discuss next month) a change is on the horizon.

Tracking these four fundamentals will help you get in front of the inevitable. Unfortunately, some real estate leaders ignore these fundamentals when they succumb to media hype or the euphoria of a hot market. Fearless and disciplined leadership is required in order to assess and exploit the change.

Right before the bubble burst, leading to the great recession, two of my wealthy real estate friends (who are masters of using these four fundamentals to predict market cycles) put all of their real estate on the market for sale. One of them owned over one million square feet of commercial property, and it was all free and clear. They had spent years building these portfolios. They were "real estate people." So, I asked them what they were going to do once they sold all of their real estate. "We'll wait and buy it all back from the banks at 50 cents on the dollar," they said. And they did! They got in front of the inevitable. ■

## ShowingIndex - Leading Indication of Home Sales



Source: "Housing Sales" is the actual property sales statistic as reported by the National Association of REALTORS. The "ShowingIndex" is a moving trend statistic that tracks the rate of showing appointment requests from the websites of more than 60 real estate companies throughout the U.S. 40 of the companies are Top 100 companies as reported by REAL Trends.

# Focus On: Aaron Rian – Rocket Man

*President, The Rian Group Real Estate*

From zero in sales in 2008 to being on pace to sell \$141 million this year, this broker is motivated for success.

To say that Aaron Rian, president of The Rian Group Real Estate in Portland, Ore., is driven is an understatement. In his first year in real estate, 2008, he sold 32 homes. “I did a lot of open houses and pounded the pavement,” he says. “I went from 32 to 72 sales the next year, to 110 the next year and on up the ladder,” he says. Now a broker and team leader, Rian has four offices and 22 agents, and his team was named 2014 No. 109 top team by sides in the *REAL Trends* The Thousand, as advertised in *The Wall Street Journal*. “I started my team in 2009 with about seven people. I left that brokerage to go independent in 2011. My focus was running my business like a team rather than a traditional brokerage, and [doing this] made us a lot more efficient,” he says.

Here’s what Rian learned along the way:

**REAL Trends:** What was your greatest challenge?

**Rian:** One major challenge was brand recognition. We had to work hard to get people to recognize us as a brand that is just as strong as a national franchise’s brand. It came down to aggressive marketing and advertising. My goal was to be everywhere the consumer was looking, such as radio, TV, print, billboards and bus benches.

We focused on our value proposition, which is that we offer personalized and dedicated service from an entire team, rather than just one agent. We also offer a 59-day guarantee on properties. If we can’t sell in that time, we’ll buy it. And, we’ve done that. Sometimes I’ll hold the property as a rental. I started as a real estate investor, so I’m always on the hunt for great deals.

**REAL Trends:** What was the aha moment?

**Rian:** When I started at a national brokerage house, I saw a lot of agents who treated their real estate career as a hobby. It was just a job, and they wanted to make enough to eke out a living. I saw real estate as an opportunity to build a business. That was my aha moment—I could have a team specializing in different facets of the business and build from there. We have a listing division, a buyer specialist team and an administrative team.

**REAL Trends:** What did you do that changed the trajectory of your business?

**Rian:** I adapted the philosophy that I don’t have to be the best real estate salesperson; I just have to be the best marketer. After all, the person with the most customers wins, so I focused on having a professional, strong marketing campaign. However, you have to back it up. I recently hired a director of client relations, whose sole responsibility is customer service. I believe in surrounding myself with people who are experts in certain fields.

**REAL Trends:** What do you feel you do best, and how did you incorporate that into your business?

**Rian:** The thing I do best is market my listings and myself. We do a lot of radio and television advertising and direct mail. We do a lot of referral business—it’s a pillar of our business.

In marketing, it’s about getting people to call you or getting a reaction from the person to whom you’re marketing. I’m good at getting those calls; I can hit people’s hot buttons. Our guaranteed home sale program was one of those hot-button campaigns.

I showcase a property by putting clients in a position where they have the house on the market that is in the best condition, staged right and priced right. My presentation overall outshines those of their competitors.

Rian says the key to success is to run your business like a business. “We have certain times when everyone has to come into the office, including me. We have certain times during the day where we have to prospect, show property or meet for listings. It’s very structured,” he says. “We have required team sales meetings. Our team is truly run like a marketing organization and business; we’re not just hoping that homes will sell,” he says.

