

Creating Value
IN A CHANGING
WORLD



Emerging Trends, Challenges
and Opportunities For Real Estate
Professionals — May 2014

**Strategic Issues Work Group
Association Executives Committee
National Association of REALTORS®**

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I. INTRODUCTION

*"The core of real estate is still the same – a relationship of trust between a professional and a client. That trumps technology and it trumps discounts, and is the key reason we have a viable business in residential real estate."
– A regional broker*

The Strategic Issues Work Group of the National Association of REALTORS® Association Executives Committee was charged with identifying emerging trends and issues that are likely to have a significant impact on the real estate industry in the near future. The goal was to prepare a document that will assist real estate associations, brokers, sales associates and affiliated professionals in their strategic planning. This is the seventh such report in the last 14 years.

On February 4-5, 2014, the work group held a series of structured discussions with U.S. brokers, sales associates, real estate consultants, economists and technology experts, asking them to comment on industry trends. For reasons of confidentiality, the names of those participants are not included in this report; however, their comments are cited as direct quotations. The participants were asked the following two questions:

1. What do you see as the future of real estate in the next few years?
2. What are the major changes in the real estate business ahead?

Those candid, interactive discussions are summarized in this report, which covers both the challenges and the potential opportunities facing the U.S. real estate industry in the new few years.

While participants reached consensus on many points, there were also strong opposing opinions. In these cases, we are presenting their contradictory comments, without making a judgment. As with our previous reports, this examination of strategic trends draws no conclusions and makes no recommendations. Any action you take as a REALTOR®, association executive or affiliated professional must be your own decision, based on your own unique market, goals and skills.

II. STRATEGIC ISSUES WORK GROUP PARTICIPANTS

Mark Allen
Walt Baczkowski
Andrea Bushnell
Cindy Butts
Chris Carrillo
David Charron
Russ Cofano
Janet Kane
Pam Krieter
Joel Singer

Facilitator
Jerry Matthews

NAR Staff
Cindy Sampalis

III. Executive Summary: New Issues and Opportunities

"It's a new world every day, and we are making it up as we go along." - A Midwest broker

The steady recovery of the nation's residential and commercial real estate markets has created both new opportunities and challenges for real estate agents, brokers, managers and organizations. It has also attracted strong new players seeking to carve out their own profitable niches.

Today, the national playing field is changing – perhaps more rapidly than it has in the past decade. One reason is the growing strength of third-party portals in attracting consumer "eyeballs" and generating leads for agents. Another is the ongoing discussion in Washington about changing regulations related to housing finance. Mobile, social and digital technologies continue to evolve, accelerating the pace of the residential transaction, and changing the agent's "value equation" for the consumer, particularly for the Millennial generation.

This report covers these issues – and more – in order to help real estate professionals better understand the challenges and examine new opportunities. Our previous reports (2001, 2003, 2006, 2008, 2010 and 2012) focused on simplifying the consumer experience, the convergence of mobile, social and local trends; changing consumer, technology innovations; alternative business models; and the issue of value as key themes in the ongoing conversation about the future of real estate. Many of those trends are still occurring, and we invite our readers to review those reports at www.AssociationStrategicIssues.com.

Building on our prior work, this report addresses the evolving challenges and opportunities for real estate professionals in regard to consumers, the housing market, broker and agent models and technology, including the multiple listing service (MLS).

Today, the issue of creating or delivering value in a fast-changing world is a major concern for all segments of the industry, and a key driver of change. Traditional service models need to be re-examined carefully to see if they still provide value – particularly in light of the following three trends:

1. Creating memorable experiences.

In the pre-Internet era, consumers relied on real estate professionals for access to information. In today's digital, social and mobile world, real estate professionals need to interpret the data for consumers, because information (of varying levels of quality) is seen as a commodity, readily available with just a few clicks. But as the market evolves, being able to create a memorable consumer experience will become increasingly important. That might mean delivering an "off-the-charts" level of service, resolving an almost impossible challenge, or delivering service in an entertaining manner. Certainly, agents who create memorable experiences will be in a stronger position to build ongoing customer relationships that result in repeat business and referrals long after the transaction has closed.

