While there have been several firms in past years that had agents as shareholders, the idea wasn’t widely accepted. However, The Group Inc. of Fort Collins, Colorado, and Graham and Boles of Winston-Salem, North Carolina, started their firms with that as a core offering. Others offered shares to some agents, mainly as a retention tool.

**EVOLUTION OF AGENTS AS SHAREHOLDERS**

Firms such as Keller Williams and EXIT Realty heightened the focus on agents as shareholders in the way they both structured their franchise ownership model, along with profit sharing and some forms of voting influence—some real and some not. Along the way, there have been a few other brokerage firms that had agents as shareholders, sometimes as shareholders in related core services such as title insurance, escrow, and mortgage services.

Now we have two firms, eXp, and Compass, that are offering ownership of the shares of the parent company, in some cases as a recruiting incentive.
and others as a matter of course. This has raised the level of interest among other, well-established brokerage firms as to the wisdom and benefits of an agent as a shareholder.

**BASIC QUESTIONS**

In a study REAL Trends did for several of our CEO groups, we asked a few basic questions. First, how many had or have agents as shareholders? Second, how many still had agents as shareholders? Thirdly, how many would offer agents shares in their company again?

Before we get to the answers, we found it important to note that most brokerage firms, eXp and Keller Williams Realty included, view that agents as shareholders are an important part of what they are offering. Their view is that it does cause agents to think differently about their relationship with the brokerage because they are owners. The offering of shares by these two firms, and many others that ever offered shares to agents, is based on the fact that the ties that bind the agent to the brokerage firm will be strengthened through share ownership.

**FOUR BENEFITS**

In examining shareholder benefits, there are three tangibles and one that is more intangible. The tangible benefits of owning shares in any company, public or private, are the chance increased value of the shares (equity), dividends (or profit sharing) and voting. The intangible is the personal satisfaction of being an owner. Whether one is an owner in a Keller Williams Market Center, or through the shares of eXp, the primary benefits of these are the same.

The questions are: First, is there a chance the value of the shares will increase? Second, will I get a share of the profit (dividends)? Will my vote count?

For many agents who either purchase shares or are granted them, the answer to question No. 1 is rarely asked or carefully analyzed. We know as

The questions are: First, is there a chance the value of the shares will increase? Second, will I get a share of the profit (dividends)? Will my vote count?
The truth is, agents must know that whether the shares appreciate or not is outside their control. The same is true about whether they receive any dividends from earnings in the future (certainly not today).

VOTING
Voting is another matter entirely and, yet, it’s here that many brokers and agents make a mistake. Brokers who think that agents will suddenly think and act like an owner rather than as an agent find it doesn’t happen much. Agents who think that being an owner (in most cases a minority owner) will give them the ability to influence or change company policy are also dismayed to find out that being a minority owner doesn’t give them the kinds of rights or influence that are commensurate with their ownership interest.

LONGER TERM INCENTIVE PROGRAMS
We conclude that eXp and Compass, to name two, are selling or granting shares to agents as part of their recruiting package and long-term incentive programs. Since both of these companies are relatively young, we don’t know what the long-term impact will be.

The truth is, agents must know that whether the shares appreciate or not is outside their control. The same is true about whether they receive any dividends from earnings in the future (certainly not today). Also, they must know that their voting power is severely limited if they have any power at all. Of course, they do still have voting power in that they can leave and join another brokerage, which in its way has been the voting power they have always had.

THE INTANGIBLE BENEFIT
Most professional top-producing agents are rational business people, so it must be that the intangible value of owning shares is what’s most attractive.

Back to our study. Among nearly 60 large traditional brokerage firms, we found 26 that offered shares to their agents. Of these 26, none of them still had agents as shareholders. All 26 told us they would likely never offer shares or ownership again. (We did not include The Group Inc. in this study as they have a different structure than the firms we interviewed.)

