

REAL *Trends*

The Trusted Source

COMMENTARY

How Will the End of the Tax Credit Affect Housing Sales?

We have now had two months where there was no imminent deadline for the purchase of a home to qualify for the tax credit. Recalling the last three months, it looks like this:

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November 2009 housing sales Up 42.5% from November 2008

DEADLINE ENDS

December 2009 housing sales Up 17.1% from December 2008

January 2010 housing sales Up 8.6% from January 2009

So, depending on how you want to measure it, on a relative basis or not, housing sales fell significantly – in other times we would have said precipitously. The decrease was almost 60% from November to December and it fell another 50% from December to January. Being someone who thinks positively, sales are still up from where they were a year ago – but then again those were some of the worst months in housing sales in the last 15 years at least.

So, what happens when July rolls around? We think, and we have said in prior editions, that although the first half of the year will likely be huge in terms of unit sales, in the second half we will be fortunate to be equal to the unit sales of the second half of 2009. Wild cards in these calculations are 1) unemployment, 2) interest rates and 3) consumer confidence.

Should interest rates rise, unemployment is relatively unchanged and consumer confidence is up only a little, then housing sales will be no better than the last half of 2009 and likely down. If unemployment declines measurably, interest rates rise only somewhat and if consumer confidence is up measurably, then we should see a better outcome.

Other areas that will affect the second half:

- The extent to which foreclosures are dumped on the market
- The impact of the tightening of FHA loan standards

One thing is certain: The period after the tax credits are over will be another period of uncertainty for the brokerage business.

The Evolving Brokerage Firm

At the 2010 Gathering of Eagles (Dallas, TX, May 5-7) we have an outstanding panel addressing the evolving residential brokerage firm. Four panelists whose careers total over 75 years of experience will attempt to unravel the question about ‘what happens now?’ Specifically:

- Will the industry evolve from agent centric to consumer centric? How will that happen, at what pace and with what consequences?
- Will the office of the future truly be a shared workspace, or will it be virtual or something in between?
- What are the new frontiers for brokerage firms? In the 70’s it was branch offices; in the 80’s it was franchising; in the 90’s it was Core services and in the ‘aughts’ it was the Internet and the accommodation of the move online. Where are the new frontiers?

Realities of the Brokerage Business Today

REAL *Trends* and Murray Consulting will release a compendium of its studies of the nation's largest brokerage firms from the REAL *Trends* 500 in the next few months. Among the findings thus far:

- Productivity has fallen for nearly 12 years in a row
- There appears to be little difference in the performance among independents and those affiliated with national brands
- The average Gross Margin has fallen in a nearly straight line for the last 12 years. Some years, the decline is more than in other years and there appears to be little difference between independents, those associated with national brands, from traditional concept firms to high commission or capped company dollar plans

We look forward to the frank discussions that we will have at the Gathering.

The Importance of Minority Families to the Future of Housing

In this edition, you will see two stories referencing the real challenge we face in housing sales in the future. The first here is the ability to recruit a representative group of real estate professionals into our ranks. The second has to do with the financial damage done to future home buyers, many of whom will be today's minority families.

We suggest that you take the time to read and consider the implications. ■

Reflecting on Black History Month

by Nicolai Kolding, associate editor

At this time of year, many around the country pause to consider the issues, and continuing evolution, of race. For residential real estate, an industry that so embodies the pursuit of the American Dream, it is difficult to overlook the fact that African-Americans continue to make up a relatively small percentage of real estate agents. Whereas about 13% of those in the United States identify themselves as Black or African-American (according to US Census estimates completed in July 2008), this same group is represented by only 4% of the over one million REALTORS® (source: 2009 NAR Member Profile). Were we to include the approximately 35,000 members of the National Association of Real Estate Brokers (NAREB), the figure would increase only marginally.

We have had the distinct privilege of working closely with a broad swath of fine leaders representing all segments of this

industry from across the country, and indeed the globe. The answer to this question, in our humble opinion, does not lie in exclusionary practices or attitudes of the industry's leadership or membership. However, the facts are what they are and the implications could be asked, somewhat bluntly, less as questions of black and white but rather as green: can the recovery of residential real estate be accelerated in any way if each of us work proactively to ensure that the industry's players more closely mirror those of the general population? Is the relative lack of ethnic diversity a threat to the industry's ability to attract a younger generation?

There are rarely simple answers to questions of race and we don't pretend to have the answers; the questions raised here are not unique to our industry, either. However, we believe it would benefit all if each of us were to pause for a moment and think of these issues. ■

Racial Distribution: US Population vs. REALTOR® Population

Ethnic Group	% of US Population	% of REALTOR® Population
White	65%	88%
Hispanic / Latino	15%	5%
Black / African American	13%	4%
Asian / Pacific Islander	4%	3%
American Indian / Eskimo / Aleut	1%	1%

ANALYSIS

Recruiting: The Same Only Different

Recruiting quality sales associates hasn't changed, but the methods involved have. From finding younger sales associates to capturing quality salespeople from other careers, today's real estate manager has his work cut out for him. REAL *Trends* spoke with brokers and recruiters to find out the latest trends:

Thaddeus Wong, co-founder
@properties.com
Chicago

REAL Trends: Have your recruiting methods changed in the past year? If so, how? If not, please give me an overview of your recruiting focus.

Wong: For us, they have. We're in a unique situation. Our company was founded 10 years ago when my partner (Mike Golden) and I were only 30. Because of that we attracted many young agents in their mid-20s and 30s. Our average age is still not 40. Because of that, we've built up our organization by recruiting agents who have been in the business 20 or more years. Often I'm interviewing agents who have been selling longer than I've been in the business. We're now focused on agents who have experience and a book of business, as well as inventory that will drive more leads to our organization.

We've never been believers in blanket recruiting. We've never implemented a recruiting method not based on a personal referral or relationship. Last year we recruited well over 200 agents.

REAL Trends: Are you focusing your recruiting on younger Gen X and Gen Y sales associates at all?

Wong: All qualified quality agents of any age are primary. But what's interesting is that because of a number of changes, a lot of our senior agents are now coming to @properties because of the instability in the market. On our end, the need to hire experienced agents with a book of business is incredibly important when it comes to the Internet; driving traffic to our organization helps us to grow at a faster pace.

Different offices have different brands as well. For example, we're opening a branch on the North Shore, and it's a very young brand there. So, we're hiring the younger agents who already are established in that market. But, we have all age groups from mid-20s to 70s.

