



NATIONAL ASSOCIATION OF REALTORS®

# Strategic Plan • 2012–2014

*Approved November 2011*



NATIONAL  
ASSOCIATION *of*  
REALTORS®

# 2011 NAR Strategic Planning Committee

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# Strategic Planning Environment

**W**hile gradual evolution often marks the transition from one business environment to another, the recent financial crisis and ensuing economic adversity have combined into a mix of uncertain signals for the real estate business and for organized real estate.

Both residential and commercial real estate markets have endured, and in many areas continue to endure, a significant level of distress. This dislocation takes many forms including fewer sales, weak prices, high inventory levels, anxious clients and more difficult and time-consuming transactions. For many REALTORS®, the past few years have been one of the most challenging periods ever experienced.

As difficult as the current environment is for REALTORS®, one of the goals of strategic planning is to look beyond near-term market conditions and to instead question assumptions and determine the primary forces that will shape the business environment several years into the future. While the anticipated interplay of these forces often will not lead to a specific forecast about the future, it should, at a minimum, provide useful guidance and scenarios to inform decision making.

Some of the most significant forces that will affect the real estate industry over the next decade include:

**Consumer and REALTOR® Interaction with Technology.** Information and communications technologies already provide consumers with vast numbers of opportunities to gather information and make decisions when conducting a real estate transaction. Experts suggest that if anything this trend will

accelerate. Furthermore, increasingly powerful business-oriented technologies may alter the value-added role of REALTORS® in the transaction.

**The Value Proposition.** Consumers find value in many types of relationships, including the relationship that many have with REALTORS® when buying, selling or leasing real estate. However, what consumers value about that relationship is likely evolving as the cost of accessing information declines and the speed of communication increases. Similarly, REALTORS® find value in their relationship with the REALTOR® organization given the increasing importance of advocacy, information and business tools needed to meet future challenges and opportunities.

**Demographics of REALTORS® and of Consumers.** The leading edge of the baby boom generation is approaching retirement while the children of the baby boomers – a cohort larger than the boomers themselves – have now started to exert more influence on economic and social trends. Likewise, the transition to a younger, more racially diverse generation of REALTORS® is underway. Both of these changes present challenges for REALTORS® and the REALTOR® organization as generational dynamics suggest possible shifts in consumer preferences at home and in business.

**Structure of the REALTORS® Organization.** Experts suggest that associations of all types are facing a period of rapid change and will need to adjust their business models to adapt to that change. This is especially true of associations that represent, as does the REALTOR® organization, industries that are themselves changing rapidly.



# Strategic Planning Principles

The NATIONAL ASSOCIATION OF REALTORS® Strategic Plan sets forth a number of forward-looking objectives that reflect the challenges and opportunities that are likely to emerge in an uncertain world. Collectively, these objectives focus on ensuring a strong relationship between REALTORS® and consumers so that consumers recognize REALTORS® as professional, competent and trusted sources of information and services. With the strength of the REALTOR® organization as a foundation, the Association will continue to support public policies that advance the real estate industry and private property rights while also adhering to its vision as an effective business and public policy advocate for its members and the consumers they serve.

The NAR Leadership Team, Strategic Planning Committee (SPC), CEO and senior staff have agreed on a set of core principles. These principles form the basis for the strategic objectives to follow, and include:

- The strategic plan should be a living document and the process continuous – reviewed and updated regularly from its current version rather than being re-built each year.
- The plan should directly influence operational decisions and be a lens through which those decisions are considered, thus having some influence over budgeting and operations of NAR. However, the plan should focus on defining strategic objectives, rather than dictating operational details and initiatives, which is the role of the senior staff and Leadership Team.
- The strategic planning process is a partnership among the SPC, the Leadership Team and NAR staff.
- Careful monitoring and measurement of progress against the strategy are essential to the process, but should be set up and conducted by the staff and reported regularly to the Leadership Team. Metrics should be designed to measure the viability of the plan's objectives and overall progress towards them as an organization (leadership, committees and staff).
- The process should encourage long-term thinking, creativity and careful consideration of “over the horizon” issues.

# NAR Strategic Plan at a Glance

## Vision

NAR is the trusted voice for real estate and an effective business and public policy advocate for its members and the consumers they serve.