It turns out that agents didn’t start acting like shareholders all of a sudden. It did cause them to behave differently. It did not result in better policy or program development. And, it didn’t improve the retention factor for these agents. It did complicate the life of the brokerage firm.

There are tens of thousands (when you include Keller Williams in this equation) of agents who think there is value in being shareholders and hundreds of brokerage firms who think the same. It’s only that brokerage firms should understand that it’s likely the intangible value an agent gets in being a shareholder that is as important as any other factor and that being a shareholder doesn’t change the behavior or incentives of an agent to belong to one broker versus another. 
Patrick Lencioni is one of America’s foremost leadership and management consultants. He’s written extensively about how organizations function most effectively. Virtually all of his research, consulting and writings focus on the performance of people and their interactions with each other.

Now that financial incentives to affiliate with one broker over another is climbing, it may be useful to focus on what creates and maintains a healthy organizational culture. When brokerage firms talk about their strong cultures, it’s important to focus on what is at the core. Lencioni’s book, *The Five Dysfunctions of a Team*, is where I think it all starts. Here they are in summarized version.

**Absence of Trust.** The fear of being vulnerable with team members prevents the building of TRUST within the team.

**Fear of Conflict.** The desire to preserve ARTIFICIAL HARMONY stifles the occurrence of productive, ideological conflict.

**Lack of Commitment.** The lack of CLARITY or BUY-IN prevents team members from making decisions to which they will stick.

**Avoidance of Accountability.** The need to avoid interpersonal discomfort prevents team members from holding one another ACCOUNTABLE for their behavior and performance.

**Inattention to results.** The pursuit of individual goals and personal status ERODES the focus on collective success.

**WHY BRING THIS UP NOW?**

While aggressive agent recruiting has always been a factor in residential brokerage, no one would contend that this recent wave is more prevalent than at any time in recent memory. The fundamental truth is that it’s not always and only about the commission split. Many other factors enter into an agent’s decision where they affiliate their business. At the heart of this are the features and benefits of a brokerage company, and also the feeling by an agent and a firm’s leadership that there is something unique and special about a company.

We know of many brokerage firms that, although they may have lost agents in this recent wave of aggressive recruiting, are still doing their own recruiting and growing. Their ability to do so is not based solely on financial metrics but on revealing what is unique about their company to the agents who work there.

Lencioni’s dysfunctions are an excellent way to focus you and your team on the fact that the only thing you can control is your behavior and results.
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Running a real estate firm means being flexible and steady in the face of chaos.

By Larry Kendall, author of Ninja Selling and chairman emeritus of The Group, Inc.

Wouldn’t it be great if everything was orderly and predictable in leading a sales organization? It is precisely the opposite. Real estate transactions are complex, markets are uncertain, and the emotions of clients and sales associates make ours an unpredictable, even chaotic, industry. How do we bring productive order to our business?

Here’s a simple template to bring results out of the chaos. As a leader:

1. Control the initial conditions—vision, values, systems, training, and culture.
2. Help your people self-organize for results.

Let’s start by understanding chaos theory and self-organization.

Chaos Theory states that within the apparent randomness of chaotic, complex systems, there are underlying patterns and self-organization that occur based on the initial programming known as sensitive dependence on initial conditions. In other words, as leaders, we need to control the initial conditions. Secondly, we need to help our people self-organize for results.
EXAMPLE OF CHAOS THEORY

New York City does not produce any food, yet everyone gets fed, and they have some of the most celebrated restaurants in the world. There is no Minister of Food directing everyone on how to feed one of the world’s largest cities. New Yorkers self-organize to do it. Not all systems lend themselves to self-organization, however. While New Yorkers can self-organize their food, it is doubtful that they can do it with transportation. Some systems require central control. As a leader, one of your success keys is knowing whether your industry and company are designed for self-organization or central control.

SELF-ORGANIZATION

Self-organization, also called spontaneous order, is a process where some form of overall order arises from local interactions between parts of an initially disordered system. Given the decentralized nature of real estate sales, we are in a chaotic industry that lends itself to self-organization.