REAL Trends: What recruiting methods are working?

Wong: The thing that works best for us is that we're able to clearly define the marketing and services we offer in an apples-to-apples comparison for sales associates. Instead of making the focus on the split, we make the focus on the service, our marketing and our superior infrastructure. We explain how we can help grow and develop an agent's business. Today, agents finally need their broker in order to develop and become a successful producer.

Phyllis Brookshire, senior vice president and general manager
Allen Tate Companies
Charlotte, NC

REAL Trends: Have your recruiting methods changed in the past year? If so, how? If not, please give me an overview of your recruiting focus.

Brookshire: Yes, they've changed. We're now casting a wider net by staying in touch with more people and different groups of agents. We divide them into categories: newly licensed, emerging agents, seasoned agents and the veterans. We look at all four of those groups and that's become a wider net for us.

We used to have a more tightly targeted group. When someone we deem is a good fit for our company makes a decision to move we want to be the company they choose, that's the basis for casting a wider net.

But, the goal is the same—get face to face with someone, find out what's important to each agent. We have a selective hiring philosophy that we haven't wavered from at all—it's all about the culture. As far as our message, we've expanded it. We're taking advantage of e-mail DRIP programs but we use all different tools to communicate in different ways. We're not targeting those in other industries right now.

REAL Trends: Are you focusing your recruiting on younger Gen X and Gen Y sales associates?

Brookshire: The main thing we're doing is that we're becoming active in social media. We're on Facebook and LinkedIn. We tweet. That's the way we're hoping to reach the younger agent—by understanding their language and speaking it.

We're designing our careers Web site to be more Web 2.0—more videos, more interactivity. Brokers are challenged in the

ways to find people and communicate with them, so you have to be where they are and be relevant.

REAL Trends: What recruiting methods are working?

Brookshire: The fact that we have consistent and relevant communications to agents has helped our success. We spend a lot of time helping our leaders with the interview process, helping them ask the important questions. And, there's accountability around it. From a company standpoint, this is very important—right next to retention—when someone is paying attention, your performance improves. It's a long-term process to which you have to be committed.

**KaLinn Dishion, broker/COO
Group One
Idaho**

REAL Trends: Have your recruiting methods changed in the past year? If so, how? If not, please give me an overview of your recruiting focus.

Dishion: Our recruiting has really been clarified and more focused over the last year. One of the things that made a big difference for our business development is that we took a long look at relationships both inside and outside our office and worked to tie those relationships together to build the business.

We've tried to tell a different story and we hired a recruiter. It's been great having a third party who can go out and tell our story.

The type of recruiting hasn't changed. One of the things our

recruiter does is emphasize our difference. He doesn't say we're better; he just talks about the things we do differently and a lot of that has to do with culture. Because of our culture we're able to eliminate people more quickly and easily than we accept people. It's changed the roles a little bit.

We use the rule that the best predictor of the future is the past. We look at what potential recruits have done in the past, even if what they did was be a stay-at-home mom. We analyze: Did they do that well? Were they involved in the community? We believe that we can make nice people into great salespeople but you can't take great salespeople and make them nice.

REAL Trends: Are you focusing your recruiting on younger Gen X and Gen Y sales associates?

Dishion: We haven't specifically focused on this; however we do work closely with one real estate school. In our area, we're not seeing a lot of that age group coming into the business. For the past 6 months, we've seen mostly established agents reaching out to us or we're reaching out to them.

REAL Trends: What recruiting methods are working?

Dishion: It's the face-to-face time that's working. It makes people feel good, our recruiter will drive anywhere to meet these agents face-to-face and that means a lot to people. There's a real personal connection that he makes. We look for people who can connect well, who have a sphere of influence and can connect with them. We also want someone who's a maven in a mobile-networked economy. ■

Market Update

Sometimes the best predictor of the market is not in the numbers, it's in the market assessments from brokers around the country. *REAL Trends* spoke to these brokers to find out what's happening in their markets. They're cautiously optimistic about 2010.

**Paul Bailey
Bailey Properties
Santa Cruz, California**

REAL Trends: What is your market like today compared to last year?

Bailey: There seems to be more momentum in our market as we come out of 2009 than there was coming out of 2008. Pending sales are up 30 percent (January 09 vs. January 08). Inventory of available residential properties to sell is down 40 percent for the same time.

At the end of 2008, we had 9.7 months of inventory to work

with in all price ranges. At the end of 2009 our available residential inventory to sell is 3.8 months, a large drop.

Our market is bifurcated, into two dramatically different segments. In general the \$1 million and below market is aggressive with multiple offers and a shortage of inventory. The market over \$1 million dollars is much slower—13 months of inventory with few properties selling.

The upper-end market is consistent with last year, but the lower-end properties continue to gain momentum and sell at a strong pace. In our main geographic market area, Santa Cruz County, sales were up in 2009 by 12 percent. Bailey Properties closed transactions were up 20 percent in 2009. We're seeing more phone calls and real buyers at the open houses than we did early last year. The consumer seems to be gaining confidence in the stability of the lower half of our market place.

We're cautiously optimistic that the upper end of the market will improve in the second half of the year as sellers continue

to adjust to the current market. Owners in the upper half price range have been stubborn about adjusting to the new reality.

REAL Trends: Are there any bright spots in the market, for example condos or commercial is doing well but residential is down?

Bailey: Currently, the sweet spot in our area is the lower third of the market. It's energized by low interest rates, tax credits and the fact that prices have adjusted to an appropriate level.

REAL Trends: Are you seeing any investor activity?

Bailey: We've seen an increase in all cash offers from individual investors and groups of investors looking for a long-term investment benefit from the price corrections. In some months this past year up to 30 percent of transactions have been all cash. We're located on the coast of Central California, on the Monterey Bay. Approximately 50 percent of our REO sales are all cash.

REAL Trends: Is there anything significant going on in your area that is affecting sales?

Bailey: The wild card is the shadow market of foreclosures that the banks and servicing companies are holding. If we receive more product to sell, we currently have the momentum to work with it, though it would depend on the volume of single-family properties added to the market.

**D'Ann Harper, president
Coldwell Banker D'Ann Harper, REALTORS
San Antonio, Texas**

REAL Trends: What is your market like today compared to last year?

Harper: We're very fortunate to live and work in the San Antonio real estate market. Our market has had some fluctuation but nothing like what other parts of the country have experienced. Our MLS stats show that year-to-date November 2009 was only 3.2 percent down from November 2008 and only 19 percent from November 2007.