This subtle shift will also affect other players in the real estate industry, including brokers, MLS organizations and associations:

- Agents. How can you provide a memorable experience so buyers and sellers will rave about your service to friends and associates?
- Brokers. How can you create memorable experiences for your agents to distinguish your company from the competition and help in recruiting top producers? How can you deliver a consistent consumer experience when every agent is different? How do you support your agents so they can personalize their services?
- MLS organizations. How does your data based service compare with the experiences that agents (and consumers) get from third-party sources? Does accuracy of data outweigh the "bells and whistles" or overall friendliness of other sites?
- Associations. Can you offer members an experience that engages them more fully in your programs and activities? Are you moving from commodity products, to customized programs, to engaging experiences?

In summary, this is a trend can open the door to new ideas and innovative practices for all segments of the industry, and it bears close watching for the future.

2. Merging the real and virtual worlds.

It used to be easy to distinguish between the virtual and real-world aspects of real estate. A consumer would search online to find neighborhoods or homes and then sit down with an agent to discuss the next steps in the buying or selling process. Now, those lines are blurring, and real estate professionals need to be able to navigate in both worlds. For example:

- After showing a home, an agent pulls out her tablet, pulls up comparable listings in the neighborhood, and discusses them with a buyer, taking advantage of real-time enhanced images and videos that help bring static listing data to life.
- During a company sales meeting, a broker sends out a group text about a new listing to demonstrate the importance of keeping a mobile device close at hand at all times. Agents' responses and comments are instantly received and displayed, accelerating the flow of information and the pace of the transaction.
- To improve understanding and visibility in the local community, an MLS organization creates a speaker's bureau and engages in a series of talks to consumer and professional audiences. The speakers are live at community events or virtual for online chats or webinars.
- An agent, broker or service provider merges real world photos and facts with illustrations, charts and extrapolations to help consumers interpret information. The possibilities are almost endless: An image of the buyers standing in front of their new home; an oversize image of a seller's home, demonstrating its greater market value; an online negotiating session where the avatars of the buyer's and seller's agents "sit down" and discuss their clients' positions.

3. Adapting to the "new complexity."

While we've all heard the phrase the "new normal," today's real estate market is becoming more complicated than ever. Agents, brokers and other players must constantly reexamine their business practices in light of this "new complexity."

In his landmark book, "On the Origin of Species," English biologist Charles Darwin emphasized the importance being able to adapt to changing

conditions. For real estate professionals, that principle has never been more relevant. For example:

- Agents and brokers today must serve consumers in multiple age bands – the Millennials, Gen Xers, Boomers and the Silent Generation – assisting buyers and sellers with different styles of communication and levels of understanding about real estate.
- Other types of diversity are increasing as well, including cultural, ethnic, racial, family and gender. To take just one example, Facebook now offers nearly 50 options for "gender."
- Housing is also becoming more diverse, including new "smart" homes with energy-saving "green" features, to older row houses and urban townhomes to independent living communities.

Three drivers of change

To be successful in creating or delivering value, real estate professionals should strive to provide a "great" customer experience, navigate the online and "real" worlds effectively, and be able to adapt to changing situations.

As the housing market, popular demographics and consumer desires continue to evolve, these three trends – experience, virtual, and adaptability – will be important drivers of change in all areas of the real estate business.

As one broker said, "We need strong leadership at the company and association levels, as well as a clear, positive vision of the future in order for all the other players in a transaction to bring our specialized talents together and provide the best possible service to the consumer."