Let’s look at sports as an example. The slower, more deliberate sports, such as baseball and football, work better with command and control systems from the coaches. Football is almost a military-style operation with offense and defense. The teams “take ground” as the coaches call plays. In contrast, the speed and fluidity of hockey and basketball are more chaotic and are most suited for self-organization. The complexity and decentralized nature of real estate sales suggest our industry is more like hockey or basketball than baseball and football.

One of the very best at leading in chaos was John Wooden, head basketball coach of UCLA and winner of a record 10 NCAA championships in 12 years. His teams won seven in a row! Coach Wooden’s focus on preparation (down to how to tie your shoes) is legendary. He knew he could control the initial conditions but once the game started and the chaos begins, his players would need to take control and self-organize to win. As part of his initial conditions, Coach Wooden focused on three success keys.

1. **Mindset.** How do I motivate our players to practice, play hard, and want to win?

2. **Skillset.** What skills do they need to learn for them to be successful?

3. **Action.** How do I get them in shape to play 100 percent full on and put their skills into action?

Players who were not willing to follow these initial conditions were invited off the team. With this preparation (initial conditions), Coach Wooden knew his players would handle the chaos and self-organize to win. If you watched Coach Wooden on the bench, he was very calm—seldom standing and very rarely talking to the referees. He had done his work before the game started. Now it was up to his players on the court. He knew his players would have to adjust and respond to the chaos of the game. He seldom substituted or called time-out as he didn’t want to break their focus.

What are the lessons from Coach Wooden for us as leaders of sales organizations?

1. Focus on preparation versus trying to manage the chaos. Specifically, train your sales associates to develop their mindset, skillset, and actions.

2. Encourage your associates to self-organize and figure out how to be successful. When the game starts, you will not be with them. They will have to respond to the uncertainties of the situation creatively. Again, proper preparation will help them.

3. Keep them focused on the mission. Avoid distracting them with the latest shiny object—especially technology.

Focus on preparation of your associates’ mindset, skillset, and actions, and then let them play. You will build a championship team.
Influencer marketing has been around seemingly forever; yet, most real estate professionals have been slow to leverage this particular resource fully.

Back when I first entered into marketing and public relations, it was normal for companies to hire spokespeople. We would find—and pay—well-known celebrities or industry experts who would ultimately mention our product or services in their appearances. Once they were adequately trained on how to weave in a mention or two about us effortlessly, we would pitch our spokespeople to a wide variety of TV and radio shows. As they spoke about their current movie, show, team or research project, we had our fingers crossed that they would get us into every interview.

The same game was played in fashion where companies loved the opportunity to dress a celeb or brands provided a sports figure with a hat or t-shirt to wear.

Those with followers carry weight.

And now we have evolved to the Kardashian era. Those with followers carry weight. That’s why they’re known as influencers. Companies look to identify major stars and niche players who have large followings. These firms then work with the influencer on the type of content they’re looking for them to generate. Essentially, a mention, post, or blog talking up a product or service should ring the bell, drive traffic and hopefully sales.

But it doesn’t always have to involve major stars.

I know of a food prep company that specializes in making and shipping pre-cooked meals targeting those who love bodybuilding. The company finds fitness stars with large social followings and provides them with free meals in return for social media posts. Each influencer gets a code, so when they post and offer their followers a discount if they use the code, the company sees how many of the influencer’s followers actually followed through with a purchase.

Influencer marketing works, but not in the way we’ve been used to it working. From a brokerage perspective, you want as many people as possible in your area to know about the company, your agents’ abilities, and listings. So, who can be your influencers?

I believe it’s your agents.

They’re in the people business and should have amassed quite a few followers on their social feeds. While they likely have the numbers, most have proven to be relatively unskilled in crafting content that breaks through and engages. And, let’s face it, those who post a series of listings are essentially spamming unless they do so in creative ways.

Instead, what if you approached your agents as legitimate influencers? Let them amass the crowd, and you provide the content.

