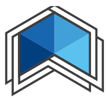

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DECEMBER 2017 NEWSLETTER

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REAL ESTATE INDUSTRY SHIFTS

THE CHANGING OF THE GUARD

A look at the industry changes that prevailed while four iconic leaders guided their firms to success.

By Steve Murray, President

With the announcement of Richard Smith's departure from Realogy, an interesting period of history comes to a close. For the last 20 years, five individuals have guided the fates of five large national organizations. Smith ran Realogy; Dave Liniger ran RE/MAX; Ron Peltier runs what is today Berkshire Hathaway HomeServices and Gary Keller has led Keller Williams Realty International. Pam O'Connor has led Leading RE for years. Think of that: These individuals led organizations that

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represent nearly 55 percent of all Realtors® in the country.

Interesting Times

These have been interesting times. Since 1997, there have been two booms and one loud bust. Two of the firms became publicly held entities, one is owned by one of the largest business enterprises in the world, and one remains privately owned. The internet arrived at the start of these past two decades. The housing market changed dramatically in many ways. Technology firms and Wall Street investors poured billions in an attempt to disrupt the incumbents and their business models.

Federal and state regulators changed how realty firms can include mortgage, title insurance and other core services. Four U.S. Presidents have been in office. Realtor® membership went from about 800,000 to nearly 1.4 million, then dropped to 900,000 and now is heading back to 1.4 million (and beyond?)

Through it all, these five leaders guided their firms, prospering in most ways, struggling in some. Some of us think they could have changed faster—or gone different directions. But, as Teddy Roosevelt said in his ode to those who toil in the trenches, "it is easy to sit on the sidelines and give commentary, but far different when one is the man in the arena who toils mightily, fails sometimes, but never fails to get back into the fight."

Future?

No one knows what the future holds, and it may be that Keller, O'Connor, Liniger and Peltier will be leading their firms for many years to come. That stability is important in many ways, just as it's also true that sometimes new blood means new and different directions for organizations. I will miss the strength of Richard Smith, his constancy and his presence.

Richard Smith

Among these five, our view is that Smith's may well have been the most difficult and challenging task during the last 20 years. But, he brought the largest residential real estate services business through the turmoil of the last 20 years amazingly intact. For that, many should be thankful.

COMPASS AND REDFIN

TWIN SONS OF DIFFERENT MOTHERS

REAL Trends' view of these two similar firms.

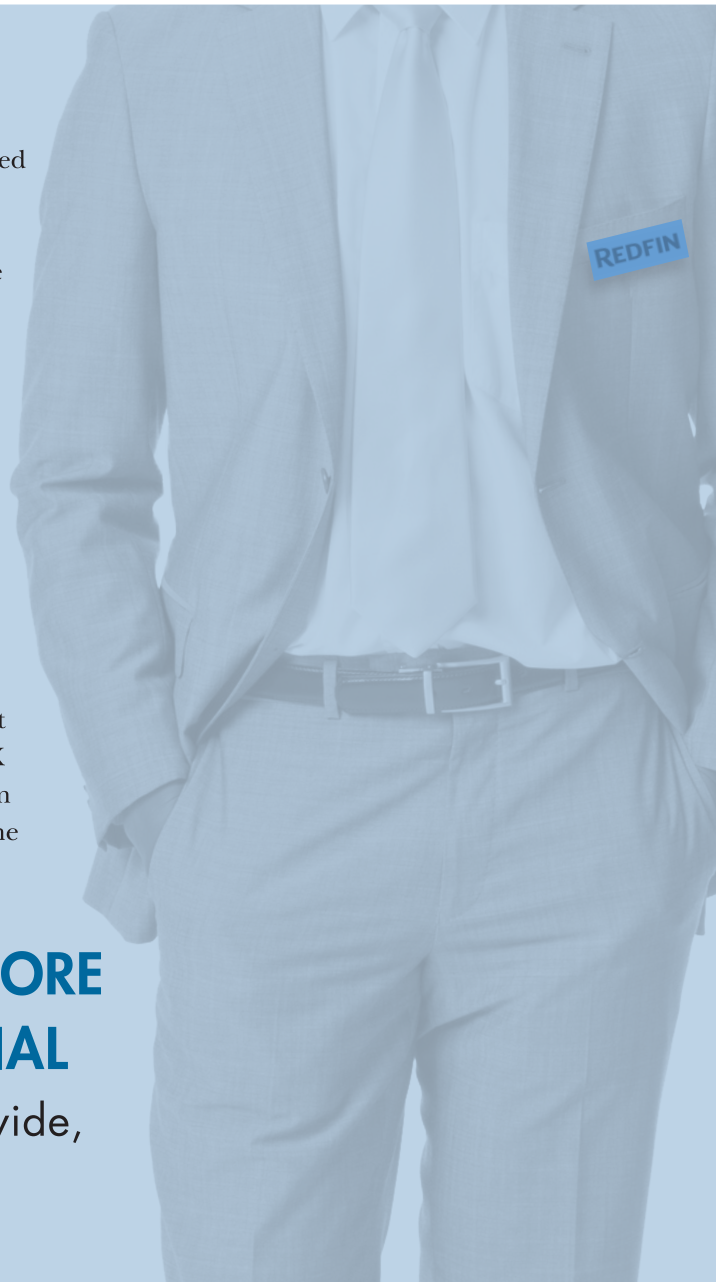
By Steve Murray, president

These two firms continue to make the news—Redfin with their public offering and continued growth, and Compass with a new fundraising round and large claims of growth ahead. In many ways they are similar, venture-backed realty firms, proposing to do things differently and both communicating high expectations for future growth. Here's our take:

RedFin

Redfin is the more interesting to us. They are fundamentally a residential real estate brokerage business. They have a well-regarded public web presence, and lesser-observed, tech-based operating system that runs their business. They offer discounts on their realty commissions (nothing particularly new here), and their agents are employees rather than independent contractors. Other realty firms, including Van Schaack in the distant past, and, more recently, ZipRealty, did the same thing. Some teams have mostly employees-agents as well.

But, they package it well. Better than most. Their investors price them more like a technology firm than a realty firm. At this time, they are worth more than RE/MAX International with its nearly 120,000 agents worldwide, without having any earnings. Wall Street believes they have a bright future and that their model will ultimately be a high-growth, high-margin realty business. Maybe they will, but they are little threat to the brokerage community at this time. What one must take into account is that both RE/MAX and Keller Williams began to affect the brokerage community when they had less than 2 percent market share nationally. Will the same thing happen with RedFin? Only the future will tell.



At this time, **THEY ARE WORTH MORE THAN RE/MAX INTERNATIONAL** with its nearly 120,000 agents worldwide, without having any earnings.

Compass

Compass raised another $100 million, which now values the firm at around $1.8 billion—roughly the same neighborhood as Redfin. Leaders of the company continue to tout that they are not a realty firm but a technology firm operating in the realty business. News reports cite that they have 2,000 agents today and expect to grow to 4,000 agents this next year. One of their leaders said his goal is to "have 20 percent market share in 20 large markets by 2020." They indicated that they would generate about $190 million in revenue this year and expect to double that in the near future.

Leadership brushes off comments that they are really just a realty firm, that their technology is no better than what is available elsewhere and makes some claims that their technology helps their agents grow their business by 25 percent or more.

Regardless of your view, we do know markets and the brokerage firms that lead in those markets. If their claim of "20 percent share in 20 large markets" is not just a rallying cry but a realistic goal, they are likely to be sorely disappointed. In almost all of those markets, no one firm has ever had 20 percent or more market share. And, there are two or more strong, large competitors in each of them, most with well-built technology platforms and thousands of agents. Is it possible they could gain 20 percent market share in even one of those markets in the next three years? Only if they bring a far larger checkbook than the $100 plus million they have now.

As to whether they are a tech firm and not a realty firm, we will let their investors find out in their own time. We tend to agree with former agents and other observers that they are, in fact, a realty firm dressed up to look like a tech firm by their founders. One essential point we make here is that if their technology is so good, then why do they feel the need to offer signing bonuses at this late date in their development to get agents to join them? Just a thought.

News reports cite that they have **2,000 AGENTS TODAY AND EXPECT TO GROW TO 4,000 AGENTS** this next year. One of their leaders said his goal is to "have 20 percent market share in 20 large markets by 2020."

It will be interesting to see where Redfin and Compass are in three to five years. We believe they will be larger and in more markets. And, we trust that, at some point, their owners will want to see earnings. But are they an existential threat to the incumbent brokerage market, particularly the leading brokerage firms of today? We don't think so. They may have their investors believing they are technology firms who happen to be in the residential realty business, but everything we see tells us that they are just as much involved in the realty business as all the other brokerage firms.