## Strategic Objectives

1. Shape the future of mortgage financing to ensure a strong and sustainable flow of capital into the mortgage financing market place
2. Create and support a meaningful, long-term relationship between REALTORS® and consumers
3. Be the most comprehensive, reliable and accessible source of real estate information
4. Improve the competency and professionalism of REALTORS®
5. Strengthen relationships with REALTORS® and within the REALTOR® community
6. Support public policies that advance the real estate industry, protect private property rights and promote sustainable real property ownership, housing opportunities and homeownership

## Strategic Objective 1

# Shape the future of mortgage financing to ensure a strong and sustainable flow of capital into the mortgage financing market place

### End Results

#### Information

- Through NAR communication and education, members understand how to work in an environment of financial and economic uncertainty
- REALTORS® are valued as a reliable resource to assist the real estate consumer in all financial market environments

#### Advocacy

- NAR is viewed as a valued partner and resource in creating regulatory solutions that favorably impact real estate financing

- NAR proactively identifies and promotes favorable solutions to real estate, financial, appraisal and taxation issues to help strengthen the financing marketplace
- NAR encourages sound lending and financial practices while taking a leadership role in ensuring the viability of a strong and sustainable market for mortgage financing and continued federal support for real estate financing and capital in all market conditions

#### Business Practices

- NAR supports the use and creation of a wide range of mortgage products that serve the needs of consumers



## Strategic Objective 2

# Create and support a meaningful, long-term relationship between REALTORS® and consumers

### End Results

#### Relationships

- The term REALTOR® is viewed synonymously with professionalism and competency
- Consumers recognize that a REALTOR® is an integral part of any real estate transaction
- REALTORS® and consumers' expectations and consumers' perception of REALTORS® competence are aligned
- Through REALTOR® advocacy, regulatory and communication efforts, the consumer better understands the various aspects of a real estate transaction and the long-term benefits of real estate ownership
- Consumers select REALTORS® as their trusted resource for all real estate services
- NAR generates compelling messages that encourage consumers to engage the services of REALTORS® to buy, sell and lease real estate
- NAR's national messaging promotes the value of homeownership and engages the consumer in dialogue with the REALTOR®
- NAR encourages members to use innovative solutions that support the REALTOR®-consumer relationship
- NAR supports and encourages REALTORS® to develop long-term relationships with consumers, acting as their trusted resource and as valuable members of their shared communities

### Business Practices

- The consumer recognizes that REALTORS® adhere to a strict Code of Ethics
- REALTORS® meet consumers' expectations of honesty and local market knowledge while engaging in business practices that serve client interests
- REALTOR® associations, MLSs and NAR members protect consumer privacy and ensure the security of consumer and proprietary information
- REALTOR®-owned and controlled multi-media applications are the trusted source of accurate information for consumers and drive traffic to our members

### Information

- NAR supports innovative tools for the delivery of comprehensive real estate information to establish REALTORS® as the trusted source of local real estate information for consumers and the media
- NAR promotes the value of real property ownership by providing accurate and reliable information on the benefits of ownership and its positive impact on families, communities and society



## Strategic Objective 3

# Be the most comprehensive, reliable and accessible source of real estate information

### Relationships

- NAR encourages and supports interactive real estate communications and technology for REALTORS®
- NAR encourages and supports collaborative relationships with organizations representing diverse groups of members
- NAR communications reflect and accommodate increasingly diverse members and consumers

### Business Practices

- NAR supports REALTOR®-centric transaction management platforms for its membership
- NAR educates its members and communicates best practices for ensuring information security and consumer privacy
- NAR develops tools to assist associations, MLSs and REALTORS® in securing their electronic assets
- NAR promotes products and services, including the best, most cost-effective technologies, designed to help REALTORS® increase productivity, profitability and the value provided to consumers

### Information

- NAR makes real-time analytic property information available to all REALTORS®, without regard to geographic boundaries
- REALTORS® have timely, cost-effective access to uniform real property information
- NAR produces, disseminates and provides ways for members to segment and customize information on all aspects of the real estate industry including, but not limited to, residential, commercial, property management and international markets
- NAR collects and disseminates timely information reflecting the growing diversity of consumer and member demographic characteristics and preferences



## Strategic Objective 4

# Improve the competency and professionalism of REALTORS®



### End Results

#### Relationships

- Members and consumers recognize that being a REALTOR® means commitment to the highest level of competence, adherence to the Code of Ethics, and dedication to professional courtesy
- NAR's membership criteria are recognized by real estate associations around the world as a model for ensuring the highest level of effectiveness, competency and professionalism

#### Business Practices

- NAR supports consumer feedback and ratings that are used to improve REALTOR® performance
- NAR promotes higher licensing standards
- NAR promotes the creation of advanced real estate degree programs, as well as other types of educational training, for members

#### Information

- REALTORS® are recognized by consumers as skilled and competent sources of real estate information and local market knowledge
- REALTORS® are well-informed about and engaged in local, state and national public policy discussions affecting real property ownership