Brokerages can create a wide variety of shareable information from graphics to blogs and teach the agents how to share and engage with their sphere of influence. The brokerage wins through increased exposure, and the agent benefits by having valuable content that can engage far beyond what they have been previously able to do.

All of a sudden, those firms who might be struggling to get an engagement at the company level, now get it through their influencer program.

And the best part is that you didn’t have to pay millions to Kim, Khloe, Kourtney, and the gang.

So, who can be your influencers?

I believe it’s your agents.
With the real estate industry changing at an unprecedented pace, focusing on the four Decisions (4Ds)—People, Strategy, Execution, Cash—are crucial to driving growth. Verne Harnish, the author of the best-selling book, Scaling Up, says “If your business is facing challenges for which there seems to be no playbook to handle, you’ll be surprised how going back to the 4Ds and thinking about how you are addressing them can make an impact. It can mean the difference between sailing ahead of the competition and finding yourself wondering what hit you.”

Jill Belconis is a business leader with a passion for helping CEOs. She spent 22 years at Shelter Mortgage as president and CEO where she grew the company by 20 percent average each year. She now runs a coaching practice called Jill Belconis Enterprises LLC at http://www.jillbelconis.com.
HOME SELLERS ACROSS THE COUNTRY ARE happy to leave 2018 behind as December marked the fifth consecutive month of year-over-year declines in real estate showing activity nationwide, a 7.2 percent drop, according to data from the ShowingTime Showing Index®.

Continuing a nearly year-long span of decreasing demand for available residential real estate, the West Region saw a 20.1 percent drop in showing traffic year-over-year in December. The South Region followed that trend, recording a 10.9 percent decline in activity. The Midwest Region also experienced a decline with a 7.9 percent year-over-year drop, as did the Northeast Region, which had a modest 1.5 percent drop compared to showing activity in December 2017.

The news is not all dour, however; as ShowingTime Chief Analytics Officer Daniil Cherkasskiy noted, falling showing activity could make for appealing conditions for prospective buyers in 2019.

“Buyer traffic continues to subside across all regions of the U.S. compared to the record numbers recorded at the same time last year. In some markets this is happening despite a stabilization of prices, but this is potentially good news for buyers, who are seeing less competition in the market when trying to buy a home.”

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

Methodology: The ShowingTime Showing Index® measures showing traffic per residential property for sale by agents and brokers utilizing ShowingTime solutions for property-access management. A higher number means that an average home receives more buyer visits in a given month. All index values are scaled relative to initial index value set to 100 for January 2014. ShowingTime facilitates more than 4 million showings each month.

**UNITED STATES**
-7.2%

**WEST REGION**
-20.1%

**MIDWEST REGION**
-7.9%

**SOUTH REGION**
-10.9%

**NORTHEAST REGION**
-1.5%

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

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

To view the full report, visit [www.showingtime.com/index](http://www.showingtime.com/index).

**ABOUT SHOWINGTIME**

ShowingTime is the residential real estate industry’s leading showing management and market stats technology provider, with more than 1.2 million active listings subscribed to its services. Its showing products and services simplify the appointment scheduling process for real estate professionals, buyers and sellers, resulting in more showings, more feedback and more efficient sales. Its MarketStats division provides interactive tools and easy-to-read market reports for MLSs, associations, brokers and other real estate companies. ShowingTime products are used in more than 250 MLSs representing over 950,000 real estate professionals across the U.S. and Canada. For more information, contact us at research@showingtime.com.
The Qualified Mortgage (QM) regulation has not materially increased mortgage costs or decreased access to credit, according to a report published by the Consumer Financial Protection Bureau (CFPB) on January 10.

These were two of many observations made by the CFPB in its mandatory five-year assessment of the QM Rule, which provides a safe harbor under Dodd-Frank for Qualified Mortgages that meet designated criteria to better assure that a borrower has a reasonable ability to repay the loan.