THE PROFITABILITY OF BROKERAGE FIRMS

Are there problems with broker profitability?

By Steve Murray, president

In other recent news, there continues to be comments about some profit problems among residential brokerage firms. We disagree. In fact, we may be repeating ourselves in this statement.

We've been tracking broker profitability for over 20 years. The best realty firms, regardless of brand, business model or location, have margins of 4 to 6 percent pre-tax on gross revenues or 23 to 27 percent pre-tax margins on their Gross Margin/Company Revenues. This does not include profit from mortgage services or other core businesses.

This is the same margin that leading brokerage firms have had for almost the entire 20 years we've been doing valuations on these firms. Of course, this wasn't the case during the downturn. But, in the healthy markets of 2014 to 2017, as well as 1997 to 2005, it was certainly true.

There are outliers both above and below this range. It's true that it's harder to keep those margins today than it was 20 years ago. Leading brokerage firms of all kinds adapt to new conditions, as they always have.

The best realty firms, regardless of brand, business model or location, have margins of 4 to 6 percent pre-tax on gross revenues or 23 to 27 percent pre-tax margins on their Gross Margin/Company Revenues.

NAR, RPR, UPSTREAM AND THE REST

The internet has been blowing up with stories about the above efforts. REAL Trends wants to weigh in.

By Steve Murray, president

Last month brought a flurry of articles about the challenges and miscues of the National Association of Realtors® (NAR), Realtors Property Resource (RPR) and Upstream, the effort by leading brokerage firms, together with NAR and RPR, to build a national warehouse of real property data that would be under the control of brokerage firms.

Much of the commentary was not flattering. It has been said that NAR wasted hundreds of millions of its members' monies; that RPR is so little used by a majority of the membership that it should be shut down; that RPR uses outside contractors for much of its coding; and that Upstream has wandered far from its original intentions and that it may never reach its goal of data independence for the brokerage firms of the country.

Is it True?

We can't say how much of this commentary is factual, although we agree that, in so far as NAR told the membership that RPR would become self-funding, and it appears that that objective will never be attained, a review may be in order.

We ask a simpler question. How many times has NAR attempted a technological breakthrough for the purposes of protecting the membership from the predators it sees around each corner—and almost every time failed to achieve that goal? Certainly, RIN and Realtor.com did not protect the membership from Zillow and others (although they did beat off Microsoft HomeAdvisor). RPR has not stopped numerous firms such as Boomtown, SmartZip and others from providing data-driven marketing tools. The free online forms and transaction management has not stopped SkySlope, Instinet and dotloop from gaining traction with thousands of brokers and agents.

Do You Need Protecting?

What is it about the Realtor organization that keeps them thinking they can protect the membership from innovators? Why does the leadership think that brokers and agents need protecting? The industry has been invaded by huge Wall Street firms, large insurance companies, retailers, credit unions, discount brokerage, different commission model realty firms and more for the past 20, 30 and 40 years. NAR spent millions of dollars and thousands of hours fighting to keep commercial banks out of brokerage. That hasn't stopped Wall Street from financing competitive new entrants like RedFin, Compass, Purple Bricks or Open Door from entering the business. Compared to these vigorous new competitors, commercial banks appear tame.

Yet, the number of members continues to rise, and this year will likely see the second highest level of commission revenues in history. Why does the Realtor leadership think the members need protection?

From our view, RPR and all the rest are manifestations of a deep-seated fear of those from outside the industry. Until that view is banished from the thinking of the Realtor leadership, it will jump from one investment to another, always perceiving some new imagined threat to the membership. This fear-based view is what really needs to change.

What is it about the Realtor organization that keeps them thinking they can protect the membership from innovators? Why does the leadership think that brokers and agents need protecting?

RETAINED COMPANY DOLLAR DROPS

REAL Trends' highly sought-after brokerage benchmark report offers invaluable insights into the residential real estate industry, and our recent update is certainly illuminating.

by Scott Wright

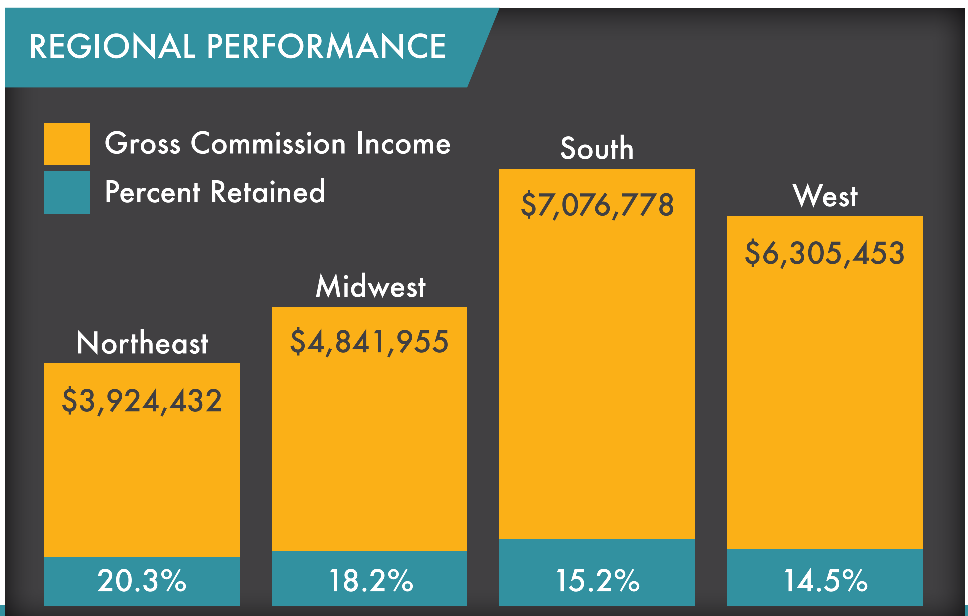
When analyzing the profitability of brokerages, the first metric that most industry experts key in on is retained company dollar. For every dollar of commission earned, how much is the broker keeping? Per the latest update, on average from 2015 to current, brokers are only keeping a staggering 15.9 percent!

15.9%, gasp, wow! Brokers have, of course, been dealing with a decline in retained company dollar for decades now, though it seems like yesterday that if you couldn't keep 30 percent, it was time to hang up your cleats. However, structural changes to the industry have led to the crumbling of this floor, and retained company dollar seems to keep declining year after year.

In the last six years since we've formally been tracking this data, we've seen rampant declines. Back in 2012—the year home prices started to rise after the Great Recession—the national average was 22.9 percent. Fast forward to 2016, the last full year of data we have, and retained company dollar has taken a 29 percent haircut. When will the bleeding end?

Who knows? What we do know though is that there's an ongoing decline in retained company dollar, so let's dig a little deeper into the numbers.

Feeding this benchmark is financial data from hundreds of valuations we've performed for firms of all shapes and sizes located all across the country. If 15.9 percent is the national average, how do things look regionally?



Fast forward to 2016, the last full year of data we have, and retained company dollar has taken **A 29 PERCENT HAIRCUT**. When will the bleeding end? Who knows? What we do know though is that there's an ongoing decline in retained company dollar.

We break out the regions into the Northeast, Midwest, South and West. As you can see, different parts of the country march to different beats of the drum. The highest retained company dollar is in the Northeast, clinging just above 20 percent. Not too far behind is the Midwest with an 18.2 percent average. Then, you get to the South and West where retained company dollar is substantially lower. Brokers in the western portion of the country, in particular, see their margins pinched, with the average now under 15 percent. For every dollar of commission earned, brokers see less than fifteen cents!

With retained company dollar wildly varying from one side of the country to the other, you wonder how westerners and southerners can make a buck while keeping 40 percent less. However, you don't need to look far when you consider office-level revenues. Displayed in this chart is average Gross Commission Income (GCI) per office in each region, and it's clear that brokers in the south and west are compensating for the lower margins by demanding higher revenues from each office.

This disparity is not all that surprising if you know anything about how a broker in, say, Cape Cod operates compared to one in Dallas. On Cape Cod, agents value office space a lot more than those in Dallas. Cape Cod agents also expect their broker to provide more marketing and related materials. As a result, brokers typically have higher operating expenses and won't pay as high of a split to cover these expenses.

In Dallas, your average agent doesn't need as much square footage in the office, nor do they require as much corporate-level marketing. So, while operating expenses are lower on average for a Dallas broker, they need to pay higher splits, which naturally leads to lower retained company dollar. Further supporting this is another benchmark metric that compares average agents per office. In the Northeast, we're seeing just over 50 agents per office, compared to 125 in the South.