IV. Housing Trends

"We need millions more new homes in order to accommodate rising demand." A California economist

One of the signs that the U.S. economy continues to improve is an upturn in housing construction. "New home starts have finally come back from the floor and will reach about 1.5 million units this year," said a California economist. "We have burned off all the excess inventory, although some

areas of the country, like Florida, Arizona and Las Vegas are still facing an overhang. For the country as a whole, we will need to keep building through the next decade to meet growing demand."

For the next ten years, housing demand is expected to increase by 1 percent annually, creating a need for 1.2 million new units per year. That doesn't include the need for housing to replace obsolete homes that were built in the post-World War II era and are now 65 to 70 years old. Barring a sharp upturn in new construction – which is unlikely due to tight lending restrictions on builders and developers – demand for housing is likely to outstrip supply in most U.S. markets. Other trends affecting the housing market include the following.

Wide variation in for-sale pricing and inventory. In the resale market, housing prices in many regions have returned to their pre-recession peaks, although values in some areas are still lagging. Real estate market conditions do vary dramatically across the country. In San Francisco, high demand coupled with low inventories means that new listings are sold almost as soon as they come on the market. However, Detroit and other Michigan cities have high inventories of homes, creating affordable ownership opportunities for many first-time buyers.

"I don't expect housing prices to rise very much in the next two or three years," a broker said. "The levels are now about right in terms of the fundamentals. We don't expect that the aging of the Baby Boomers will lead to a collapse in the market, since most retirees who haven't moved by age 70 tend to stay in their current homes."

More owners waiting to move. The "stay-put" trend among retirees actually extends to all buyers, according to the annual National Association of REALTORS® *Profile of Home Buyers and Sellers*. In 2013, nearly half of all buyers expected to stay in their homes for 16 years. This is twice as long as most buyers expected to keep their homes in the 2006 survey.

Investors are still active. In some markets, housing demand continues to be driven by investors who focus on foreclosures, and other homes in distress, as well as international buyers seeking second homes for vacation and investment purposes.

Financing is a key barrier to buyers. Many traditional "move-up" buyers lack sufficient equity in their current homes to purchase a larger property. In addition, first-time buyers still face significant barriers to homeownership, including the need to save for a larger down payment (10 to 20 percent) and meet lenders' stringent credit standards. Currently, first-time buyers are now about 38 percent of the market, significantly below the traditional 40 percent level, according to the 2013 *Profile of Home Buyers and Sellers*.

Federal housing finance policy is unsettled. In Washington, policymakers have discussed replacing Fannie Mae and Freddie Mac, the two government-sponsored enterprises (GSEs) that provide a secondary market for mortgage securities and support the traditional 30-year fixed-rate mortgage. However, both Fannie Mae and Freddie Mac are now contributing billions of dollars to the U.S. Treasury without significant loan default problems. Therefore, economists and consultants believe that any major change in federal housing policy is unlikely – at least until after the next presidential election in 2016.

New buyers emerge. In the next decade, Hispanics and Asian American families are expected to be major consumers of housing. In many cases, young adults live with their parents to save money for buying a home when they are ready to marry and start their own families. "Real estate professionals will be serving customers who are ethnically different than in the past, as well as a larger number of single buyers and sellers," said a national broker. "Demand for housing will certainly increase, but it will be a different mix than in the past."

Playing the singles and doubles game. Singles and unmarried couples will also constitute a growing part of the housing market, as the U.S. marriage rate has dropped dramatically. However, single people tend to be renters with a 50 percent ownership rate compared with 80 percent among married couples. This increase in singles and "mingles" will increase demand for housing units located in denser, central city locations, where it is easier to meet other people. However, couples with children will continue to gravitate to suburban neighborhoods with good schools – even if they pay more for those homes.

V. Consumer Trends

"There is no evidence to suggest that younger Americans have lost their appetite for homeownership." A national broker

From a demographic standpoint, the Millennial generation – 80 million strong – will be dominating the nation's housing market for the next decade. That's not to say that the Gen Xers (50 million), the Boomers (76 million) or the aging Silent Generation (55 million) will be exiting the market. It's more that the tastes, values and activities of these younger buyers and renters will shape the demand for real estate products and services.