To prepare for the report, the CFPB solicited 2017 comments on the QM Rule, researched a National Mortgage Database it has developed with the Federal Housing Finance Agency, conducted a 2018 Lender Survey, reviewed application data from nine large depository and non-depository lenders, and analyzed HMDA data.

Here are some of the highlights:

**ASSURING ABILITY TO REPAY**

- **Loan features:** Loan features contributing to foreclosure within two years of origination (e.g., loans combining low initial monthly payments with subsequent payment reset or those made with limited/no documentation) had largely disappeared from the market prior to the adoption of the Rule, and today appear to be restricted to a limited market of highly credit-worthy borrowers.

- **Debt-to-Income Ratio (DTI):** Even though house prices have largely returned to pre-crisis levels, currently 5 to 8 percent of conventional loans for home purchase have DTI exceeding 45 percent; in contrast, approximately 24-25 percent of loans originated in 2005–2007 exceeded that ratio.

- **Delinquency rates:** The Rule’s introduction generally was not associated with an improvement in loan performance. In part, this is because delinquency rates on mortgages originated in the years immediately before its effective date were historically low, as credit was already tight at that time.

**ACCESS TO CREDIT**

- **Mortgage volume and approval rates:** Overall, there was not a significant change in the volume of mortgage applications or the average approval rate at the time the QM Rule became effective, partly because credit had substantially tightened before the Rule took effect and partly because 97-98 percent of loans originated the year before the Rule would have met QM requirements.

- **High DTI borrowers/GSE loans:** The Rule has not decreased access to credit by high DTI borrowers (borrowers with a DTI above 43 percent) who qualify for GSE loans because such mortgages meet the standards for QM loans.

- **High DTI borrowers/non-GSE loans:** Application data from nine larger lenders indicate that the Rule displaced 63 to 70 percent of approved applications for home purchase by high DTI borrowers seeking loans that are not GSE-eligible (most commonly due to loan size) from 2014 to 2016. The data also indicates that approval rates of non-QM, high DTI borrowers seeking to purchase homes declined across all credit tiers and income groupings.
Closing times immediately after the effective date of the Rule increased by about 3.5 days for refinance loans and a little over a day for purchase loans.

- **Self-employed borrowers**: The Rule did not impact access to credit for self-employed borrowers seeking GSE-eligible mortgages, but lenders originating loans for self-employed borrowers who do not qualify for GSE-eligible mortgages may find it difficult to comply with standards relating to the documentation and calculation of income and debt. Nevertheless, application data indicates that the approval rates for non-high DTI, non-GSE eligible self-employed borrowers have decreased only slightly.

- **Small loans**: While fixed origination costs could make it easier for smaller loans to exceed the QM points and fees cap, HMDA data indicate that the Rule likely had no effect on access to credit for these loans, and responses to the Lender Survey indicate that lenders handle such applications on a case-by-case basis to avoid exceeding the cap.

**COST OF CREDIT**

- **Overall cost**: At the aggregate market level, the Rule did not appear to have materially increased costs or prices around the time of its implementation. The spread between the average interest rate on 30-year fixed-rate mortgages over the applicable Treasury rate has remained constant since its implementation.

- **GSE vs. private label market share**: The current QM category is broad due to the inclusion of GSE eligible loans; the inclusion of which is set to expire by January 2021. Contrary to the CFPB’s expectations at the time of the rulemaking, the GSEs have maintained a persistently high share of the market since the Rule took effect, while the private label mortgage-backed securities market’s share remains relatively small.

**CLOSING TIMES**

- Closing times immediately after the effective date of the Rule increased by about 3.5 days for refinance loans and a little over a day for purchase loans. It’s likely that these short-term effects attenuated over time due to learning and adaptation to the new requirements.

While the report made no recommendations for how to improve the rule, CFPB Director Kathy Kraninger said in her accompanying message that its publication “is not the end of the line” for the Bureau. “The agency is interested in hearing reactions from stakeholders,” she stated.