When you consider office-level revenue, which has a direct correlation with agents per office, the regional differences in retained company dollar aren't all that concerning. What is concerning is the ongoing decline in how much the brokers are keeping across the board. It'll be interesting to see how things pan out in the years to come, especially when we see a downturn in the housing market.

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BROKERAGE

BUILDING A SMART BUSINESS

What is a Smart Business? We define it as a business that is sustainable over time and gives you a high economic return on your investment of time and money.

By Larry Kendall, author of Ninja Selling and chairman Emeritus of The Group, Inc. Real Estate

To build your smart business, start by helping your sales associates build their smart business, as well. Most of them are not business people, and they are easily distracted by shiny objects designed to take their money and time. Show them how to build a smart business and they will love you for it. They will stay loyal and help you recruit others who want a smart business too.

To build a smart business, you'll need to re-focus your associates in three key areas:

1. Building relationships
2. Referral thinking
3. Build a database/CRM and flow activities

My observation is that most sales associates are not focused on these three areas. Instead, they spend their time and money chasing strangers (internet leads) and looking at screens. Why? Let's look at these three keys in detail.

1. **Focus on Building Relationships.** A recent Zillow study of 13,249 households asked this question: "Did your Realtor® contact you after closing?" Here are the results:

   - 74% said they never heard from their Realtor again!
   - 20% heard from their Realtor occasionally (once a year).
   - 6% heard from their Realtor regularly (at least once a month).

   This state of the industry was confirmed recently by Lee Cockerell, retired executive vice president of Disney in charge of Disneyworld. Lee was the keynote speaker at the Colorado Real Estate Convention when he paused and said, "Can I give you an observation on your industry? My wife and I have purchased and sold 11 homes in our lifetime. Never once did the Realtor follow-up with us after closing."

   Why don't real estate professionals follow-up and build relationships? Why are they always chasing the next lead and running their businesses like a series of one-night stands? The next two areas are the reason.

2. **Focus on referrals.** Most real estate professionals think only in terms of the transaction. Here's their mindset: "These people bought this house, and they are good to go for the next seven to nine years. I need to look for another lead." Point out to your associates a Harris Interactive survey of Americans that showed on average they knew four people who moved last year. Think referrals! Think relationships! The two are tied together.

   Lee Cockerell went on to say, "As the head of Disneyworld, I was interviewing two to three executives a week who were looking for housing. Had my Realtor built a relationship, I could have made their career!" Relationships and referral thinking are the greatest missed opportunities for most real estate professionals.

3. **Build a database/CRM and flow activities.** Why do most real estate professionals not follow-up and build relationships? They haven't built a database or Customer Relationship Manager (CRM). A study of 20,000 real estate professionals by Efficiency by Design found that 60 percent of them did not have a database or CRM. No wonder they don't stay in touch. They can't even make a phone call or write a personal note. The 40 percent with some level of database earned 251 percent more income!

   Relationships are built through frequency of interaction—face-to-face, voice-to-voice, email, text, mail and social media. We call this frequency of interaction flow. Setting up a consistent flow system requires a data base/CRM. Help them set this up and it will pay huge dividends for them and for you.

In my 44 years studying sales associates with the highest income per hour and the highest percentage of net income, they have all had these three keys in place. This is a simple business. Show your associates the benefits of building a relationship business. Next, remind them to focus on referral thinking. Then, help them put together their CRM and flow system. Help them build a smart business, and you'll have built a smart business as well.

This is a simple business. Show your associates the benefits of building a relationship business.

BROKEREAGE

SHIFTS IN BROKERAGE MARKETING INVESTMENTS FOR 2018

by Deirdre LePera

On average, real estate brokerages spend 11 percent of their monthly budget on marketing and advertising. Pair that expense with technology (also at 11 percent)—because the two are intertwined for most firms—and it makes the overall expense second only to personnel costs (35 percent), and just about tied with brick and mortar costs (21 percent), according to "Evaluate and Improve Your Technology Spend," REAL Trends, September 2016.

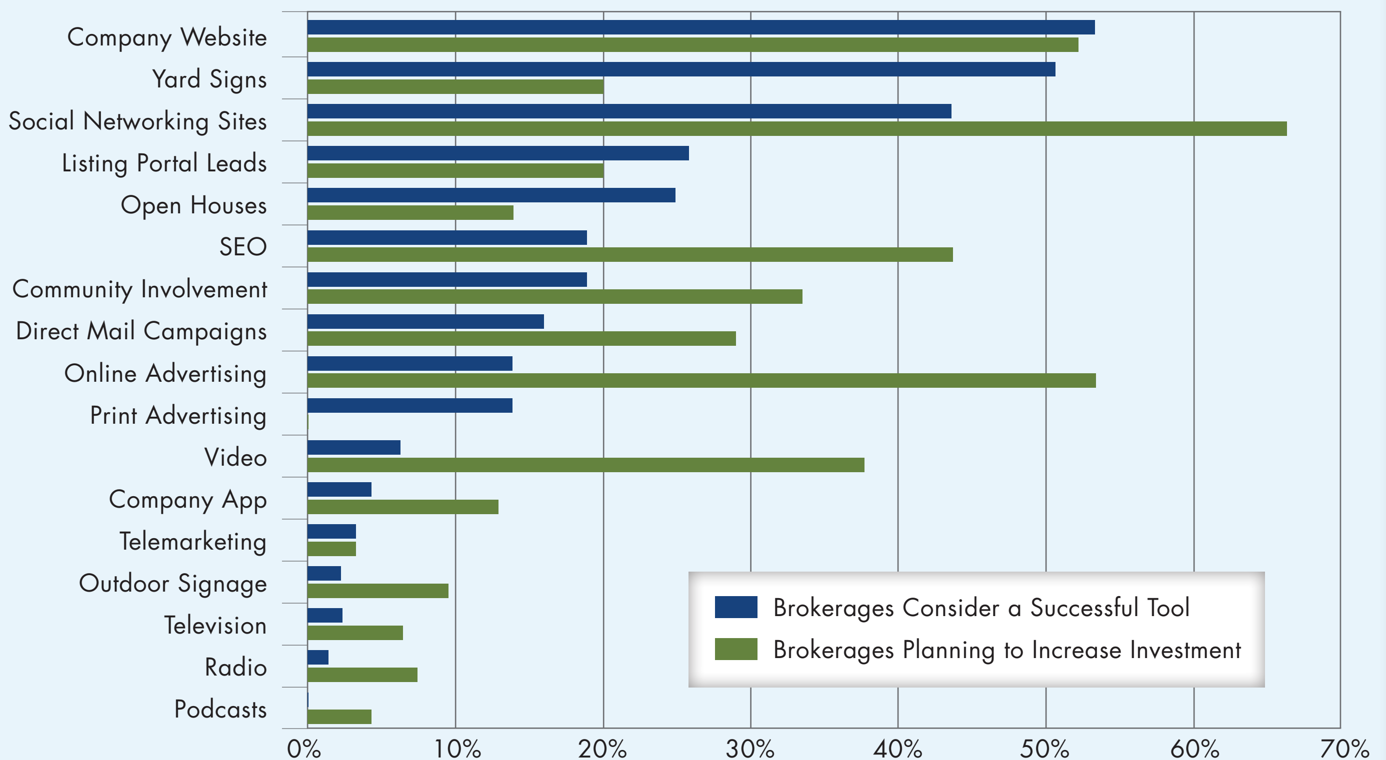
Given the size of the investment, REAL Trends recently surveyed the top brokerage leaders in the country to find out where they are investing their marketing dollars now and what changes they plan to make in 2018. Here is a look at our initial findings.

Budgets on the Move

On average, firms answered that their marketing budgets would increase by seven percent in 2018. A closer look at the data indicates a more modest bump with a median increase of just one percent. That is not to say that some brokerages did not have significant adjustments in mind for 2018. One firm anticipates reducing their marketing budget by 20 percent by moving to a different website provider. Another planned to increase their budget by 70 percent given their success with online advertisements on social media sites.