He says that the sky is the limit now that Portland is rebounding. “We’ve seen some gains on property values. While that’s leveled out over the last 30 to 45 days, it’s still rebounding.” And that puts Rian in a position to propel his business forward, a true rocket man. ■





# REAL Trends

## HOUSING MARKET REPORT

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### September Sales

## Surprise on the Upside

*The REAL Trends Housing Market Report for September 2014 shows that housing sales increased 5.6 percent from the same month a year ago. The annual rate of new and existing home sales for September 2014 was 6.576 million units up from a rate of 6.229 million in September 2013.*

*Housing prices rose an average of 6.5 percent from September 2013, a significant improvement over the prior month's increase. Price increases have now settled to a mid-single digit growth rate for the past four months.*

"The September housing data surprised us with much higher rates of home sales and increases in the average sales price compared to a year ago. The September results were far better than the last three months and far better than expected," said Steve Murray, editor of the REAL Trends Housing Market Report. "It seems that month to month we see unexpected volatility in housing unit sales and prices and this may continue indefinitely."

Housing unit sales for September 2014 increased 8.1 percent in the South, the best performance in all regions. Northeast sales were up 6.1 percent, the Western region saw sales increase 3.4 percent, and the Midwest saw sales units increase by 3.2 percent.

The average price of homes sold in September 2014 in the Western region increased by 11.2 percent, the best result in the nation. The Midwest region saw average prices increase 6.8 percent, average prices in the South were up 6.0 percent, and the Northeast had an average price increase of 1.0 percent. ■

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**It seems that month to month we see unexpected volatility in housing unit sales and prices and this may continue indefinitely. – Steve Murray**

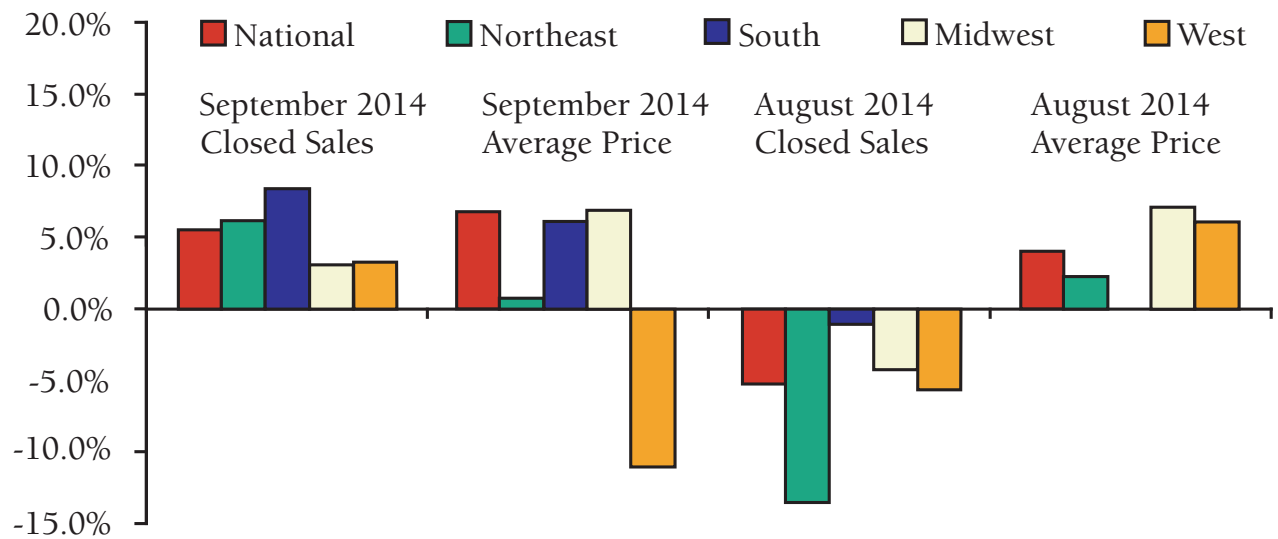
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## REAL Trends September/August Housing Market Report

(Versus same month a year ago)