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Sue Johnson is the former executive director of RESPRO, the Real Estate Services Providers Council Inc. She retired in 2015 and is now a strategic alliance consultant.
The first year Chris and Leigh spent their time getting systems in place that would allow them to offer value to the agents they wanted to add. “After we had our systems in place, we started adding agents, about a dozen the first year,” he says. “Our unique selling proposition at the time was that we’re cheap. We cost $275 a month, and our agents kept 100 percent of their commissions,” he says. After six years, they grew to 60 agents. “We didn’t want to be known by agents as cheap. We wanted to be known as the best.”

Russell said he had an “epiphany with technology” when he came across the Kunversion platform from Inside Real Estate. “Using Kunversion would cover at least two of the four categories,” he says. Because of that, Russell decided to make the investment. “When you charge $275 a month, and the agents keep 100 percent of their commissions, you don’t have a lot of extra money for technology, so we found a lender partner who helped us defray the cost of Kunversion.” Since then, Russell has grown from 60 to 150 agents in only a year-and-a-half. “The brokerage really took off, and it was directly attributable to us offering the best technology and lead generation.”

HOW HE WAS KUN-VERTED
With so many lead generation programs out there, Russell didn’t come to his choice quickly. “I’m a research guy, and I order my life by a spreadsheet,” he says. “I looked at every main system that’s out there that supports brokerages, and Kunversion rose to the top with pricing and features. The lead generation was critical. The ability to text clients was essential. Also vital was being able to scale it to the size of brokerage that we are now; those were all features that we looked at.”

USING KUNVERSION
“As I mentioned, we have agents scattered around Ohio, Kentucky, and Florida, so we hooked them up with a Kunversion account,” he says. While he doesn’t have 100 percent adoption, Russell is OK with that. “For the agents that would like our technology, we set them up and then generate tons of leads as a brokerage. Any leads that individual agents can generate on their own, they get to keep 100 percent of the commission.” Russell hires a virtual assistant to create “about 600 squeeze pages per month, and we put those out all over the place. We generate tons of leads through that,” he says. “The leads that we generate, we hand off to agents for a 70/30 split. That allows us another
revenue stream, which definitely pays for Kunversion.”

Russell also likes the drip email campaigns offered through Kunversion. “We probably don’t tap into all of the power the platform offers but we do have some agents who do. For our brokerage, we lean heavily on the squeeze pages and landing pages to generate leads. We also use the automated follow-up component.”

Russell contracts with an inside sales agent company that calls all of the leads and then hands them off to agents as warm leads. His company also integrates Kunversion with Facebook extensively. “My virtual assistant creates regional homes for sale Facebook pages, such as Mason Ohio Homes for Sale. We have 10 of these representing different regions of our area. Every day, the assistant creates two squeeze pages per Facebook page,” he says. “She’ll do one that’s a single property listing squeeze page and then another that’s a list of properties squeeze page. She’s posting 20 squeeze pages per day on those 10 Facebook sites.”

**RECRUITING AND TRAINING**

Overall, he says, “it’s been a great recruiting tool. Just having the tools available for agents means so much to them. We tell people that we’ll provide the best technology available, Kunversion, and explain how to generate 30 to 50 leads per month. Then, we explain our training,” he says.

Russell says they typically do webinars training, along with live training events at the office. “Plus, the Kunversion trainers have done training events with us, which has been terrific.” Kunversion also offers online training with hundreds of videos to get sales professional up and running. There is an advanced component as well, for real estate professionals who want to get deeper into the capabilities of the program. “The Kunversion Facebook page is amazing. People can get a lot of help there. We teach people how to use the little tech support bubble at the bottom right-hand corner of the screen. It unlocks one of the best training tools the platform offers,” says Russell.