Trending Up

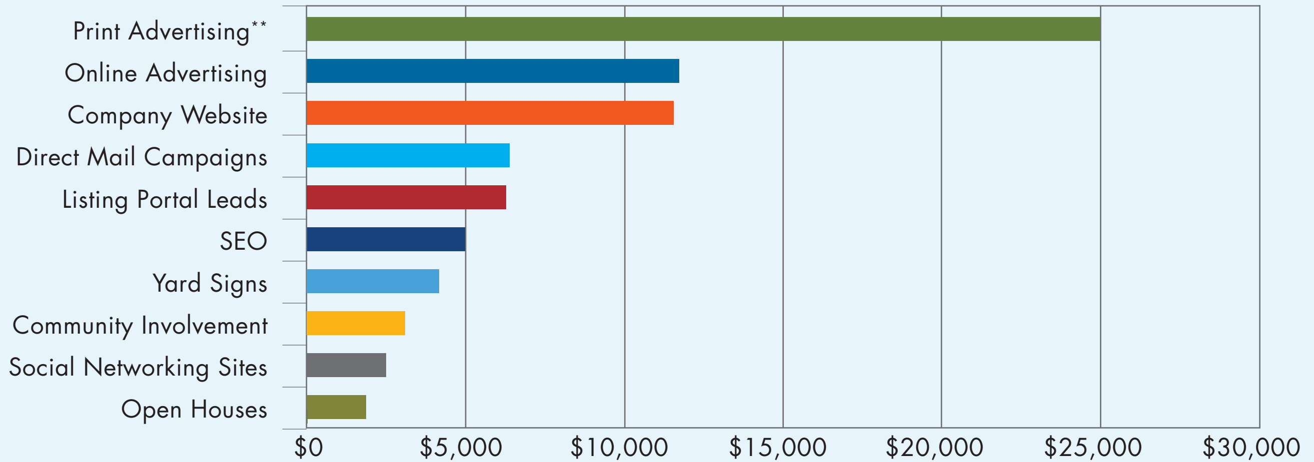
What has worked well for most firms in 2017 is anticipated to be a big focal point in 2018. Overall, firms selected company websites, yard signs and social networking sites as their most successful marketing tools. Firms are more likely to track return on investment from company websites and social networking sites than any other lead source. In 2018, firms plan to invest more money in social networking sites, online advertising and their company website. Take a look at the graph to see exactly what marketing tools brokerages find the most valuable and how many are planning on increasing their investment in those channels in 2018.



Where the Cuts Will Happen

With a minimal change in budgets overall, an increase in spending in one area can't come without a decrease in spending somewhere else. Print advertising is highest on the chopping block with 52 percent of firms indicating that they will reduce spending in this area first, followed by listing portal leads and direct mail campaigns. Print advertising ranked as the highest expense for firms, with a median spend of $25,000 a month. (Print advertising is represented by a median figure. The average monthly cost for print advertising was $71,021.) Other marketing investments like online advertising and company websites compared at an average cost of $11,750 and $11,506 a month respectively.

AVERAGE MONTHLY INVESTMENT ON MARKETING TOOLS



PLAN TO SPEND LESS ON IN 2018

52% - Print advertising
(magazines, newspapers, etc.)

27% - Listing portal leads
(Realtor.com, Zillow, Homes.com, etc.)

14% - Direct mail campaign

When asked what was most likely to influence broker-owners to shift their marketing budget in 2018, the answers varied but the general idea was the same. Each is watching the market as well as their competition. They are paying closer attention to their return on investment especially when it comes to direct lead sources.

ATTRACTING TOP TALENT

5 KEY QUESTIONS TO ASK

by Adam Roach, creator, Recruiting Bridge

Want to recruit top talent? Ask yourself these five key questions:

1. **What about your vision statement is attractive to big picture thinkers?**

   The vision statement of your business needs to be clear, concise and relatable. It should also be in alignment with the vision of your recruit.

   If a recruit's vision is too easily attainable, call him or her out on it. You want them to have something to focus on and achieve while they are a part of your business. That is how you will show the value of being in business together. While recruiting the No. 1 agent from a competing broker, I shared our vision statement, which laid the foundation for this mega-agent to increase his business by 1000 percent in 2 ½ years. It wasn't easily attainable, but it could be done.

2. **What about your current environment is not attracting top talent?**

   Your business needs to be standard focused. The environment needs to be measurable and the culture measured or it will fall out of focus. Show care and candor, and you'll become more attractive to those who are not part of your business. I've established a belief system in my business and everyone that is a part of it is in alignment with our values.

   I had a vision of creating the most vibrant and attractive real estate office in town. We created that by thinking outside the box. After accomplishing this, our market share grew from 4 percent to nearly 10 percent in three years.

If a recruit's vision is too easily attainable, call him or her out on it.

You want them to have something to focus on and achieve while they are a part of your business.

3. **Would you attend your training?**

   Step outside and look in. Your business must always be conducive to growth. Training needs to be progressive, meaning you start at A and you end at Z. Make it broad in scope and specific in development. Training should be aimed at personal development as well as professional. Make sure there is a purpose and that purpose is in alignment with your environment, culture and vision. Professional growth won't happen without some self-discovery.

   After creating a standard of no less than six different training classes a week, my real estate office went from closing nearly 100 transactions a month to well over 250 per month.

When you're able to paint a big picture, and articulate the opportunity within the picture, questions will be created. Tell your recruits what the big picture is and share with them how that happens.

4. **Does their world fit into your world?**

   When you're able to paint a big picture, and articulate the opportunity within the picture, questions will be created. Tell your recruits what the big picture is and share with them how that happens. They will ask questions on how they can be a part of it. I always think of Walt Disney when it comes to growth opportunities. Disney had this big vision and everybody fit into it. Your agents and your recruits need to know what their upward mobility is, if they don't think they fit; they will leave.

5. **What proven track record do your systems have? Is it one of success?**

   While top talent will push for solutions, a foundation of structured systems with a proven track record is a must. Once completed, the talent will come and add creativity. These systems won't fall into place without your business having a purpose. Practice your purpose, measure the outcome, and you'll have a proven track record of success. Case in point, after attracting the right operations manager with the right systems, our attrition went from 47 percent to 30 percent in 12 months.

Adam Roach is the co-creator of Recruiting Bridge. In 2014, Adam founded and created a lead generation/communication system specifically for Keller Williams' Team Leaders called recruiting | bridge. To-date, recruiting | bridge has had nearly 90 percent of all Keller Williams market centers using the application and generating over 100,000 leads annually.

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A CULTURE OF OPPORTUNITY

For business leader Vanessa Saunders, her lead generation company offers more than just leads. It's the culture of networking, help and collaboration that makes all the difference.

For years, Vanessa Saunders, CEO and principal broker of Global Property Systems in Manhattan, traveled the world as the senior vice president of global marketing and operations for George P. Johnson Group (GPJ), a large event and experience marketing company. "It was GPJ who sponsored my board position at the World Trade Centers," says Saunders, who found her office and life upended in the wake of the 9/11 tragedies. "In the middle of the night in December 2001, I decided I wanted to be a Realtor®," she says. Things were going well until 2012 when she lost her house when Hurricane Sandy hit. "We were hit hard financially. Insurance would only cover a small portion of our losses, and all of our savings was tied up in the brokerage."

Determined to get back on her feet and keep the brokerage afloat, she decided to retool her business plan and start recruiting more agents in order to grow. With her business acumen and leadership experience in corporate America, she knew the way to do this was to find a system that offered a quality product with a personal touch. That's when she discovered CINC (Commissions Inc.) "I told them I didn't have a huge amount of money to spend and they listened. They made it work for us, and we started seeing exponential growth in six to eight weeks," says Saunders. "We went from purely a listing brokerage to attracting agents. CINC became our agent training machine," she adds.

"I told them I didn't have a huge amount of money to spend and they listened. They made it work for us, and **WE STARTED SEEING EXPONENTIAL GROWTH** in six to eight weeks." — **Vanessa Saunders**

That training was all part of the culture of opportunity that CINC (Commission Inc.) offered, and Saunders appreciated from the beginning.

It's About the Family

To Saunders, CINC is much more than a lead generation system. "It's about the family—from other platform owners to the CINC team, everyone is open and collaborative," she says. "I'm always gleaning new information from their training. They have many modules for beginner to expert." But, it's the in-person networking that means the most to her. In particular, CINC University events. "I send the majority of my residential teams to these events. And, they are exceptionally ahead of the trends because of the knowledge they receive there."

And, the company is open to collaborating with her to build new modules or capabilities into the system. "When a CINC platform owner has a need, the CINC team endeavors to make the need a reality. The code-writing team at CINC is so helpful." The best part, she says, is that they know her by name. "We get involved in each other's lives. I am not a ticket or number. When I call, they ask me about my dog or mention something I posted on Facebook. It makes such a difference. They've mastered the ability to be personal."