Despite their numbers, Millennials are facing some economic headwinds that may delay their emergence of their market power. There are fewer jobs for college graduates and their non-college peers, making it difficult for them to become homeowners. Meanwhile, many college students are faced with high student loan or credit card debt that needs to be paid off before they can make a purchase.

"On the positive side, surveys show that Millennials do want to buy homes," said a consultant. "That subgroup with good jobs and decent incomes will be getting married, starting families and buying homes." In fact, many real estate professionals believe that Millennials will enter the market in droves as the U.S. economy creates more jobs and lenders return to less restrictive mortgage standards.

In terms of lifestyles and social preferences, Millennials have their own perspectives on life, according to a demographic expert. While every individual is different, surveys and studies point to the following traits that may influence the real estate industry:

- **No more jobs for life.** Millennials don't expect to stay with a company or organization for a long term, and may prefer to rent rather than buy.
- **Newer is better.** Most college-educated Millennials want newer homes and apartments with all the technology bells and whistles. There is much less desire to purchase a "fixer-upper," even at a lower price.
- **Lifestyle determines location.** Unlike their parents, Millennials will consider a wide range of potential communities, perhaps moving to a

different city or state for lifestyle reasons with or without a job. "More buyers will be picking destinations based on a desired lifestyle, rather than a traditional job," said a Colorado broker.

- **Less is more.** Having lived through the recession, Millennials don't want to extend themselves financially if they can avoid it. "They tend not to buy as much as they can afford," said one consultant.
- **Brands are big.** Branding influences Millennials' purchase decisions for clothes, technology, recreational gear and other products. This is one reason why third-party portals have been able to establish themselves as new "brands" in the real estate marketplace.
- **Don't tell me what to do.** While Millennials do want agents and brokers to represent them when buying a house or condominium, they don't want to be patronized or told what they should do. "Self discovery is important to this generation," said one broker. "As an agent, you can provide the data and get out of the way and let them make decisions."
- **Make it easy for me.** Many Millennials prefer a one-stop model where an agent they trust guides them through mortgage, insurance and title services. They also want to be involved in those aspects of the buying process, so they are better prepared for the future.

Summing up the demographic picture, an independent broker said, "We now have five generations of consumers in the real estate market. Helping an elderly couple sell their long-time home to move into an independent living community is very different from helping a young couple buy their first home."

VI. Brokerage Trends

"I don't think the traditional brokerage model is sustainable." A national consultant

Brokerage companies are the historic foundation of the real estate services industry. They educate, train and motivate the sales professionals who serve consumers, and provide their agents with the tools needed for business

success. Now that model is being challenged by a number of market forces, including the following.

- **Growth of third-party portals.** Consumers increasingly turn to third-party portals when they begin searching for homes or for agents to represent their interests when buying or selling. Then, these portals provide their leads directly to agents, largely bypassing the broker in the process. In addition, some portals offer technology-related services to agents, competing with brokers in many cases. "Brokers see themselves in a transactional business, while the third-party portals are developing relationships with consumers," said one consultant. "In a few years, we could wind up with a portal-agent business model, with everyone else removed from the equation."

"The success of the new portals is their clean and direct relationship with each contact. It is almost seductive," said an industry consultant. Is it possible that the next iteration of portals will openly challenge real estate brokerage?

- **New players in the transaction.** The housing market's return to prosperity has created renewed interest among startups and existing companies seeking to carve out a niche for themselves in the real estate transaction process. "I get calls regularly from entrepreneurs seeking to fill a need in our fragmented industry," said a consultant. "Some may offer their products to brokers, but others might chip away at a real estate company's traditional 'package' of services to agents."

- **Company culture.** Agents' reliance on mobile, social and digital technology has opened the door to new service providers and changed the nature of their relationship with brokers. The importance of tangible support services to agents has declined and the bond now seems to more about the culture or the "experience" of the brokerage. In other words, the intangible feeling of camaraderie has displaced tangible tools.