Across the board, in all price ranges, our days on the market are flat—87 days in November 2008 and 2009, compared to 78 days in 2007. We currently have seven months of inventory compared to seven and a half months in November 2008 and six months in November 2007.

REAL Trends: Are there any bright spots in the market, for example condos or commercial is doing well but residential is down?

Harper: The San Antonio Board of REALTORS reports that homes priced at or below \$199,999 were up 52 percent compared to November 2008. This price range represented 76 percent of the San Antonio MLS. Homes priced at or between \$200,000-\$499,999 were up 46 percent compared to November 2008 and represented 22 percent of our market. Homes priced at or above \$500,000 were down 8 percent from November 2008, which represented about 2 percent of our market.

REAL Trends: Are you seeing any investor activity?

Harper: No.

REAL Trends: Is there anything significant going on in your area that is affecting sales?

Harper: The first-time homebuyer tax credit has definitely helped but the biggest boom for San Antonio is the expansion of Fort Sam Houston, which will bring several thousand new jobs to our area over the next couple of years.

**Dick Nelms, president—Richmond, Hampton Roads,
Southwest Virginia
Long and Foster Companies
Richmond, Virginia**

REAL Trends: What is your market like today compared to last year?

Nelms: Right now the market north of us is stronger than Central Virginia and it's stronger south of us. We've seen an uptick since this past September. In general the market is definitely on the upswing. Certainly the tax credit rebate has been huge, 35 percent of the mortgages we're doing are for first-time homebuyers. Our market place has been strong with first-time homebuyers. The average sales price in each of our regions is about \$300,000. The strongest part of the market is the bottom one third. The slowest market is the higher priced stuff, but we've seen a slight increase in activity.

The market seems to be adjusting to the fact that prices have bottomed out, and we're starting to see some areas where prices have gone up, particularly in the areas where we were hit hardest with foreclosures and short sales. We've been trying to advertise the move-up credit, but that hasn't taken off with the same velocity that the first-time buyer credit did. If I had to pinpoint the reason, it's because of jobs. The move-up buyer has been more affected by job loss or threat of job loss because you have a more mature buyer—both age and experience. Families like this are more cautious.

I think we're better off today than we were a year ago as far as inventory is concerned. As you know, six months of

inventory is ideal and in most markets we're dealing with greater numbers than that. In markets with second time homebuyers like the Eastern shore and Virginia Beach they have up to 20 months of inventory.

REAL Trends: Are there any bright spots in the market, for example condos or commercial is doing well but residential is down?

Nelms: I've been in business 43 years, and the same things hold true now as back then. The streetscape has to be great and price has to be right. People are more aware about pricing than ever, and they want to make a good decision and get a good deal—whether they're in the \$200,000 price range or \$800,000 price range.

New homes aren't selling and one reason is that builders can't get financing to build spec houses or to finish spec houses. They must have a contract with loan approval and

money on the table. When you ride through some of our subdivisions you see foundations with grass growing up around concrete and that doesn't give anyone a good feeling.

REAL Trends: Are you seeing any investor activity?

Nelms: We haven't seen the flurry of investors that I've read about in other parts of the country. I've been talking to offshore people who have dollars to spend in foreclosures and short sales, so I think we'll see some of the hedge funds getting into buying up blocks of properties. However, that could have an adverse affect on pricing.

REAL Trends: Is there anything significant going on in your area that is affecting sales?

Nelms: Agents today are better trained and there are so many changes taking place with HUD and RESPA that you have to be more aware of how you do business. ■

Housing Market Softening in Advance of Tax Credit Deadline: REAL Trends February 2010 Housing Report

JANUARY 2010 HOUSING SALES DECLINE FROM DECEMBER 2009 BUT REMAIN ABOVE SALES LEVEL IN JANUARY 2009.
HOME PRICE TREND CONTINUES IMPROVEMENT WITH PRICES UP 7.9% FROM A YEAR AGO.

Report by REAL Trends shows housing recovery slowing in unit sales while prices climb in biggest monthly gain in nearly three years. Unit sales up 8.6% in January 2010 over January 2009 while average price of homes sold jumps 7.9% for largest year over year gain in nearly three years.

Existing home sales rose 8.6 percent across the nation in January 2010 compared to the same month in 2009, according to a monthly housing market report issued by REAL Trends. While sales were up over January 2009, they increase was lower than was recorded in December 2009 when sales units were up 17.1 percent over December 2008. The smaller gain shows that with the deadline for the homebuyer tax credits still three months away housing consumers feel little urgency to purchase at this time. The news that home prices rose 7.9 percent over a year ago shows that prices are, at the least, strengthening in most markets. Every region of the country showed gains in home sales with the Northeast leading for the second month in a row with an increase of 19.2 percent in units. The Midwest was next with unit sales up 9.6 percent over the same month a year ago.

On the price front, the average price of homes sold rose 18.6 percent in the Northeast its best showing since 2006. The South showed a decline in average sales price of 2.0 percent and was the only region that did not show a gain in average sales price.

The decline in January from the December unit sales rate was expected, as was the decline that was recorded from November 2009 to December 2009. When the tax credit

deadline was extended from November 30, 2009, to April 30, 2010, homebuyers stayed on the sidelines hoping for lower prices. This trend will likely continue through February and into early March. Rising interest rates could also expedite housing sales as consumers move to lock in low rates.

“While the results for January 2010 were down somewhat from December 2009, the fact that every region showed improvement in housing sales over the same month in 2009 indicates that housing is slowly but surely on the road to improvement. The fact that prices rose at the highest rate since the REAL Trends Housing Market Report has been following the market shows that at the very least housing's worst days are in the past,” says Steve Murray, editor of REAL Trends and author of the REAL Trends Housing Market Report.

“When housing sales fell in December from the torrid pace in November, no one should have been surprised. The deadline for using the tax credit had an outsized impact on October and November results. January may well be showing what a real level of housing sales may resemble once the stimulation caused by the tax credit and Federal purchases of mortgage securities are past. Should that be the case, housing should level off later this year.”

“As we said in the December 2009 report, we do expect that these results will weaken somewhat in the next few months because the first quarter is historically a slow period for home buying and the deadline for the homebuyer tax credit has been extended until April 30, which is when first-time homebuyers and eligible existing homeowners need to be under contract in order to qualify for the tax credit. However, it now appears that strengthening consumer demand for housing will offset the short-term softness. Other factors that may boost housing are the rise in mortgage rates over the

past month [that’s usually a signal for consumers to act] and the high rates of affordability that continue to exist in most markets.”

