

## **2012: Real Estate Business Trends**

The real estate industry continues to evolve -- at warp speed, or so it seems at times. Stefan Swanepoel is recognized as a leading visionary on real estate business trends. Swanepoel names the trends that he feels will likely play key roles in shaping the industry's future (in 2012 and the years ahead), spelled out (in great detail) in his latest book *Swanepoel Trends Report 2012*.

### **TREND 1 Reinventing REALTOR® Associations**

Today's Association model, created over 100 years ago, isn't nearly as effective as it once was. Though the local, state and national Associations have been extremely successful over the years, membership levels are either dropping or merely hanging on as a result of MLS participation. "Real" participation is eroding. REALTOR® leaders have time to turn the tide toward renewed relevance, if they act soon. Key factors to be addressed: leadership; personalized member service; communication; redesigned volunteer opportunities; and enhanced governmental affairs efforts.

### **TREND 2 MLS Innovation**

MLSs have also been around for almost a century and are recognized for possessing the most superior, current and comprehensive data on residential real estate. Rumors of a national MLS seem to be fading, as many doubt that one national MLS could deliver high quality service without needing local service centers with an estimated 3,000 employees. The benefit of local and regional MLSs is quality data, with enforced standards for data and cooperation. But MLSs must continue to innovate through technology, streamlined governance and expanded promotion of "MLS-certified" listing data.

### **TREND 3 The Internet**

Internet use worldwide skyrocketed to 2.1 billion users as of the end of 2011, a 1000% increase since 2000. The demand for Internet stocks is also growing at a fast pace. Companies like Amazon and Groupon have shown that it is possible to build huge new global brands quickly. Companies like Google, Twitter, YouTube and eBay have shown that it is possible to change consumer behavior. Swanepoel predicts "Zillow and Trulia will be two of the companies together with Realtor.com, LPS and CoreLogic to have the largest impact on how houses are bought and sold in the coming decade."

### **TREND 4 Global Success for Large Real Estate Brands**

Five major players rule the residential real estate industry in the US, according to Swanepoel (in alphabetical order): Brookfield Residential Property Services (Real Living, GMAC Real Estate and Prudential Real Estate); HomeServices of America; Keller Williams Realty; RE/MAX and Realogy Corporation (Coldwell Banker, Century 21, ERA Real Estate, Sotheby's Realty and Better Homes & Gardens Real Estate). These companies are often the leaders in innovation or, at

the very least, the large scale adopters of change. Watch for increased efforts to build global brands.

### **TREND 5 Planning for the Next Decade**

Some trends are beyond the control of the real estate industry -- there is little we can do about the European financial crisis or the progress of technology.

"Nonetheless, there are changes that we as an industry and as individuals working in real estate can and should make with an eye toward long-term strategic thinking. . . . We can all individually and collectively start to lay plans, make changes and do things to avoid or mitigate what is coming for us down the road."

*What other trends will Swanepoel be watching this year? Consumer demand for agent ratings; growing rental markets; continued increase in social media consumption; expanded consumer use of mobile applications; and a growing multicultural base among buyers (residential and commercial.)*

*This review of Swanepoel's Trend Report 2012 was written by Laura Benjamin, CEO of the Roanoke Valley Association of REALTORS®.*