	September 2014 Closed Sales	September 2014 Average Price	August 2014 Closed Sales	August 2014 Average Price
National	+5.6%	+6.5%	-5.2%	+4.1%
Regional Report				
Northeast	+6.1%	+1.0%	-13.8%	+2.4%
South	+8.1%	+6.0%	-1.4%	+5.3%
Midwest	+3.2%	+6.8%	-4.4%	+6.6%
West	+3.4%	+11.2%	-5.6%	+5.8%



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# 6 Things the Urban Institute Likes Best

*In 2010, Congress directed the new Consumer Financial Protection Bureau (CFPB) to collect more and better mortgage application and origination data. In July, the CFPB released its comprehensive proposal to improve mortgage data collection. Here are six things about the CFPB's proposal that the Urban Institute finds positive.*



Whatever your theory about why the last decade's mortgage crisis happened, or even when it started, the underlying facts come from Home Mortgage Disclosure Act (HMDA) data. HMDA is a powerful statute: it requires mortgage lenders to publish a good deal of information about the applications they get, and the loans they make and buy. HMDA enlists the public—researchers, media, advocates, local officials, community residents, and others—in making national and local policy for the \$10 trillion mortgage market. HMDA data also enable regulators to set standards and benchmarks and evaluate the performance of lenders and the market.

But comprehensive as HMDA data are, critical information is missing. When Congress passed the Dodd Frank Act in 2010, it tasked the CFPB with fixing this problem. Congress specified some new fields and authorized the CFPB to add others—a good thing because even in the four years since Dodd Frank passed, the mortgage market has continued to change.

In July, the CFPB released its comprehensive proposal to implement the Dodd Frank changes, as well as to make the entire HMDA process more efficient. While the CFPB's proposal only covers data available to regulators, not to the public, it's a critical first step to enhancing public understanding of the market. HMDA is essential to our work as researchers and, in general, we like what the CFPB has done. Today, a group of Urban Institute researchers are publishing a draft comment letter that we will submit to the CFPB shortly.

Here's what we like most about the CFPB's proposal:

- 1. It is thoughtful and comprehensive.** The CFPB has thoughtfully and comprehensively integrated the new information required by Dodd Frank, including credit score, age, application channel, and total points and fees. The proposal includes the level of detail for these fields needed to make them useful, such as the credit score model used and a breakdown of points and fees.
- 2. It requires unique loan identifiers.** By implementing the Dodd Frank requirement for unique identifiers, especially a unique loan identifier, it will be possible to follow a mortgage as it is bought and sold and to better understand the market players.
- 3. It collects more information about property use.** We learned during the housing crisis that just knowing whether a property is “owner occupied” or not doesn't tell us nearly enough about how a mortgage is likely to perform.
- 4. It collects more information about rentals, manufactured housing, reverse mortgages and HELOCs.** The proposal includes additional information

about rental properties (including the number of units in the property securing the loan) and manufactured housing. Both rental housing and manufactured housing are increasingly important parts of our housing stock, especially for lower income families. Similarly, more information is required about reverse mortgages and home equity lines of credit, both important to an aging American population.

- 5. It flags QM.** The proposal requires lenders to “flag” whether a loan is a qualified mortgage (QM) under the CFPB's regulations, and to explain why. This is especially important for understanding the impact of the QM rule, which has the potential to reshape the mortgage market.
- 6. It keeps public disclosure the same for now.** The proposal leaves in place the set of data currently released to the public, enabling the public, including state and local officials, continued access to current HMDA data while the CFPB engages in separate rulemaking to determine how best to balance HMDA's disclosure imperative with legitimate privacy concerns.

As described in our comments, we don't think the CFPB has gotten everything right, and we provide suggestions for improvement. We also recognize that reporting HMDA data is a complex process and appreciate both the CFPB's efforts to make the process easier for lenders and that change inevitably is challenging to HMDA reporters.

But we're now four years past Dodd-Frank. The housing market still has not fully recovered, and many communities continue to struggle. Mortgage credit remains extremely tight. It's time to move ahead with HMDA changes to provide greater understanding of what is going on, an important step toward getting all communities in this country firmly back on track.