“It’s also recognized that the first quarter of 2009 was one of the worst quarters for housing sales so that the January 2010 results, while weaker than October-December 2009 unit increases, are better than many housing experts had predicted once the immediacy of the tax credit deadline was removed.” ■

REAL Trends January/December Housing Market Report (Versus same month a year ago)

	January 2009 Closed Sales	January 2009 Avg. Price	December 2009 Closed Sales	December 2009 Avg. Price
National	+8.6%	+7.9%	+17.1%	+0.6%
Regional Report				
Northeast	+19.2%	+18.6%	+29.8%	-1.3%
South	+3.5%	-2.0%	+15.1%	+0.9%
Midwest	+9.6%	+2.6%	+19.2%	+2.1%
West	+8.8%	+7.5%	+10.8%	+0.5%



A Housing Solution, an Economic Solution and a National Solution: White Paper on New Home IRA

by Frank Norton Jr, The Norton Agency, Gainesville, GA

Housing, home ownership, construction, renovation, development and the chain of material goods filling them are the bedrock of the American Economy. Some reports place the housing industry and its associated components accounting for as much as 30% of the Gross National Product, GNP.

Growth, America’s growth may also be our nation’s largest industry when you factor into the mix lending, construction, marketing, household goods and services. The recent boom to bust economic collapse sharply points to the importance of a stable housing market and the financial security of America’s citizens. The shaken public has been pelted with soaring foreclosure rates, the exposure of predatory lending practices, hyperinflated home prices—then collapse and mortgage rate interest resets.

The homeowners' tax credit program is predicated, upon expiration, to successfully remove some 4 million homes from inventory, but inventories of unsold properties remain at historic levels.

In today's economic climate and investment uncertainty, personally held IRAs, Roth IRAs and 401K plans, while protected from access, have also taken a performance beating. It is estimated that over 1.4 trillion dollars is held in such accounts.

The values were decimated in 2008 with slight recovery in 2009. Moreover, substantial amounts have been moved out of the stock market or indexes and are sitting sidelined, untouchable, stagnant in value but protected from further market losses.

The **bold** solution to the housing based economy is to create a new IRA class of product called the **HOME IRA** which would allow a portion – not all – of one's personal IRA, SEP IRA or 401K to be invested in an individual's personal home, second home or rental property.

This new investment class, with modern technology, can be tracked separately as a unit of a taxpayer's retirement account just as stock indexes, mutual funds or long-term CDs are recorded. While not as liquid as other investments, the **HOME IRA** provides the participant a degree of safety, security and comfort unlike other investment vehicles. Of course, many safeguards would need to be written into the legislation and IRA mechanics such as:

- No more than 50% of cumulative household IRA, 401K or SEP IRA could be applied to a **HOME IRA**.
- There would be a prohibition of home equity loans against the pledged collateral while the **HOME IRA** is in use.
- The **HOME IRA** could only be used for homeowner down payment, loan reduction/restructure or substantial remodeling, but ordinary upkeep or repair of a home would be prohibited.
- A required third party appraisal for price/investment verification every five years would help monitor and adjust portfolio value.
- Qualifying properties must be within the 50 U.S. states.
- At resale of the home, the **HOME IRA** full proceeds must

be reinvested in a home or principle and interest returned to a traditional IRA.

The benefits of such a **HOME IRA** product would ripple through the American economy a thousand-fold:

- The **HOME IRA** would stabilize the housing market, would stimulate both new purchases and major home renovation while continuing to remove outstanding product inventories.
- The provision would allow **HOME IRA** funds to pay down large outstanding mortgages thus freeing up ordinary taxpayer cash to flow back into the American economy thereby stimulating the same.
- Allows the taxpayers using **HOME IRAs** to diversify their personal retirement portfolios through real estate ownership.
- Encourages lower and middle class income groups to invest through the **HOME IRA**, 401K products in order to take future advantage of real estate investment opportunities in personal home ownership.
- The "renovation" feature will stimulate the home building, construction component and products supply chain and strengthen small business which would result in stabilization of employment moving the economy toward full employment.
- Return small home rental opportunities and investment to the middle class taxpayer and allows local taxpayers to invest money back into their local economy. It also creates a pool of potential rental home inventory, reducing the number of resale homes and providing affordable housing opportunities.
- Stabilize the hard hit second home markets in Colorado, Florida, the mountain cabin regions and along both coasts, through the access to IRA/401K funds making those investments part of a taxpayer's overall retirement program.

Conclusion

It is imperative that the U.S. economy return to its vibrant dominance on the world stage. Domestic production and employment are critical to the full recovery of our economy and real estate is the leading and integral component.

The **HOME IRA** product and modification to current IRA, 401K regulations jumpstarts, if not accomplishes, America's goal for full recovery. ■

Commercial Market to Absorb Significant Losses in 2010-2011

by Carrie Bay, DSNews.com

Losses from defaults on commercial real estate loans maturing in the next few years could go as high as \$300 billion, threatening to topple nearly 3,000 community banks nationwide, a federal watchdog group has concluded.

Market analysis by the Congressional Oversight Panel (COP), charged with keeping tabs on the government's Troubled Asset Relief Program (TARP), shows that \$1.4 trillion in loans made over the last decade for retail properties, office space, industrial facilities, hotels, and apartments will reach the end of their terms and require refinancing between 2011 and 2014.

According to the panel, the loans most likely to fail are those made at the height of the real estate bubble, when it seemed property values could go nowhere but up. Since that time, commercial property values have fallen more than 40 percent, and now, nearly half of the loans coming due are "underwater," the panel said, making refinancing particularly difficult to secure.

As the panel notes, "Even borrowers who own profitable properties may be unable to refinance their loans as they face tightened underwriting standards, increased demands for additional investment by borrowers, and restricted credit." The COP says community banks, rather than large Wall Street institutions, face the greatest risk of insolvency due to mounting commercial real estate (CRE) loan losses. According to federal guidelines, 2,988 banks nationwide are classified as having a "CRE Concentration."

None of these banks are among the 19 largest bank holding companies, but are rather the smaller regional lenders who stepped up to extend credit within their local neighborhoods. Forecasts project that banks will suffer their worst losses well after 2010, and well after Treasury's bailout authority expires under TARP, the panel said.