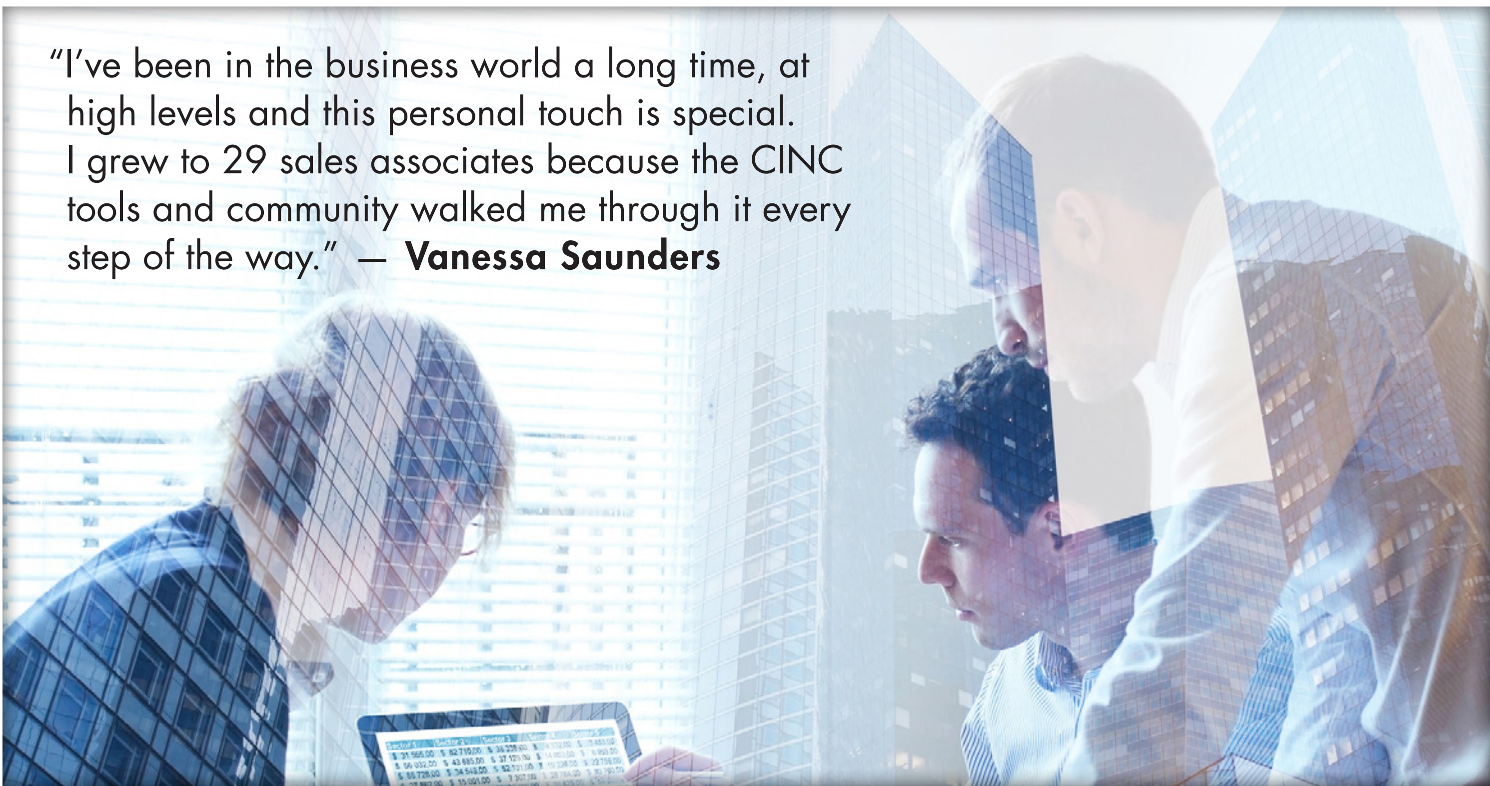
In-person Networking

Not only that, but the events held by CINC offer a rare opportunity to network with other platform users. "The CINC Client Summit in Las Vegas was like a family reunion. Every session I attend gives me the opportunity to learn something new, make a new business friend and get down and dirty with the programmers to find out what's coming in the next year," she says. As an independent broker, she notes, it's vital to have people she can talk to about business challenges. "We all trust each other, even the platform users in my own market. We pass each other referrals," she says. "It's empowered me."

Taking Online Offline

When it comes to continuing the relationships made with platform owners, Saunders looks to the private Facebook Group. "On my computer, I have three screens and that Facebook group is up on one screen all the time. It's great for incoming and outgoing referrals, inspirational stories, and sharing ideas," she says. On the group page, platform owners ask for help and advice. "At least weekly, I end up taking the conversation offline and talk to someone I haven't met who is starting with the CINC (Commissions Inc.) platform."

Overall, says Saunders, CINC is so much more than a great lead generation service and CRM. "I don't think any other company has this type of sharing culture. I've been in the business world a long time, at high levels and this personal touch is special. I grew to 29 sales associates because the CINC tools and community walked me through it every step of the way."



AMERICAN DREAM REVISED

NEW STUDY SAYS HOMEOWNERS SHOULDN'T COUNT ON PROPERTY APPRECIATION CREATING WEALTH

Home Ownership Should be Seen More as Forced Savings, Says FAU Expert

The American Dream of homeownership as the path to creating wealth may be due for a revision. A new study by faculty at Florida Atlantic University, Florida International University and the University of Wyoming finds that the property appreciation most homeowners expect when buying a home may be relatively meaningless in terms of building wealth.

The study, published in the *Journal of Housing Research,* found that households through their own actions have more control over their overall wealth than do uncontrollable market variables. That is, any gains from property appreciation have been historically offset by greater gains in the stock and bond markets.

"When considering buying and building wealth through equity appreciation versus renting and reinvesting in a portfolio of stocks and bonds, property appreciation does not change the results," said study co-author Ken Johnson, Ph.D., real estate economist at FAU's College of Business and co-developer of the Beracha, Hardin and Johnson Buy vs. Rent Index. "On average, renting and reinvesting wins in terms of wealth creation regardless of property appreciation, because property appreciation is highly correlated with gains in the traditional financial asset classes of stocks and bonds."

So, the old adage that those who choose not to buy a home are "throwing their money away on rent" isn't necessarily true. That statement inherently assumes that any monies that someone would have used for a down payment and/or any rent savings are spent on consumption. But what if the renter instead reinvests those monies and earns a return?

"When you assume that those monies are reinvested at a rate of return, renting, on average, wins in terms of wealth creation," Johnson said. "Of course, many renters will not reinvest those monies and will instead use them for consumer goods, which is the least desirable option in terms of building wealth."

The analysis showed that households that are likely to not reinvest buy-rent cash differentials should mostly own rather than rent their primary residence as ownership forces them to save.

"The American Dream is alive and well but in need of revision," Johnson said. "To that end, we suggest not all but most should own rather than rent due to ownership's embedded commitment to save. Owning real estate should be sold as a strategy to create better set of risk-adjusted returns rather than create wealth alone."

"We suggest not all but most should own rather than rent due to ownership's embedded commitment to save.

Owning real estate should be sold as a strategy to create better set of risk-adjusted returns rather than create wealth alone."
— Ken Johnson, Ph.D.

BIG SHIFTS IN THE HOUSING MARKET EXPECTED IN 2018

National inventory levels predicted to see positive growth; Las Vegas to lead the U.S. in sales and price growth

Inventory constraints that have fueled a sharp rise in home prices and made it difficult for buyers to gain a foothold in the market will begin to ease next year as part of broad and continued market improvements, according to the realtor.com® 2018 National Housing Forecast released today by the online real estate information and services destination.

The easing of the inventory shortage, which is expected to result in more manageable increases in home prices and a modest acceleration of home sales, is based on an inventory growth trend that began in August 2017, according to realtor.com®. The annual forecast, which is among the industry's bellwethers in tracking and analyzing major trends in the housing market, also expects an increase in millennial mortgage share and strong sales growth in Southern markets. The wildcard in 2018 will be the impact of the tax reform legislation currently being debated in Congress.

"We are forecasting next year to set the stage for a significant inflection point in the housing shortage," said Javier Vivas, director of economic research for realtor.com®. "Inventory increases will be felt in higher priced segments after home buying season, which limits their impact on total sales for the year. As we head into 2019 and beyond, we expect to see these inventory increases take hold and provide relief for first-time home buyers and drive sales growth."