- **Cyber security.** Brokers have a fiduciary relationship with their customers that include protecting the privacy and security of their information. That means companies need to consider the threat of a cyber attack and invest in effective online security tools. Few have instituted such rigorous safeguards.

- **Fewer agents.** In the next few years, the number of real estate agents is expected to decrease, as top producers take an increasingly greater share of the transactions. "A broker who depends on an 'army' of sales people may have a difficult time sustaining that model," said a Midwest broker.
- **Government scrutiny of "one-stop" models.** Federal policymakers and regulators may decide to examine the relationships between brokerages and their affiliated businesses. "Many brokers are running their basic operations at a breakeven point in order to generate income from their title, mortgage and insurance affiliates," said one consultant. "A change in the rules could have a dramatic financial impact on that model."
- **Increasing financial pressures.** Many successful agents and agent teams are negotiating for a larger share of a broker's sales commission, and in today's market the bargaining power is often on their side. In addition, brokers often need to invest in new technology to remain competitive with other companies in their markets, as well as "outside" providers of services.
- **Potential loss of the independent contractor.** Recent legal actions are challenging the independent contractor status for agents. A change in the legal status of independent contractors would require brokerages to revamp their business models, and add significantly to their costs. "This would be the most dramatic change possible to the real estate brokerage business," said a Midwest broker.

Faced with these pressures, brokers are responding in different ways, including:

- Consolidating with competitors through mergers and acquisitions in order to gain the scale needed to increase their marketing power and position. "Having 70,000 brokers in the U.S. is far too many," said a consultant. "That creates inefficiencies and redundancies."

On the other hand, smaller brokerages may have an advantage when it comes to adapting to new market conditions. As the owner of one boutique company said, "We all need to be swift and nimble, and it's easier for smaller firms to capitalize quickly on new trends."

- Lowering costs by reducing their investment in office space and moving to less-expensive technology platforms. "We believe in creating productive

energy, so we put our agents' desks close to each other so they can hear each other talking and putting together deals," said one Western broker. "There's an old saying that motion creates emotion, and that's what we're trying to achieve."

- Improving operational efficiency by hiring specialists in different phases of the transaction process. "One discount brokerage model uses a team of salaried employees to perform specialized aspects of a transaction. "That allows agents to focus on just one thing – the sales side," said a regional broker. "It's also a more efficient model than having an agent handle everything herself."

Looking ahead, brokers may want to consider some innovative concepts to deliver value to their agents, such as:

- **Creating a company certification program.** In order to provide a higher level of service to consumers, while supporting their agents, some brokers have developed company training programs that lead to certification as a specialist in specific areas. This can be a valued benefit for the company's agents who can earn a credential that will help them better serve their customers.

- **Developing a concierge-type showing service.** Perhaps salaried employees rather than agents could provide that basic service to prospects. "Right now, people call a broker when they want to see a house," said one consultant. "What if a staffer met the buyers at the door, and escorted them through the home without answering any questions. Then, if they wanted to see the home again, they would go with an agent."

- **Offering experiential training.** Rather than traditional classroom or online learning sessions, brokers can engage new agents through experiential training, such as role-playing activities with "buyers" and "sellers." One brokerage office even set up a kitchen, bath and living room in its office for agents to practice giving a tour and learning how to present the features of the home.

Certainly, brokerages today need to have effective strategies for recruiting, training, coaching and inspiring agents. As one broker said, "I don't want managers. I want leaders who can elevate our agents and take our company to the next level in our business."

VIII. Agent Trends

"Our industry has a bright future ahead if our agents continue to build strong, trusted relationships with buyers and sellers." A Midwest broker

It's often been said that the consumer is king. In real estate, agents should strive to be the wise counselors or trusted advisers to buyers and sellers. NAR surveys consistently show that most consumers would prefer to have an agent represent their interests rather than deal directly with the other party. Other buyers and sellers are too busy – or just not interested – in learning the nuances of a real estate transaction and have no desire for a "do-it-yourself" approach.