"The banks that are on the front lines of small-business lending are about to get hit by a tidal wave of commercial-loan failures," said Elizabeth Warren, a law professor at Harvard University who heads the COP. Warren and her fellow panel members warn that "a significant wave of commercial mortgage defaults would trigger economic damage that could touch the lives of nearly every American."

Case in point, they said when commercial properties fail, it

creates a downward spiral of economic contraction, meaning job losses; deteriorating store fronts, office buildings and apartments; and the failure of the banks serving those communities. Because community banks play a critical role in financing the small businesses that could help the American economy create new jobs, the COP says, their widespread failure could disrupt local communities, undermine the economic recovery, and extend an already painful recession.

The COP's findings come on the heels of a field hearing the committee held last month in Georgia. Deterioration of the commercial real estate market there has contributed to the failures of 30 Georgia banks since August of 2008 – more than in any other state in the nation.

REAL Trends Comment:

Just as housing is starting to firm, commercial real estate is just beginning its struggle. But the nature of the commercial struggle is different than that of housing and is an indicator of the struggle between the regulators who oversee banks and financial institutions. Regulators are forcing banks to write down the values of the real estate backing their loans, in many cases causing banks to foreclose on owners even when they are current and well funded to move forward. Meanwhile the politicians rail at banks for not lending enough to get the economy going again.

Anyone else see the problem here? The regulators want the banks to draw down their exposure and elected officials want more loans.

If it weren't so very sad it would be funny – even hilarious – but it is neither. It is more than likely that many residential real estate brokerage have commercial real estate holdings and just as likely they may have loans against the property. We know of several instances where the financial institution forced a broker to either a) pay off the loan (when cash of course is short) or the institution would take back the property because there wasn't anyone around to refinance the property. For residential properties, were you keep making payments the bank doesn't really care what its worth so long as you are current. Not so with commercial where it seems that what the property is worth is more important than whether the cash flow is adequate or the note is current.

The Painful Impact of the Housing Downturn on Low Income and Minority Families

The National Housing Institute

The current downturn in housing has seized the markets, pushed home prices down further than any time in generations and has sparked the worst recession since the Great Depression. At the same time, nearly 18 million households are severely burdened with housing costs that consume over half their household incomes. While few have escaped the fury of the recent downturn in housing, tenant, low-income, and particularly minority, households have fared the worst.

by Daniel McCue, Joint Center for Housing Studies at Harvard University

Figure 1 *Affordability Problems Surged During the Housing Boom*

With the projected growth in minority households likely to be the greatest source of housing demand in the future, understanding the potential long-term effects of the housing downturn on minority households is critical. Minorities have been especially hard hit by the current downturn. One significant factor is that minorities are more likely to have low household incomes, and low-income households have fared poorly. Indeed, while one in five white households is low income, the rate for minority households is one in three.

Low-income households are much more likely to face severe cost burdens. At last count in 2007, low-income households comprised over 13 million, or nearly three quarters, of the 17.9 million households paying more than half their incomes on housing. Additionally, low-income households accounted for half of the surge of over four million severely burdened households that occurred during the housing boom from 2001 to 2007.

Even among low-income households, however, low-income minorities are more highly burdened than whites. While rates of severe burden for low-income whites rose from 39 to 43 percent from 2001 to 2007, minority rates increased from 50 to 54 percent. During this time, the number of severely burdened low-income white households grew by 857,000 (13 percent) but the number of severely burdened low-income minority households increased by fully 1.05 million (23 percent).

Working at low-wage or part-time jobs is seldom enough to put an end to these severe affordability problems. In fact, employed workers head up roughly half of all severely cost-burdened households. But minorities have also been hit especially hard by unemployment during the current downturn, increasing their housing affordability pressures. Unfortunately, the 5.8 million job losses resulting from the recession so far have also been concentrated among minorities. Going into the recession, unemployment rates for minorities were already higher than for whites. Whereas whites entered the recession with an unemployment rate of 4.4 percent, rates were 8.9 percent for blacks and 6.2 percent for Hispanics.

Figure 2 *Even Controlling for Income, Foreclosures Are Markedly Higher in Minority Neighborhoods*

With higher shares of younger householders more likely to be entry-level employees with little job security, minorities have been more susceptible to job loss and have felt a disproportionate share of the economic downturn. Now in the grip of the recession, as of April 2009, unemployment rates had risen to 15 percent for blacks, 11.3 percent for Hispanics, and 8 percent for whites.

For low-income minority homeowners, another major factor contributing to housing troubles is the heavy concentration of high cost (subprime) loans in low-income minority neighborhoods. According to the Department of Housing and Urban Development (HUD) estimates of all loans issued between 2004 and 2006, the median share of high-cost loans in low-income minority neighborhoods was 50 percent, while the median share for low-income white neighborhoods was approximately 30 percent. In other words, during this time, high-cost loans made up more than half of all loans in half of the nation's low-income minority neighborhoods. At the same time, high-cost loans made up less than one-third of all loans in half of the nation's low income white neighborhoods.

The increased use and availability of high cost loans during the boom affected the ability of minorities to build wealth, since higher interest rates reduce the share of a home payment that is put toward lowering the principle and increasing the equity in their homes. Less home equity puts a homeowner at risk of being pushed underwater by falling house prices. Even before the recession began, the share of minority homeowners with equity cushions of less than 5 percent of the home's value was twice as high as that of whites (6.9 percent versus 3.4 percent).

Home Equity Erosion

The recent housing downturn has had a dramatic and widespread impact on house prices and wealth. After last year registered the first nominal annual decline since National Association of Realtors records began in 1968, median home price declines accelerated to 9.8 percent in 2008. As of the first quarter of 2009, U.S. median existing home prices had dropped nearly 30 percent from the peak and over 40 percent in dozens of metropolitan areas.

While the worst hit markets were Midwestern states ailing from extended periods of job loss and recently overheated markets in the South and West, home price declines were widespread and wiped out five or even 10 years of gains in dozens of metropolitan areas across the country.

In most metropolitan areas, low income neighborhoods have experienced the largest home price declines. According to the S&P/Case-Shiller tiered home price indices, which separate housing markets into three equal segments according to price, declines among the bottom tier have been significantly higher than those of the middle- and high-tier segments. In fact, in all but one of the 17 metropolitan areas covered by the index, through the end of 2008 low-tier price declines exceeded those of the high tier of the market.

Some differences were significant. Boston and Washington, D.C. have seen prices at the low end of the market decline more than twice as far in percentage terms as high-end homes. In San Francisco, declines were more than three times sharper.