Realtor.com Forecast for Key Housing Indicators

Housing Indicator	Realtor.com® 2018 Forecast
Home price appreciation	3.2% increase, enabling a sales pickup
Mortgage rate	Averaging 4.6%, reaching 5.0% (30 year fixed) by end of year
Existing home sales	2.5% growth, low inventory trend starts to reverse
Housing starts	3% growth in home starts; 7% growth in single family home starts
New home sales	Increase 7%
Home ownership rate	Stabilizes at 63.9% after having bottomed in Q2-2016

Five Housing Trends for 2018

1. **Inventory begins to increase.** Beginning in August 2017, the U.S. housing market started to see a higher than normal month-over-month increase in the number of homes on the market. Based on this trend, realtor.com® projects U.S. year-over-year inventory growth to tick up into positive territory by fall 2018, for the first time since 2015. Inventory declines are expected to decelerate slowly throughout the year, reaching a 4 percent year-over-year decline in March before increasing in the early fall, after the peak home-buying months. Boston, Detroit, Kansas City, Nashville and Philadelphia are predicted to see inventory

recover first. The majority of this growth is expected in the mid-to-upper tier price points, which includes U.S. homes priced above $350,000. Starter homes are expected to take longer to recover because their levels have become so depleted by first time buyers.

2. **Slowing price appreciation.** Home prices are forecasted to slow to 3.2 percent growth year-over-year nationally, from an estimated increase of 5.5 percent in 2017. Most of the slowing will be felt in the higher-priced segment as more available inventory in this price range and a smaller pool of buyers will force sellers to price competitively. Entry-level homes will continue to see price gains due to the larger number of buyers that can afford them and more limited homes available for sale in this price range.

3. **Millennials gain market share in all home price segments.** Although millennials will continue to face challenges next year with rising interest rates and home prices, they are on track to gain mortgage market share in all price points, due to the sheer size of the generation. Millennials could reach 43 percent of home buyers taking out a mortgage by the end of 2018, up from an estimated 40 percent in 2017. With the largest cohort of Millennials expected to turn 30 in 2020, their homeownership market share is only expected to increase.

4. **Southern markets will lead in sales growth.** Southern cities are anticipated to beat the national average in home sales growth in 2018 with Tulsa, Okla.; Little Rock, Ark.; Dallas; and Charlotte, N.C.; leading the pack. Sales are expected to grow by 6 percent or more in these markets, compared with 2.5 percent nationally. The majority of this growth can be attributed to healthy building levels combating the housing shortage. With inventory growth just around the corner, these areas are primed for sales gains in years to come.

5. **Tax reform is a major wildcard.** At the time of this forecast, both the House and Senate had bills up for consideration, because neither had passed at the time they were not included in the forecast. Both proposed tax changes had provisions that are likely to decrease incentives for mobility and reduce ownership tax benefits. On the flip side, some taxpayers, including renters, are likely to see a tax cut. While more disposable income for buyers is positive for housing, the loss of tax benefits for ownership could lead to fewer sales and lower prices with the largest impact on markets with higher prices and incomes.

Next year, home prices are anticipated to increase 3.2 percent year-over-year after finishing 2017 up 5.5 percent year-over-year. Existing home sales are forecast to increase 2.5 percent to 5.60 million homes due in-part to inventory increases, compared to 2017's 0.4 percent increase or 5.47 million homes. Mortgage rates are expected to reach 5.0 percent by the end of 2018 due to stronger economic growth, inflationary pressure, and monetary policy normalization in the year ahead.

2018 Top Housing Markets

(based largest sales and prices gains)

1. Las Vegas-Henderson-Paradise, Nev.
2. Dallas-Fort Worth-Arlington, Texas
3. Deltona-Daytona Beach-Ormond Beach, Fla.
4. Stockton-Lodi, Calif.
5. Lakeland-Winter Haven, Fla.
6. Salt Lake City, Utah
7. Charlotte-Concord-Gastonia, N.C.-S.C.
8. Colorado Springs, Colo.
9. Nashville-Davidson-Murfreesboro-Franklin, Tenn.
10. Tulsa, Okla.

Realtor.com's model-based forecast uses data on the housing market and overall economy to estimate values for these variables for the year ahead. The forecast result is a projection for annual total sales increase (total 2018 existing-home sales vs. 2017) and annual median price increase (2018 median existing-home sales price vs. 2017).

OCTOBER NATIONAL SHOWING INDEX® SHOWS 8.9% YEAR-OVER-YEAR INCREASE

South Region rebounds from Hurricane Irma; overall market continues to see increased demand.

Key Points:

- South Region increases 11.6 percent despite the previous month's effects from Hurricane Irma
- Other regions – Northeast (10.2 percent), Midwest (8.1 percent) and West (5.5 percent) – recorded year-over-year gains as demand for residential housing continues to rise.
- ShowingTime combines showing data with findings from its MarketStats division to provide a new set of benchmarks that track demand for active listings throughout the country, unlike any other market index.

Home showings on the national level posted a 8.9 percent year-over-year increase in October, according to the November 2017 ShowingTime Showing Index®.

ShowingTime Chief Analytics Officer Daniil Cherkasskiy said the continued rise of buyer interest throughout the country indicates low interest rates, strong consumer confidence and relatively low unemployment rates are fueling the growing demand.

The South Region had the highest year-over-year increase in showings, recording an 11.6 percent rise in showings compared to October 2016, negating concerns that buyers would be hesitant to engage in the market following Hurricane Irma's impact in Florida and South Carolina. The Northeast Region increased 10.2 percent, while the Midwest Region posted an 8.1 percent increase. The West Region saw a 5.5 percent increase.

"As usual, showing traffic is entering the regular seasonal slowdown," Cherkasskiy said. "But despite the time of year and the concerns raised after last month's demand decreased by 10 to 30 percent in some southern markets following Hurricane Irma, buyers in the South Region have quickly returned to the market as buyer interest has rebounded to pre-hurricane levels."

WEST REGION: + 5.5%

SOUTH REGION: + 11.6%

MIDWEST REGION: + 8.1%

NORTHWEST REGION: + 10.2

THE SHOWINGTIME SHOWING INDEX

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, which facilitates more than 4 million showings each month. It tracks the average number of appointments received on an active listing during the month. The Showing Index, released the third week of each month, will eventually be released on a weekly basis. Local MLS indices are also now available for select markets, and are distributed to MLS and association leadership to provide them with another resource to share with members and to communicate to local media. To view the full report, visit **www.showingtime.com/index.**

About ShowingTime

ShowingTime is the leading market stats and showing management technology provider to the residential real estate industry. Its MarketStats division provides interactive tools and easy-to-read market reports for MLSs, associations, brokers, agents and other real estate companies. Its showing products and services take the inefficiencies out of the appointment scheduling process for real estate professionals, buyers and sellers, resulting in more showings, more feedback and quicker sales. ShowingTime products are used by 180-plus MLSs and associations representing more than 900,000 real estate professionals across the U.S. and Canada. Visit www.showingtime.com.

THE NOT-SO-CLEAR TAKEAWAYS FROM THE LATEST CFPB AFFILIATED BUSINESS SETTLEMENT

By Sue Johnson, strategic alliance consultant

This fall, the Consumer Financial Protection Bureau (CFPB) entered into a consent order with Meridian Title Corporation (Meridian), an Indiana-based title and settlement agency, alleging that:

- Meridian referred customers to its affiliated underwriter, Arsenal Insurance Corporation, without providing the RESPA-required Affiliated Business Arrangement (AfBA) Disclosure.
- Meridian retained more than the standard commission provided for in its agency contract with Arsenal due to its affiliation with Arsenal in violation of Section 8 of RESPA.

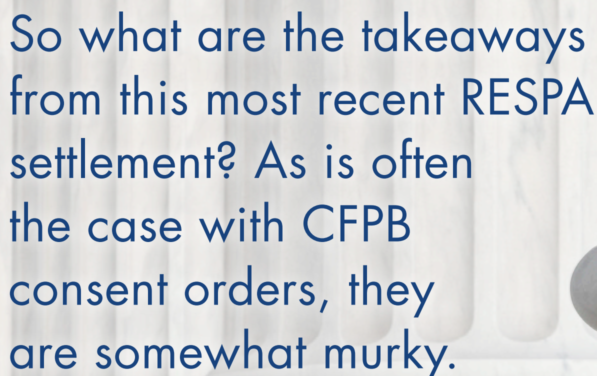
Meridian agreed to disclose its affiliation with Arsenal, implement certain compliance measures, and pay $1.25 million for redress to affected consumers.

So what are the takeaways from this most recent RESPA settlement? As is often the case with CFPB consent orders, they are somewhat murky.