“Since using the platform, the number of leads that we had coming into our system at least doubled immediately. Within the first month that we jumped from about 200 leads a month to 400. Now, we get about 800 leads per month,” he says. As for quality, Russell says it’s all about the agent. “I have one agent who needs 100 leads to close a deal, and I have other agents who only need 10 leads. I train them all on the platform, and some respond better than others.” In fact, he says, “we’ve got a young couple who started with us several months ago. I told them exactly what they needed to do, and they immediately implemented the plan. Within the first month, he had four people under contract and so many leads in his pipeline that he had to stop doing squeeze pages because he wasn’t able to keep up with it.”

From lead generation to recruiting, Russell has built his brokerage around the value proposition of getting leads to his agents. “We’re just getting started,” says Russell. “Kunversion is the key to growing the brokerage.”

“Within the first month, he had four people under contract and so many leads in his pipeline that he had to stop doing squeeze pages because he wasn’t able to keep up with it.”– Chris Russell
The concept of branded residences dates back over 90 years and predominantly comprises a hotel development with integrated or adjoining private residences. The owners of these residences benefit from owning a home with the prestige of a hotel brand, top-class management and the services provided by a five-star hotel.

For hotel developers, the ability to sell residences off plan and receive a return on capital on completion assists significantly with the initial development and operating cash flows and enables the brand to create a strong bond with consumers.

A brand involvement increases the visibility and value of the project when potential buyers see Ritz-Carlton, St. Regus, Marriott or Four Seasons—residences that are synonymous with a quality product.

The 2019 Knight Frank Branded Residences Report estimates that there are now over 400 branded residences in more than 60 countries with most of the growth happening over the last 15 years. Together Marriott, Four Seasons and Accor brands represent more than half of all hotel branded residences with Marriott being the overwhelming market leader. According to the report, Marriott has over 60 new branded residences in the pipeline and, by the end of 2019, hopes to open 19 of these in nine countries.

**DIVERSIFICATION**

In the last ten years, the sector has seen diversification, offering more flexibility to projects in varying markets around the world. We’re seeing more residentially led developments with a hotel component, residential developments with hotel management and luxury resorts with luxury residences used as holiday lets. Also, non-hotel brands such as Armani, Versace, and Porsche have all become involved in developments in recent years.

**GROWTH AREAS**

Strong growth is happening in the Asian market, particularly in Thailand and Indonesia. As a single city, Dubai has the highest concentration of branded residences with operators such as The W, Jumeirah Group and The Address leading the way. The Report states that the rapid rise in popularity of Dubai stems from the need for developments to differentiate their brands. In Dubai, they can build higher, bigger and better than most other cities.

Europe only accounts for about 7 percent of branded residences as historically European communities are less brand conscious, and developers are confident in their quality product and less likely to license a brand to move their real estate.

In the future, branded residences need to ensure that they’re designed with the end user in mind. To differentiate themselves, they will need to be more eco-focused in design and more holistic with beautiful gardens and a wellness focus to attract a multi-generational buyer. In the words of Chris Graham, an expert on brand residences, “it is about creating memories and an emotional link.” It’s more about the experience rather than a bigger pool or better-equipped gym.

Villas in Visakhapatnam, India
I have never questioned my professional judgment more than in my current role. I oscillate between feeling as though I’m not moving projects forward fast enough and feeling as though I’m overwhelming our agents and staff with too many changes. How much is too much?

I asked a handful of our agents and staff how many new tools they thought we could realistically take on each year. Their responses ranged from three to ten new platforms, with an average in the four-to-six range. However, it was the three additional comments that really stuck with me:

1. “It depends on how much training we have.”

While most technology companies offer training tools, whether that’s a dedicated trainer specific to your operations, group training with other teams of similar size, or on-demand video-based training, agents and staff need more guidance than just a how-to. The success of a system rollout and adoption by your team is dependent on understanding the workflow and best practices for your environment.

I find myself explaining why much more often than how because when your team knows why they should do something a certain way, they can expand that mentality to other aspects of the system or set of systems. Every business is unique, and most software solutions allow for customization to meet your needs. However, training is more than just telling people how to “click here and then drag it there.” Training needs to be planned and flexible based on specific use cases and user feedback. Most importantly, advanced access to new systems will take stress off your agents and staff, giving them the confidence to use the system to its full capacity when it goes entirely live.