Figure 3
Home equity is much more important to low-income household wealth than stocks, and more evenly distributed across households

The sharp decline in home prices, especially among the lowest-priced tier of homes, has had a huge negative impact on the wealth of low-income homeowners. Housing wealth is much more evenly distributed among income groups than stock and other forms of wealth, and therefore a more widely held form of wealth for low-income households (Figure 3). Low-income homeowners are especially vulnerable to housing downturns because they have much higher shares of their wealth tied into their homes (nearly two thirds of a low-income homeowner's median total net wealth, as compared with just one third of an upper-income homeowner's total net wealth).

While low-income householders on average have high shares of wealth in their homes, the increased use and availability of high-cost loans during the boom impacted the ability to build wealth, since higher interest rates reduce the share of a home payment that is put toward lowering the principal. Part of the large increase in debt levels during the boom was the conversion of other debts into housing debt. By converting other high-interest consumer debt into low-interest mortgage debt, borrowers were able to lower their overall debt payments while increasing their debt loads. But this put them much more at risk in the event of default, for unlike credit card debt, these mortgage debts cannot be discharged in a bankruptcy settlement. Also, unlike credit card debt, there is no minimum payment (unless a payment-option loan) because mortgage payments must be made in full or borrowers risk going into default and potentially losing their homes to foreclosure if they get behind on their payments.

Although falling home prices have improved homebuyer affordability in many metros, many homeowners have been left holding inflated levels of debt. While real homeowner equity dropped \$2.5 trillion in 2007, mortgage debt levels actually rose by \$400 billion. By the end of 2008, mortgage debt surpassed home equity, and debt now exceeds equity by \$2.6 trillion. Falling home values have left millions of homeowners underwater—homes worth less than the outstanding balances on their mortgages. Moody's Economy.com estimated that in March 2009, there were 14 million such households—and other estimates place this number much higher. Not only have these homeowners lost all of the equity that they may have built up in their homes, but they are also unable to sell or refinance if their mortgage payments become unaffordable.

Rising unemployment and millions of job losses from the current recession means more homeowners simply cannot make their mortgage payments. Many are forced to sell or walk away from their homes. According to Zillow.com, by the end of 2008 over 40 percent of all home sales were homes sold for a loss, many of which were as a result of a foreclosure. Indeed, the National Association of Realtors reported that in the fourth quarter of 2008, 30 percent of all home sales were foreclosures and an additional 15 percent were distressed short sales.

Entering 2009, rising delinquencies and record foreclosures continued to weigh heavily on the markets. By the first quarter of 2009, nearly one in eight mortgaged homeowners was delinquent or in foreclosure. While this includes a dramatic 37 percent of all subprime loans, it also includes fully eight percent of all supposedly less risky prime conforming loans, and prime foreclosures are accelerating.

Foreclosures have been especially prevalent in areas that had recently been the hottest housing markets. California, Arizona, Nevada, and Florida alone accounted for nearly half of all homes in foreclosure by the first quarter of 2009. And while nationwide the number of homes in foreclosure entering 2009 was over three times what it was entering 2007, the jump in these four states was nearly ten-fold.

REAL Trends Comment:

Minority households will make up the largest first-time homebuying and move up market in the country within the next 10-15 years. In some markets they will account for over half of all aggregate demand for entry level housing. The kind of buyers that help others move up the housing ladder. It is important for all real estate brokerage leaders to be aware of what is happening to aggregate demand for housing by minority households – it is what will make or break the future for all of housing. ■

What Difference Does It Make?

by Mike Staver, The Staver Group

Most of the time, that question is asked in a moment of discouragement or frustration. Now consider it in a different light. There are many activities that are engaged in 'just because'. That is expected and necessary. Maybe it is just for fun or just because you can. Maybe you engage in activities that make no difference at all.

The consideration this month is: what activities are you engaged in that do make a difference? What contribution does your life and work make to your community, your family, your friends and/or the world around you? It doesn't have to be a big thing.

It is interesting that often there is so much going on that we don't take the time to challenge ourselves and ask the question 'What difference does it make?' There are so many ways to make a difference; so many opportunities before us every day. With the world the way it is, perhaps making a difference is a way to have considerable positive impact. It doesn't have to be huge; in fact, some of the easiest ways to make a difference are the small things.

Here are some suggestions:

1. Identify the ways you are already making a difference.
2. Celebrate and intensify those ways.
3. Find small ways to make a difference:
 - a. Be openly grateful to those around you.
 - b. Find ways to acknowledge those that make a difference to you.
 - c. Call someone you haven't talked to in a while.
 - d. Give blood.
 - e. Pay for a couple's meal and get out of the restaurant before they can figure out it was you.
 - f. Hand write a note to someone.
4. Do something for yourself that makes a difference to you.

Thanks for making a difference!

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TRENDS

RE/MAX Urges Lenders to Release Properties

Record Foreclosure Numbers Need to Be Tackled Head On

Dave Liniger, RE/MAX International Chairman and Co-Founder, urged government and economic leaders to push lenders to release foreclosures to help speed the housing recovery. Liniger made his comments as a featured speaker at the Five Star Government Forum in Washington, D.C. The Forum brought government and industry leaders together to share ideas for building stability in the nation's housing market.

"Most of us feel that there is a tsunami of properties out there. I can assure you in the hardest hit areas of the country, there are bidding wars going on," said Liniger, the only speaker representing a real estate company. "So, for those lenders who are here listening, now is the time to release properties, because you've got the Homebuyer Tax Credit that's driving buyers into the market, and a limited window of opportunity to get these properties sold before the credit expires this year."

Liniger explained that in some markets experiencing high foreclosure rates, homes in price ranges that qualify for FHA financing are attracting a lot of attention. In these areas, there are multiple offers from investors and first-time buyers, which indicate there's a real shortage of available homes.

The Five Star Forum focused on the Home Affordable

Modification Program (HAMP), and the challenges facing mortgage lenders in modifying loans under the program. It brought this group of influential leaders together to begin the hard conversation on how better to keep more Americans from losing their homes.

"In our industry, we talk about distressed properties, but we're dealing with distressed sellers, distressed human beings," said Liniger. "They're humiliated by their situation, and that's why 70% of them never pick up the phone to help themselves when they're faced with a foreclosure. That's where Short Sales come in. They provide a better way for both the homeowner and the lender."