**It's time to move ahead with HMDA changes to provide greater understanding of what is going on, an important step toward getting all communities in this country firmly back on track.**

We urge the CFPB to move forward as quickly as possible to complete this rulemaking. And then to get on with the process of determining how much data, in what form, will be available to the public. Enlisting the public in public policy is the heart and soul of HMDA. Urban researchers are eager to help.

Laurie Goodman, Wei Li, Carlos Martín, Jim Parrott, Kathy Pettit, and Peter Tatian contributed to this article. ■

# Technology Trends

## Part Two of Two



**In part two of our tech series, we go in depth about video and integrations and how these trends impact the real estate space.**

*by Travis Saxton, REAL Trends technology and marketing manager*

Technology changes quickly. That's why it's so important to stay up to date on the trends. The REAL Trends Technology Consulting team researched the top four trends in the business today. Last month, we wrote about agent adoption and instant gratification. This month, in part two of our two-part series, we go in depth about video and integrations.

### **Tech Trend: Video**

Most people know that having a solid video campaign is an ideal marketing strategy for real estate professionals. However, an effective video strategy is more than just signing up with a vendor and producing a video for every listing you have.

As brokerages (and your consultants), we need to start using video as a part of a greater strategy. Video is more than an embed code from YouTube or a way to see listing images.

**The hidden benefits of video include:**

- 1. More engaged consumers on your website.** Video viewers average longer time per page, and you keep them engaged.
- 2. Better SEO content** (Google owns YouTube, and that plays a role in their search algorithms.) Websites with video are 53 times more likely to show up on the first page of Google Search results compared to the same traffic, the same keyword, and two different sites—one with video and one without.
- 3. Good video makes listing detail pages more interesting** and can help frame and sell your properties better.



Of course, video is not perfect so let's look at a few of the drawbacks:

1. YouTube is a solid hosting platform, but a horrible consumption and sharing platform. YouTube has not capitalized on delivering their valuable content. An example is that on your YouTube page, you could see competitors' ads and completely unrelated videos. They do a poor job of categorizing and organizing content.
2. Integrating video into real estate sites is also not easy. Here are the options:
  - Embed YouTube codes, but then you have to update the code manually to make your site relevant and up to date. Plus, you're doing only a few videos at a time.
  - Embed a channel (a bit more technical, but not too hard to do), and then you can loop through and play only your videos. This is better but not great, especially if you have multiple topics or messages.
3. Embedding videos on your listing detail pages is nice, but then you are reliant on driving the consumer back to your site to watch the videos. It's far harder to promote these.

There are many real estate-specific video resources. Vscreen, leaders in real estate video development, and BombBomb, personally branded video messages are just two choices. However, nothing solves the issues of delivering great custom video content, organizing video in a fashion that drives traffic to your website and delivering content to your agents' or consumers' inboxes so they may consume your content again on your website. Pairing the consumption and delivery method creates the perfect environment for driving traffic and engaging the consumer.

That's why REAL Trends has created a product called Tagible. Tagible by REAL Trends solves all of these issues. Any brokerage, agent, real estate association or MLS may custom build a branded video library. You show only those videos you want to deliver to your audience. Our new platform has done all of the hard work for you. In seconds, you can have all of your videos still hosted on YouTube and then pulled into your video library.

There are no ads and no unrelated videos. You get only what you want your agents, members or consumers to see. To make this product more valuable, REAL Trends has built a video marketplace where almost all real estate videos reside. Videos from top coaches, industry leaders, technology companies, market reports, mobile apps, education, consumer videos and more. We have built a real estate marketplace to be easily added to your custom video library. Instantly, you have thousands of real estate videos in a format you can actually use.

Take back control of your video experience for your agents and consumers. Here are a few video libraries separated into categories for you to experience this product in action:

#### Real Estate Associations (click below):

[COLORADOREALTORS.TAGIBLE.COM](https://coloradorealtors.tagible.com)

[NMREALTOR.TAGIBLE.COM](https://nmrealtor.tagible.com)

[NSBAR.TAGIBLE.COM](https://nsbar.tagible.com)

#### Broker Video Libraries (click below):

[DICKSONREALTY.TAGIBLE.COM](https://dicksonrealty.tagible.com)

[REMAXPROS.TAGIBLE.COM](https://remaxpros.tagible.com)

#### Agent Video Libraries (click below):

[BRAD-WHITEHOUSE-REMAX.TAGIBLE.COM](https://brad-whitehouse-remax.tagible.com)

[WESELLLOUISVILLE.TAGIBLE.COM](https://weselllouisville.tagible.com)

Some of the best marketing companies are setting up their video libraries. Take a look at the NFL and GoPro. Both now feature video libraries on their website.