However, there can be a mismatch between consumer trends and agent practices. Today, more than 90 percent of consumers use the Internet to search for homes, and frequently contact agents based on what's posted online. However, most real estate agents still generate business from their personal engagement activity – marketing new listings, networking and generating referrals from people they know. In the future, successful agents will need to do a better job of "merging" their virtual and real-world prospecting to provide value to their customers.

That's just one of the challenges and opportunities facing the nation's sales professionals, who also need to address the following issues:

- **Becoming a consultant.** While consumers clearly want consultants, many agents think of themselves as professionals whose business is closing the sale. "A consultant is someone who leaves the client in a better position than before," said a national consultant. "That might mean advising a buyer about alternatives that include walking away from a bad deal." Becoming a consultant is a key shift in perspective for many agents. It goes well beyond semantics because it changes the agents' value propositions for consumers.
- **Responding quickly.** Buyers and sellers want agents to respond immediately to their requests – something that can be difficult when showing a home or talking with an owner at a listing appointment. "One agent cannot reply fast enough to the texts, emails and Facebook posts," said one top producer. "That requires a team, and I believe that teams are the wave of the future. That's nothing particularly new, but those time pressures are becoming more intense than ever."

- **Cultivating long-term leads.** Most buyers think about homes long before they are ready to take action. Successful agents must "stay in the loop" while buyers slowly move from daydreaming to touring homes and signing a sales contract. As one consultant said, "What we need are agents who can nurture those leads and then switch gears immediately when a customer is ready to take action."

- **Leading a team.** Many high-producing agents build teams to provide support with marketing, transaction management or showing listings. However, leading a team requires the agent to develop a set of management and leadership skills, while staying focused on sales and client relationships.

- **Managing an online reputation.** Consumers today can easily access online sources of information – and opinion – about an agent's services. Therefore, agents need to be able to manage their online reputations, including posting testimonials and responding to any unfavorable comments. As one agent said, "If you have enough validation online, you could do almost do away with all your other marketing."

- **Using behavioral analytics.** With today's robust databases and data mining tools, agents can gain an in-depth understanding of local markets. "Today, you can identify owners who are most likely to sell in a neighborhood – an important consideration in markets where inventory is low," said one consultant. "Of course, once you gather that online information, you still have to pick up the phone or knock on the door and start building the relationship."

IX. MLS Trends

"Insuring the long-term relevance of the multiple listing service is the biggest challenge in real estate." A national consultant

Traditionally, the multiple listing service (MLS) has been the most accurate and up-to-date source of information about properties for sale in a local or regional market. In addition, the MLS "offer of cooperation and compensation" provides clear rules of engagement for real estate brokers and agents, and contributes to a very efficient marketplace for consumers.

The power of portals. The primacy of MLS data is increasingly being challenged by third-party portals, which attract consumers by offering a variety of housing-related services, as well as "recasting" property listing information provided by brokers. Consumers can easily go to one site to compare homes in varied neighborhoods, cities or states. "We have always believed that real estate is local, but search has gone global," said a national broker. "Consumers start their search on a national site, just as they do for other products and services. That's a major shift for our industry."

Having swiftly gained the confidence of consumers, and the cooperation of agents and brokers, the third-party portals are a fast-growing force in the market. The success of the portals – which surprised many industry observers – was the first demonstration of the importance of the intangible experience over tangible facts. But as one broker said, "My fear is not what they are doing today, as that is fairly clear. It is what they are planning to do tomorrow that is my concern."