While some cities and markets are experiencing a recovery, as both home sales and prices rise, others are not faring as well. Overall, the real estate industry is in a correction, according to Liniger, who sees distressed properties making up the majority of sales for the next three to five years. And, after that, another housing boom may be on the horizon. "Once this correction is over, we have a whole new generation of homebuyers waiting to get into the market. But we have to get through this first, and the best way to do that is to take it head on." ■

Mobile Computing: A Quantum Leap in Your Direction

by *Jeremy Conaway, contributing editor*

We have or should have become used to the dynamics of emerging technology by now. It has, after all, been thrilling us for over 13 years now. You know how it goes. It starts with a few scattered references, an early adopter or two and a faint buzz. It builds quickly as more information floods into the marketplace and the hum becomes a moan and a sigh as the pain of adoption becomes more intense. Finally, it bursts onto the scene in full bloom spreading joy and good fortune as the moan becomes a roar and a new reality is created.

What has been changing over the past few years is that the interval between the roars has been lessening and the requirement that the brokerage responding to each such emergence has been increasing. Failure to comply with the changing technology is becoming increasingly fatal.

So, it has been with mobile computing and, by way of reference point, if you have been at a technology conference in the past 60 days you know that it is now a mainstream discussion impacting virtually every industry including real estate.

Just in case you missed the roar lets catch you up. Mobile voice communication is widely established throughout the world and has had a very rapid increase in the number of subscribers to the various cellular networks over the last few years. An extension of this technology is the ability to send and receive data across these cellular networks. This of course is the foundation of mobile computing. Mobile data communication has become a very important and rapidly evolving technology as it allows users to transmit data from remote locations to other remote or fixed locations. This, as it turns out, proves to be the solution to the biggest problem of business people on the move – mobility.

The last link in this story and one of the most important trends for 2010 is the portability of technology. Today's smart phones have more computing power than the desktops from just a few years ago. Who would have thought that your cell phone could take photos, shoot videos, read bar codes, find your exact location anywhere in the world, play video games, or do 10,000 other things?

While you have been hiding in the weeds hoping to miss this particular trend adoption has been swirling all around you. Today, your customers under the age of 42 would rather receive a text than a phone call. Today, the average American sends twice as many texts as phone calls. 91% of Americans keep a phone within three feet of them 24 hours each day and most American's would rather lose their wallet than their cell phone.

Today, 38% of all phones are smart phones and smart phones are utilizing 90% of cell phone network capacity. Now, that is a level of adoption that your brokerage cannot afford to miss.

Perhaps most importantly consumers are using smart phones differently than computers. Instead of using browsers to search for information they are using their smart phones to go directly to recognized and favorite sources of information. Moreover, when it comes to seeking out information regarding real estate, consumers are walking away from generalized information to information regarding the real estate they are standing in front of.

If you are a brokerage whose Web site is supposed to be playing a key role in your current marketing effort, that Web site must be optimized for mobile technology or you will miss out on the latest of emerging technological realities. Just when you thought you had it all together.

If your reaction as a real estate broker at this point is to ask "what do I do?" the answer is simple, you must offer consumers a specific mobile solution. Putting your Web address on your signs, the solution just eighteen months ago is not longer sufficient.

The current research indicates that Web site addresses on signs have the lowest call-to-action ratio of any solutions. The focus on delivery should be speed and relevancy not richness of content, consider where the homebuyer is located,

not ten miles away but often right in front of the target property. They already have the picture.

These solutions must be easy for agents to maintain for they will be changed frequently, and in many unique ways. This is not a task to be assigned to your Webmaster. The next decision point will be whether your Web solutions should be an application or mobile Web. Just a year into the fight mobile applications have become the throwaway container of mobile computing. Almost everything that can be done with an app can be done in a browser and 2/3 of apps are deleted within 60 days. Just how happy are you with those 75% application solutions you have been downloading on your iPhone? They are so close and yet so far away.

Look at your mobile marketing plan and solution as a long-term solution. Major Brands are expected to spend 10-12% of their budget on mobile solutions. Consider that 18% of Homebuyers found their home from a yard sign meaning they were already in front of the property (NAR 2008).

Think about mobile like a consumer. When would a homebuyer need real estate info on their cell phone? Answer, it is more and more likely when they are in front of your listing. Spend your time thinking about what kind of information the consumer is going to want about your listings and what is the fastest way to get them that information? This is a classic case of adding to your value proposition.

Sharpen your proposition even more by proposing the same action on every sign. Give the consumer a choice to text or open Web page. Own the space, take charge of the interaction, and provide info on all listings in immediate area.

More and more agents are also joining the movement. Make sure your mobile solution talks to them. Ensure that the response that an agent receives provides showing instructions, property status, lock box location and occupant information. Take charge of the interaction. Generate action, not more questions.

Is that line of consumers and agents in front of your listings scratching their heads or keyboarding satisfaction and discovering the next step towards touring your perfect property.

You can do this one easy and get ready for the next roar. ■

Online Auctions Now Part of LPS Package

The use of auctions has grown substantially since 2006 as an effective means of moving both excess new home inventory, distressed properties of all kinds and land. Growth in commercial property auctions is also growing strongly as the FDIC and other financial institutions begin to unwind the assets they have acquired from failed banks.

Now we find that online auctions are starting to take off as a means of reaching a broader audience of potential purchasers of foreclosed residential properties. LPS Auction Solutions, a unit of LPS Asset Management Solutions, is now offering its REO clients this new service as well as offering it to others who manage large blocks of foreclosed homes for financial and institutional clients. While online auctions may not be new some parts of what LPS is doing with their online auction approach may signal the growth of a new wave of the use of the Internet backed by personal service.

First, LPS Auction Solutions is offering this not only to clients of LPS Asset Management Solutions but to any REO management firm wishing to take advantage of LPS economies of scale. Secondly LPS is backing their program with a significant online and traditional media marketing program to broaden the outreach to housing consumers.

We talked with David Levy, vice president of LPS Auction Solutions along with Anthony Bergamino first vice president of LPS Auction Solutions, Milt Shaw senior vice president of LPS Asset Management Solutions and Randall Brown, managing director of LPS Asset Management Solutions about how this differs from other REO marketing firms that have seen their fortunes rise along with the rise in distressed properties throughout the country.

LPS Auction Solutions is marketing this mainly to institutional clients not directly to the public. They provide each property with its own unique Web page; provide all the information to online viewers on that property and back this up with on-call listing coordinators and provide each property with an automated bid button that allows for instantaneous bids on properties prior to the auction should they want to make a bid at that time.

For listing sales associates who handle properties under this program there is no reduction in listing commission. As with most all auction sales processes there is a buyer's premium.