We have thought about the delivery mechanism in deep detail as well. In a few simple clicks, you can have your custom-branded video newsletter to deliver to consumers and/or agents. Now you can drive traffic back to your video library and complete the cycle to increase your overall business.

You don't even need to produce any video to take advantage of Tagible by REAL Trends. With the vast marketplace, you may pick from the most popular real estate videos, or simply choose the influential people and tech companies you want to disseminate their videos easily, fast and effectively.

Purchase your Tagible by REAL Trends account today.

#### Tech Trend: Integrations

As our technology consulting team visits with brokers across the country, we see far too many instances of system overload. The average brokerage is running with 10 to 15 technology programs. We wonder why agent adoption is so poor in our industry? Agents can't remember the passwords to all of these systems, plus who has the time to manage and maintain them?

Here is what we advise. Besides your email platform, you should strive to accomplish everything with a maximum of three technology systems. This includes

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## Special REAL Trends reports

Later this fall, we will be issuing two special reports. First is the REAL Trends 2014 Online Performance Study. This is our third edition of The Online Performance Study, and we will continue to deliver timely and useful trend data on how brokerage firms are tackling the challenge of marketing online. This year's report will be deeper and broader, covering more topics, with more commentary.

The second is a special white paper, which will take a deep look at long-term trends among brokerage firms and sales agents. It will look at how different brands and business models are performing relative to the market and to each other. Much of this information comes from an in-depth review of decades of data from the REAL Trends 500 and America's Best Real Estate Agents. Stay tuned for release dates for both of these reports. Both will be released before the end of the year.

## America's Best Real Estate Agents

Last year, the rankings of top agents and team reached a total of over 9,500 verified applications. We added new search functionality to the rankings so that readers could search by first and last name, city, state and company name. Next year, we hope to implement a new

improvement that will allow agents and teams to list cities they serve, not just the city where their office is located. This will improve the usability of the rankings for both real estate professionals and housing consumers.



### Fun Facts: Do you know Peyton Manning?

Football quarterback Peyton Manning will be the featured keynote speaker at the 2015 Gathering of Eagles in Denver. How well do you know him?

1. How many times has Peyton Manning been named league MVP?
2. Which NFL Team drafted him as a 1st round pick?
3. Oct. 19, 2014 he broke the record for the most career touchdown passes with his 509th TD. Who previously held the record that Peyton beat?

Answers  
at right



1. 5 2. Colts 3. Brett Favre

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your: website, CRM, email marketing, transaction management, Intranet, internal communications, mobile tools, CMA and document storage.

With the growth of single sign-on (SSO) and the prevalence of APIs (Application Program Interfaces), there should be no need to have more than three systems. Ideally, with these two technology strategies, you can have one place for your agents to conduct their work.

Let's take a deeper look, starting with single sign-on. This strategy allows your users to login from one technology platform to another. Thus, you can create a hub and spoke model. All of your agents go to one place to login for everything. Agents can still work in multiple systems and navigate quickly and easily from the main hub.

The next strategy is using an API, which is more complex than a single sign-on system. Many companies are opening up their APIs so that data can flow from one system to another. A good API integration could have your CRM completely talking with

a separate transaction management system, and your agents would never need to leave the CRM. The API route is costly. You can pay anywhere from \$1,000 to \$10,000 for an API integration from one system to another. In the end, this is the ideal route. The trick is that both parties need to play in a friendly way and allow their APIs to be open (Not all players are like this, and some are selective). Our industry is moving to a more open and friendly approach.

The bottom-line is this: There is not one vendor that excels at every real estate technology no matter what anybody tells you. Many have great pieces. Some have multiple great pieces. Sometimes a fully integrated system with a few of the pieces that are less than great is better than adding separate technology strategies, even if those other pieces are better. Something will be left out when it comes to your agent adoption.

Need more information on technology trends and how to make them work for your brokerage? Give us a call at 303-741-1000. ■