The CFPB Will Continue to Scrutinize Affiliated Business Disclosures

This is the third recent RESPA enforcement action in which the CFPB specifically has targeted a company's AfBA disclosures. In 2014, it settled a RESPA claim against Alabama-based RealtySouth after alleging that the real estate broker's AfBA disclosure was insufficient because it differed slightly from the RESPA regulation's Model Disclosure form and because it contained language marketing the affiliated title company. RealtySouth paid a civil penalty of $500,000.

In 2013, it filed a federal lawsuit against the law firm of Borders & Borders, alleging in part that Borders did not provide the disclosure "at or before the time of the referral" as required by the RESPA statute and that it did not conform to the precise wording of the model AfBA Disclosure Form in RESPA regulations. A Kentucky federal district court ruled against the CFPB on this claim earlier this year, although it still can appeal to the Sixth Circuit Court of Appeals.



So what are the takeaways from this most recent RESPA settlement? As is often the case with CFPB consent orders, they are somewhat murky.

The Meridian consent order reveals that despite its recent setback in the Borders case, the CFPB continues to go after companies that don't provide an AfBA Disclosure or that provide, in its view, an inadequate AfBA disclosure.

CFPB's Enforcement Actions Still Provide Little Guidance

The CFPB also claimed that Meridian's affiliation with Arsenal resulted in it "keep[ing] money beyond the commission allowance outlined in its agency contract when issuing Arsenal title insurance policies."

The consent order, however, provides no facts regarding how the CFPB reached this conclusion. It does not describe what type of compensation was involved (an additional fee or a higher percent of the premium), nor does it say how often the alleged illegal compensation was received – at one point it states that Meridian *in some cases* received money beyond Arsenal's contractual commission allowance and then later concludes that Meridian violated RESPA because it *routinely* selected Arsenal as the title underwriter and received money beyond the allowance.

Since the CFPB assumed jurisdiction over RESPA in 2011, it has primarily regulated through enforcement, leaving the industry with a patchwork of vague consent orders and lawsuit filings. The Meridian consent order is the latest of a series of RESPA enforcement actions that express suspicion about the benefits of strategic business relationships without providing meaningful direction to companies that want to follow the law.

The CFPB's Loose and Irrelevant Usage of the Term "Covered Person" Adds Uncertainty

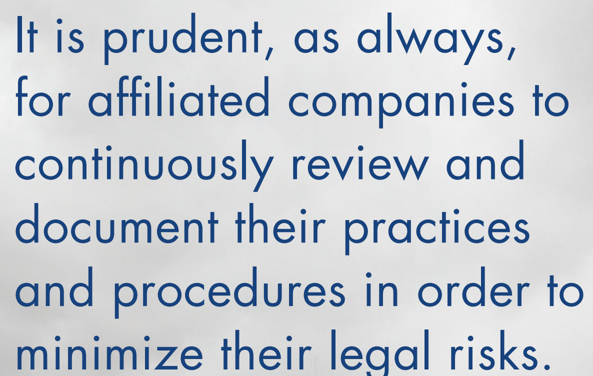
The consent order expressly stated that Meridian is a "covered person" as that term is defined by U.S.C. § 5481(6). But this is not a RESPA definition; it is a definition under Title X of Dodd Frank, which establishes the CFPB's supervisory authority and its authority to enforce against unfair, deceptive, or abusive acts or practices (UDAAP).

Dodd Frank specifically excluded title insurance providers as "covered persons", meaning that the CFPB has no authority to pursue a title underwriter's agent for UDAAP violations. The term "covered person" does, however, cover persons providing "consumer financial products or services", including settlement services. Is the CFPB saying that Meridian is a "covered person" under Title X because it is a settlement agent, or is it incorrectly suggesting that it has UDAAP authority over Meridian as a title underwriter's agent? What is even more puzzling is why it even would point out that Meridian is a "covered person", since this is not a UDAAP enforcement action.

Will Cordray's Departure Make a Difference?

After this article was written, CFPB Director Richard Cordray announced that he will be leaving the agency at the end of November 2017, several months before his term expires. President Trump has appointed Office of Management and Budget (OMB) Director Mick Mulvaney as Acting Director and will nominate his own candidate to lead the CFPB. Both likely will take a less aggressive approach towards enforcement.

But Trump's candidate likely will face a lengthy Senate confirmation process with intense scrutiny from Senator Elizabeth Warren and other Democrats. And both Mulvaney and the new CFPB Director will assume control of an agency with an enforcement staff hired by Cordray. So it is prudent, as always, for affiliated companies to continuously review and document their practices and procedures in order to minimize their legal risks.



A FRESH PERSPECTIVE

URBAN HOTSPOTS AROUND THE WORLD

The 2017 Wealth Report by Knight Frank has recently been published and gives an update on the global perspective of prime real estate as viewed by high net worth individuals.

By Peter Gilmour, chief foreign correspondent

Lord Hay, the global head of residential property at Knight Frank, says that as the 2017 Wealth Report publication enters its second decade, there is no doubt that the world is at a crossroads. The impact of the Trump presidency, Brexit negotiations, pivotal German and French elections, and the succession of power in China, all have the potential to influence the creation of wealth and investment pattern for residential and commercial real estate. The publication delivers insight and advice not just for the coming year, but for years to come. The 11th edition of the report looks at the performance of the property markets in which we live and invest.

Slower Growth in Value

The value of the world's prime residential markets recorded slower growth in 2016, according to Knight Franks Prime International Residential Index (PIRI) which tracks real estate in 100 key locations worldwide. On average, values rose by 1.4 percent in 2016 compared with 1.8 percent in 2015. The top tier of increased values is dominated by cities in China, New Zealand, Canada and Australia, while oil-dependent cities such as Moscow and Lagos bring up the rear.

Experts from the Knight Frank network reported on residential neighborhoods which are poised to outperform in four key categories:

1. **Infrastructure and Transport**
   - East Guanggu, a new high-tech hub in Wuhan, central China's most popular city.
   - Dubai South, set to become the flagship development in the urban precinct of Dubai.
   - South Main Vancouver, centrally situated this area in the gateway to the city's downtown cove between Main Street and the Olympic Village.
2. **Gentrification**
   - Lower East side of Manhattan, traditionally the home to an immigrant, working-class community.
   - Centro, Madrid, the historic quarter to the East of the iconic Puerta del Sol plaza.
   - West Aspen, offering great property values with good transport connections to the downtown area.
3. **Technology**
   - Zhang Jiang, Shanghai, an IT hub with recently completed infrastructural development to improve communication.
   - Mediaspree, Berlin, hub for multinationals such as Coca Cola and Mercedes with trendy lifestyle.
   - Kamogawa River area Kyoto, attracting buyers from China and Taiwan in particular.
4. **Value Hunters**
   - Hancock Park, Los Angeles, the neighbourhood's East Coast–style homes are attracting growing demand.
   - Woodstock, Cape Town, the last remaining inner city area available for redevelopment.
   - Mayfair, London, this leading London residential address is set to grow with the arrival of some of the world's most prestigious residential developments.

It will be interesting to see how these areas develop over the next few years and whether these predictions meet the expectations.

Lower Manhattan, New York City

HOW TO BUILD AN EFFECTIVE E-TEAM

How one brokerage built an e-team to handle leads.

By Paul Salley, director of business acquisition

Many brokerages in residential real estate are interested in the benefits an e-team affords but are not sure how to approach assembling this team model. REAL Trends spoke with Amanda Hodge, customer service manager of Ruhl & Ruhl Realtors in the Quad Cities Area of Iowa. The brokerage attributes much of its success in obtaining and processing qualified leads to the structure and implementation of their e-team.

"Our e-team consists of 20 percent of the agents in each office. [These agents] agreed to a higher level of customer service, meet a small GCI requirement (15,000), attend a yearly training, weekly sales meetings and certain file update requirements. They must meet at least 15 percent conversion in order to stay on the team," says Hodge.

Of course, building your e-team takes a plan. Hodge notes that "The more experienced agent is not always the best choice [for the e-team). We want to do our best to have e-team agents who are hungry enough to give exceptional service for the life of the lead."

With that comes challenges. She says that brokers must outline clear expectations of the agents on an e-team. For example, she says, "We have strong follow-up systems where [an inside sales person (ISA)] will call the lead up to six times in the first 15 days. If the ISA doesn't reach the lead, it's assigned to an e-team agent. They must call 24 hours after getting the assignment, again after eight days and every 30 days after that for the life of the lead."