Listing agents are expected to hold a minimum of three open houses to expose the property to potential purchasers while the home is listed. Tours are also arranged through the listing agent and all contacts requesting information or tours are directed to the listing agent.

LPS maintains fairly tight controls over the bid process. All bids must be for the property in "as-is" condition and all bids must be non-contingent. LPS has full time listing coordinators assigned to each property so that all parties involved in the listing or sale of the property can get additional information off line. The listing coordinators back up the service provided by the listing agent so as to deliver efficient services to all parties.

According to Levy, LPS also brings substantial online marketing to the process. LPS markets extensively through both online and traditional media to create consumer awareness and demand on a broad national basis. They use radio, TV and social networks to spread the word of special opportunities on properties that are available.

While LPS does not at this time plan to offer this directly to brokerage firms involved in REO management, a broker can suggest to its institutional clients that they use LPS Auctions as a part of their marketing package. A benefit to brokers would be reaching a broader market and automating the online auction service without having to invest to build such a capability itself. And with the LPS policy of paying regular market level commissions to listing agents, there should be little reason for brokerage firms not to want to offer this add-on service to their marketing and service mix.

With millions of homes expected to enter the foreclosure process this year and next it would seem timely to find new ways to reach consumers with quick and efficient means of finding these kinds of purchase opportunities and to be partnered with a firm that knows how to operate such a system. What will be interesting to see as we move forward into the future is whether auctions in general and online auctions specifically, will begin to take on more of a role in the general marketing of residential properties. Certainly auctions often generate intense interest in properties and the auction process can be an alternative way to market properties in difficult environments. ■

Cartus Acquires Primacy Amid Relocation Market Challenges

The announcement last month that Cartus had acquired Primacy Relocation was certainly news in the relocation management segment of the industry but seemed to generate little interest in the overall housing market. Now to put that into perspective with the acquisition of Primacy Cartus likely touches nearly 5% of all household moves in the United States. As a real estate services businesses that would put them in the top 5 national companies alone. With the acquisition they are also clearly the largest relocation management company in the U.S. and likely in the world at this time.

REAL *Trends* spoke with Cartus CEO Kevin Kelleher to find out what the Primacy deal means for Cartus and what is changing in the relocation management world.

“To compete in relocation management for large corporate assignments a firm must be able to deliver worldwide, must have the capabilities to manage multi-cultural assignments on a regular basis and must be masters of supply chain management”, said Kelleher, a 33 year veteran of the relocation management business. “Where it used to be a ‘real estate’ business, relocation is today a complicated challenging service business that requires knowledge of tax issues and human resources, country cultures and requirements, school availability, both temporary and permanent living resources, managing through housing dislocations, differing approaches to relocation policy and a whole lot more. It isn’t what it was 30 years ago, not even what it was 10 years ago.

Kelleher said that managing a long tail of suppliers is also a much bigger challenge than it was years ago. In addition to having to manage a wider number of suppliers a firm has to be able to deliver in dozens if not hundreds of different countries, have the ability to grade service suppliers in ways that truly measure performance and be ready at a moments notice to respond to a corporate request for service in a country that no one had operated in before. And of course deliver it consistently regardless of which language one communicates in or which currency is being used.

“This is a fascinating challenging business. The complexities we deal with today are far greater than anything we thought 10-15-20 years ago. Companies have shifted from cost plus to incentive based systems. We have moves that take place that never touch the U.S. We have far more temporary assignments than we did. Housing challenges in the U.S. are huge. How do you get someone to move when the value of their home is far underwater in relation to its debt? How do you deal with property management issues instead of a sale? It all makes for a wild ride at times.”

Kelleher also said that in addition to the global relocation business Cartus is handling tens of thousands of assignments for affinity group customers an entirely different kind of client assignment. “These customers treat their members as

many would their employees and we have to have the same intensity in our approach.” And it is a business that continues to grow and that strengthens Cartus’s relationships with all kinds of service partners. In addition, Cartus is offering Pre-REO counseling to customers involved in potential short sales or foreclosures as a natural extension of their services involving U.S homeowners. According to Kelleher this has large potential as a new growth area for the firm.

U.S relocation policy shifting

In terms of trends in U.S. housing and relocation policy, Kelleher pointed out that there is a shift from costs reimbursement to lump sum contribution to relocation costs; much more in the way of incentives for people to sell their own homes (and away from corporations ever buying homes if they can avoid it) and much tighter integration in how this is all managed.

“We obviously have a huge investment to manage all of our clients and customers”, says Kelleher. “Managing the flow of communications from our employees and all of the service partners we manage is a huge challenge for us as it would be for anyone operating on 5 continents. And one area getting our attention much more than in the past is in the privacy and security of information. This has become a huge issue for Cartus and for all of our clients. It is one thing to make the information about a family available to those who need to use it for the family it is another to protect it from those who don’t have that right. And while there were attempts for years to create data formats that were interchangeable it simply never happened. So we developed almost all of our own systems to deal with this.”

We asked about how the economy was affecting his business. “It affects our business in many different ways and it affects our client’s ability to make sound policy as well. Housing markets up and down, stuck in some cases. Global growth took a hit and so hiring and relocation took a hit as well. The costs of getting a family moved are greatly affected when a home doesn’t sell or financing gets difficult. Everything that affects employment ultimately will affect our business. We are a ‘reacter’ to the economy not an influencer. We have to be able to get the job done regardless.”

Kelleher told us that the addition of Primacy was about a 33 percent increase in assignments and employees. And Kelleher was bullish on the future with the two companies together as Primacy had resources covering parts of the globe that were in some cases new to Cartus.

Not your daddy’s old relocation business. He named Prudential, Weichert, Brookfield and Sirva as his chief competitors (in no particular order he said) and that competition is as fierce as it ever has been. “You cannot stand still and expect to compete and grow in this business today. And the methods for how we get compensated have changed quite a bit as well.” ■

EDITOR'S NOTE

The 2010 REAL Trends Web site

Next month, REAL Trends will be launching a new Web site that will have substantial new features and advantages for our customers and clients:

- The library will be much more open for visitors to see the full extent of the articles, research reports, commentary and other features that will be searchable by an improved key word search program.

- For the first time, customers will be able to purchase individual articles, research reports and some new reports that have not been made public before.

- We are adding new tools for business analytics such as those for commission plan analysis, sales associate plan analysis, brokerage valuation and more.

We look forward to meeting you there. ■



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