In their quest to deliver value to participants, MLS organizations are facing other challenges as well, including:

- **Disagreements on distribution of listing information.** Some brokers would prefer that MLS organizations not send their company's listings to third-party portals. Other brokers believe that their companies, agents and consumers benefit from the widest possible exposure of their listings.
- **Rising demand for more and more information.** Because it's easy to spend months or years looking at homes and neighborhoods, consumers want far more information from online sources than just the latest listings. "Buyers want to know about the neighborhood and how long it would take them to commute if they were to buy a home there," said one broker. "They look at aerial photos and streetscapes from online sites. Only toward the end of this extended search process does the core MLS data come into play."
- **Alternative listing platforms.** The growing availability of powerful and inexpensive technology platforms for sharing information, and an improving real estate market, have spawned alternatives to the MLS for distribution of first-level listing information. Called "pocket listings" or "off market listings," these alternative platforms undermine the purpose and the value of MLS. Since most of them are operating among a group of trusted colleagues, they are difficult to challenge.

- **Greater competition for database and search services.** In the days of mainframes, desktops and computer rooms full of powerful servers, investing in database storage, management and search was an expensive proposition. Rather than do it themselves, local brokers contributed to MLS organizations to spread those costs around. Today, the barriers to entry are much lower and most brokers have built their own platforms that connect with MLS systems – and many other sites. "If that's the case, then where is the technology value of an MLS organization?" asked one consultant.

- **Keeping up with technology advancements.** Although hardware costs are falling, MLS organizations may lack the financial resources or the skill sets to keep pace with well-financed technology companies. That's a particular concern with the increased use of social media and mobile applications. Agents or consumers who want the latest features – such as video tours or virtual reality experiences– may have to turn to apps from other technology vendors.

To address these challenges, MLS organizations might consider the following steps:

- **Improving consumer brand recognition.** Consumers who use third-party portals may not realize there is an MLS with accurate, up-to-date information about listings in their communities. "We have to tell the world about the importance of the multiple listing service and the lasting value we provide to consumers," said an association executive. "Otherwise, we run the risk of becoming irrelevant to the search process."

- **Deploying continuous pulse technology.** Rather than updating listing information once or twice a day, MLS organizations can take a more active and aggressive approach to getting the data in front of brokers and agents. "With continuous pulse technology, MLS systems can automatically push the data to us whenever there's a new listing, a price change or a home comes off the market," said one broker. "That way, the MLS organizations can help local brokers and agents maintain a competitive edge in their markets."

- **Going mobile.** Millennials as well as the older generations rely on their smartphones and tablets to stay connected with the world 24/7. That's a clear opportunity for MLS organizations to expand their place in the market. "Right now about 10 percent of all buyers see a home first on a mobile

device," said a West Coast broker. "We believe that will increase to nearly 100 percent, because so many consumers want real-time information. We see the mobile platform as the future for marketing, information and real estate transactions."

- **Voice activated home search.** One of the more intriguing possibilities to consider is developing a voice-activated home search platform. That would make it easier for consumers to search for homes while driving or riding in a car or perhaps by using a large-screen TV or monitor in the living room.

X. Conclusion: Delivering Value in a Changing World

*"The real value a professional provides is the experience, not just the facts."
– A national broker*

It's never been more important for brokers to deliver value to their agents, for agents to offer a valued service to their customers, and for MLS organizations and associations to provide value to their members. But the nature of that "value" can change over time, and all players in the real estate industry need to recognize and respond to those changes.

For example, a broker might "market" a shared culture of collaboration and competition that appeals to younger agent. An agent might promise to respond to customers' text, voice or email messages within 15 minutes. An MLS organization might create new mobile apps to help agents serve their customers. An association might offer customized engagement paths for each member.

Increasingly the definition of value is more intangible than tangible – more a matter of perception than the actual facts. In light of that shift, creating memorable experiences for the consumer, the agent, the broker, and the member becomes more important than ever before.

In the next few years, the real estate industry will continue to change in response to new challenges and opportunities. But it is imperative for all players in the real estate sector to take a proactive approach and remain on the cutting edge of these trends. As a national broker said, "We must continue to lead the way in order to shape the future of the real estate industry."