2. “It depends on how much time we have to get used to it before it’s fully live.”

User feedback is critical to a successful rollout. Make sure that you’re building in adequate time for your staff and agents to get exposed to a system before going live. As an example, we’re currently rolling out a transaction management (TM) system to replace our digital files and deal folders. The old system was in place for 10 years. The longer your team has been using a legacy process, the more time they’ll need to get used to a new solution. We’ve given our team a four-month period to get used to our new TM system. During this period, I’m meeting with agents and staff weekly to get feedback on what’s working and what’s not working. The pain point with this way of doing things is that there is a duplication of efforts during the transition window. In fact, I had some agents ask to cut over before the
go-live date. However, until everyone is ready to move over, duplication will be required. Take this into account when planning your next rollout.

3. “It depends on how many other things we’re launching at the same time.”

We’re bombarded with vendors trying to sell us and our agents marketing and transaction management software, websites, safety products, business and financial tools, and everything in between. Even if you wanted to implement every new product you saw, it’s not possible to build out the training and get your team up to speed with every system at the same time. We need to focus on top priorities and ensure we have the staff and training materials in place to create a successful rollout. We need to plan where each rollout fits in the annual calendar and communicate these dates to the team.

Many software companies ask a set of qualifying questions, like an agent trying to qualify a buyer or seller. These qualifying questions are designed to help rank leads by the highest propensity to buy. However, none of these companies ask one key question: What other products are you rolling out over the next three-to-twelve months? Be your own advocate and make sure that vendors understand the other vendor obligations you’ve taken on. Ask them for advice and assets to help plan for a successful rollout with your team.

Your business is unique, and you should embrace this. Using a piece of software without building out specific-use processes or workarounds is allowing the software to control your business. Work with your team on a detailed training plan, enough time to get comfortable with the new interface, and a strategic launch date. In my opinion, these are the three most significant factors in ensuring a successful launch. Course corrections and adjustments are a natural part of the process. Failure is OK. But, if you’re going to fail; fail fast!

Warren Dow is the VP of Business Development at Peabody & Smith Realty based in New Hampshire. Warren has over a decade of leadership experience in real estate software and services. With a degree in behavioral neuroscience and a background in technology, consumer engagement, and marketing strategy, Warren offers a unique perspective in brokerage efficiencies with a client-first mentality.

To Submit Your Brokerage!

SUBMIT!
IN MEMORIAM

BILL MOORE, MOORE AND COMPANY, DENVER, CO
STEVE BOHNER, PREMIER REALTY GROUP, STUART, FL

We learned recently that two enormously talented men passed away. It’s always painful to lose friends, and these two men were friends to many across the country.

Bill Moore, who ran Moore and Company in Denver, Colorado, for most of his career, passed away recently. He had been ill for some years. Bill took over his father’s company and built it into a giant, highly successful, highly professional real estate brokerage over 30 years. His leadership skills were unsurpassed which, among other achievements, led him to become the president of the National Association of Realtors® in the 1980s. Bill was optimistic, friendly and a trusted individual in the industry.

Steve Bohner took over a small, family real estate firm in the Stuart, Florida, area and built it into a thriving boutique firm called Premier Realty Group. While not a large firm, it was among the leading firms in his area. His daughter, Jessica, was groomed to lead the business into the third generation of family ownership. To all those who knew Steve, he was warm and engaging and one of the most generous individuals in our business.

REAL Trends had numerous chances to work with and for them and their companies over the past 25 years. We will always consider that we were fortunate to have known them and that we had the chance to serve them. We knew them as great servants to the people of their companies, to others in the industry and, most especially, to their family and friends.

IN MEMORIAM

Steve Bohner

Bill Moore

FEATURED SPEAKERS

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