E-teams can be an effective for any brokerage when structured and implemented correctly. With more and more leads coming in from various online sources, both paid and organic, it's crucial to have a plan in place to nurture these leads to a measurable conversation and seeing them through to a sale. For Ruhl & Ruhl, it's working. "Our conversion year-over-year slowly continues to improve as we tighten up our lead process. We're up 1 percent year-to-date from last year."

TECHNOLOGY

ARE BIG DATA AND PREDICTIVE ANALYTICS THE FUTURE?

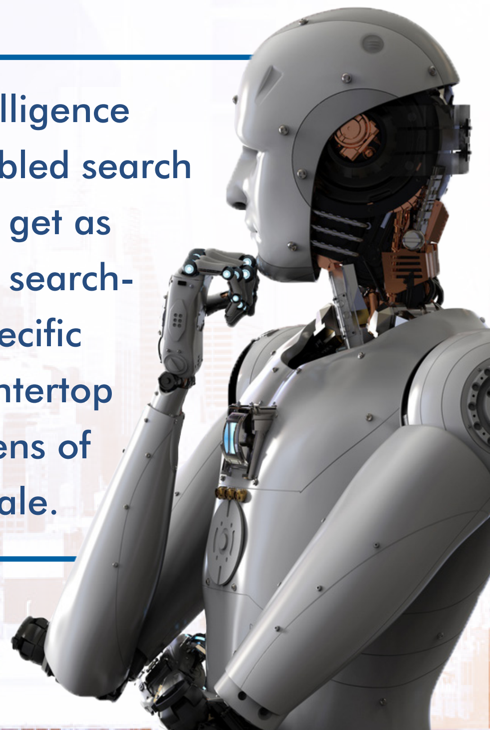
by Alec Gress, video/marketing strategist

As 2017 comes to a close, the biggest trends in real estate technology revolve around three big players—Artificial Intelligence, Augmented Reality and Virtual Reality 3D Tours. Let's take a look at how each is being used in the real estate landscape.

1. **Artificial Intelligence (AI):** Most people think AI is all about sophisticated robotic technology. However, millions of people have already welcomed AI technology into their homes and phones with Amazon's Alexa and Apple's Siri. One application where we see AI technology developing is in property management. Technology company Zenplace is using AI technology to streamline processes for tenants and landlords by helping property managers locate new tenants, cost-efficient vendors and proactively create management tasks based on algorithms. Tenants may also report issues via an AI chatbot. AI technology has also provided real estate search engines with a robust consumer search. AI has enabled search functions to get as granular as searching for a specific type of countertop in the kitchens of homes for sale.

2. **Augmented Reality (AR):** Augmented Reality in real estate has been prevalent for the past few years

Artificial Intelligence (AI) has enabled search functions to get as granular as searching for a specific type of countertop in the kitchens of homes for sale.



now. With a touch of a button, buyers can envision changes to a home by adjusting the color of a wall or by adding a piece of furniture using a photo and an Augmented Reality app. Companies such as LUX AR provides potential clients the ability to locate properties via GPS. Another AR company, HOMESNAP, allows users to get information on a property by scanning a picture.

3. **Virtual Reality 3D Tours:** In 2017, a prospective homebuyer doesn't have to wait for an open house to take a peek inside his or her dream home. 3D imaging and virtual walkthroughs are changing the way buyers are buying, and sellers are selling. According to realtor.com, sellers who use virtual reality have less foot traffic in the home, but more serious offers because people can make a decision earlier in the process. Only those ready to purchase will actually visit the home.

   Despite the prevalence of this new technology, many real estate professionals remain wary of the true impact moving forward. A recent study conducted by Imprev, a marketing automation company, real estate professionals were asked to predict the future of real estate marketing. Here are some results of the survey:

- Two-out-of-three top real estate executives surveyed say they are more likely to invest in Predictive Analytics (65%), Marketing Automation (65%) and Big Data (64%), while less than half are likely to invest in Augmented Reality and Virtual Reality 3D Tours (46%).
- Only one-third are likely to invest in Artificial Intelligence (30%) by 2022.
- 20% of respondents rate real estate portals, such as Zillow or realtor.com®, as one of their "most important real estate marketing channels and technologies" five years from now.
- Mobile Apps, Social Media and Video will all be more important in 2022 than portals.
- Real estate leaders only wish to invest in technology that will provide a hard ROI.
- System integration, automation and a centralized MLS are all things leaders hope will rise to the forefront of the industry in the next five years.

One surprising finding from the study is the lack of confidence found in AR, VR and AI for the future. Many do not see the ROI to justify the investment. So what do leaders want to invest in? Imprev's study finds that big data and predictive analysis will be the next wave of tech to hit brokerages by 2022.

Predictive analytics is a way that brokerages can take advantage of complex computer algorithms that mix in historical data and computerized learning methodologies to forecast future buyer and seller trends. Predictive analytics will help to zero in on homeowners who are more likely to sell their home based on the totality of their behaviors. Simply put, these machines can take in thousands of data points such as income, age, number and age of family members, profession, education level and much more to put together a smarter search for a home in a way that simply cannot be matched by human beings. As we move forward into the future of real estate, keep your eyes on big data and automation.

Predictive analytics will help to zero in on homeowners who are more likely to sell their home based on the totality of their behaviors.

PUBLISHER'S NOTE

A Personal Note

By Steve Murray, president

After 30 years as the editor or publisher of REAL Trends, I have relinquished both of those roles to Tracey Velt, who now assumes the roles of chief editor and publisher of all REAL Trends publications. With over 13 years of excellent work for our company, she has proved to be the right choice to lead our editorial efforts forward. I do not know anyone who cares more about the industry, the people who work in it and the continuation of the high standards we have set for our writing.

I also decided—for the first time since founding REAL Trends—to accept a Board of Directors position. On November 2, it was announced that I had been appointed to the Board of Lone Wolf Technologies. I consider it an honor to be asked, and I have the greatest respect for the firm built by my friend Lorne Wallace and the partners he has in Vista Equities. They are a valued part of our industry, and I hope that I will be able to repay their trust in my role on their Board.

For 30 years, I had avoided any such roles as I believed that so long as I had overall responsibility for our publications, such board or advisory board positions would compromise our writing. With the change in my role in the company, I felt that when and if the right opportunity came along, I would feel free for the first time to consider it.

Because of changes at our company and this new role with Lone Wolf, I will now recuse myself from any editorial comment that concerns Lone Wolf or any of its competitors. Nor will I look over Tracey's, or any of the members of our team who write for REAL Trends about this topic area or any companies in its business segment. I think this is as it should be.

REALTRENDS

GATHERING OF EAGLES

EARLY BIRD PRICING ENDS DECEMBER 31

REAL Trends hosts the industry's most informative events for real estate leaders. Gathering of Eagles is a by invitation-only conference for CEOs, presidents, COOs and senior management of the nation's top residential real estate firms, as well as, Realtor® association executives, and senior management from national franchises, relocation firms and referral networks. Join us in Denver, Colo., at the Grand Hyatt Denver. Register now before prices go up in January!

Register Now: CLICK HERE

CHANGES TO NOTE

REAL TRENDS RANKINGS

By Steve Murray, president

Our rankings of both brokerage firms, sales agents and sales teams all hit new records of participation in 2017.

Some 1,700 brokerage firms qualified to be ranked on our REAL Trends 500 and Up-and-Comers list. Nearly 12,700 agents and teams were ranked on REAL Trends America's Best Real Estate Agents. We are proud of the fact that we continue to maintain the highest possible standards for being included, but also realize we have much work to do to improve the verification and qualification standards.

Some changes we plan for the year ahead include:

- There will be several different publications associated with the ranking of brokerage firms. There will be separate publications for the REAL Trends 500, the REAL Trends Up-and-Comers, REAL Trends Market Leaders and REAL Trends Billionaires.

- We are going to establish new definitions for what constitutes individual agents and teams for REAL Trends America's Best, which we co-promote with Zillow and REAL Trends The Thousand, which we co-promote with *The Wall Street Journal.*

After ten years of ranking individual agents and teams, we believe that there must be more clarity and differentiation between individuals and teams, particularly as these top sales professionals invent new forms of business organizations to achieve their personal goals. Our goal is to clarify the differences, yet also make it simpler to know where one stands.

DON'T LET FOMO GET YOU DOWN

Find the latest information on industry events for broker-owners, real estate professionals, association executives and industry leaders on REAL Trends Industry Events Calendar. Sort events a month at a time and easily add them to your preferred calendar. Have an event to add to our calendar? Let us know! Email rechapla@realtrends.com

FEAR OF MISSING OUT (FOMO) WILL BE A THING OF THE PAST!