## Strategic Objective 5

# Strengthen relationships with REALTORS® and within the REALTOR® community

### End Results

#### Relationships

- NAR supports the use of social media applications as effective business tools for advocacy, education, marketing and member involvement
- Members utilize online communities to enhance REALTOR®-to-REALTOR® dialogue
- NAR encourages and benefits from a diverse membership and leadership
- NAR enhances its collaborative role with members, local and state associations and affiliated institutes, societies, councils, and global partners to promote common interests
- NAR fosters meaningful involvement, flexibility and efficiency in the decision making process

### Business Practices

- NAR continually evaluates and innovates to facilitate business and financial opportunities for its members
- NAR leads the effort to promote a global marketplace that ensures safe, fair and orderly real estate transactions
- Members recognize NAR as a trusted provider of relevant information, products and services

### Information

- NAR develops policies and adopts innovative technologies which lead to more comprehensive and reliable member information at all levels of the organization
- NAR effectively communicates its value to members to foster high levels of engagement and involvement in the communities they serve



## Strategic Objective 6

Support public policies that advance the real estate industry, protect private property rights and promote sustainable real property ownership, housing opportunities and homeownership

### End Results

#### Relationships

- NAR is recognized as THE advocate for legislative, regulatory and legal policies that benefit REALTORS® and real property interests
- NAR supports REALTORS® and others aligned with REALTOR® interests seeking election or appointment to public office
- NAR builds relationships with coalitions and advocacy groups to strengthen public policy positions

### Business Practices

- NAR utilizes targeted communication channels and technology to promote REALTOR® interests

### Information

- NAR evaluates and communicates the success of our advocacy programs
- NAR raises awareness and keeps stakeholders at all levels of the organization up to date about public policy issues and their impact on the REALTOR® community and consumers

### Advocacy

- NAR promotes and supports policies that protect and sustain the societal value of home ownership
- NAR continues to strengthen its involvement in legislative, regulatory and political advocacy at the national level and supports efforts at the state and local levels
- NAR supports housing that is affordable and available to all
- NAR offers information and education on advocacy to our global partners
- NAR provides opportunities for REALTORS® to partner with consumers in advocacy
- NAR's supports policies that sustain and protect property rights and the ability of consumers to effectively and efficiently engage in real estate transactions



# The Strategic Planning Process

**T**he NATIONAL ASSOCIATION OF REALTORS® Strategic Planning process consists of an annual review and update of the NAR Strategic Plan. This process allows the plan to be sufficiently flexible to respond to a changing environment while also looking ahead over a three to five year planning horizon.

The Committee has developed a planning process that takes full advantage of input from a number of sources including REALTOR® members, NAR committee leadership, state and local REALTOR® association leadership, industry leaders, outside experts, and innovators in the real estate business. The objective is to gather information and intelligence from those inside and outside the REALTOR® organization who influence the industry.

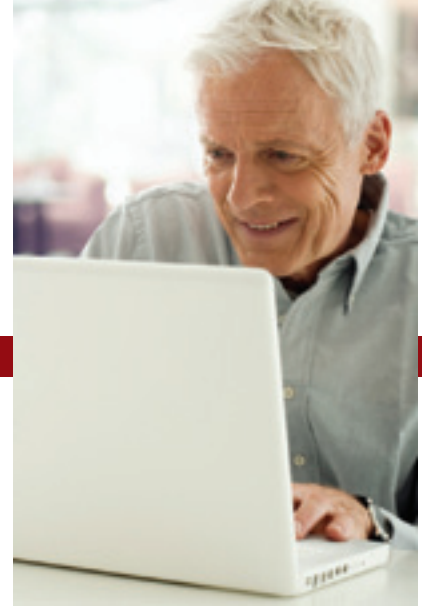
**Focus Groups.** The Strategic Planning Committee conducted two types of focus groups. The first consisted of recent home buyers and sellers and gathered qualitative information, opinions and feedback on the process of buying and selling a home. The focus groups were conducted in Chicago, Pittsburgh, Salt Lake City, Jacksonville, FL and Memphis. Each focus group included 8 to 10 participants of various ages, including first-time home buyers. Focus groups of local REALTORS® in each of the same five cities were conducted also. The purpose of these focus groups was to get on-the-ground feedback on current business and market conditions and information about interaction with the NATIONAL ASSOCIATION OF REALTORS®.

**Environmental Scan.** The strategic planning process includes a comprehensive and broad-based environmental scan, the purpose of which is to provide the Strategic Planning Committee with information about current

trends and issues. Rather than develop a comprehensive written document that covers a large number of topics, the Committee invites industry leaders and experts to address the Committee and engage in a discussion about a range of relevant issues.

The 2011 Strategic Planning Committee invited experts to address several important areas. Chris Mayer, Paul Milstein Professor of Real Estate and Senior Vice Dean at Columbia Business School provided his views on the economy and the real estate market. Thomas Stewart, Chief Marketing and Knowledge Officer at Booz & Company described the major global trends that will affect the business environment over the next decade. Thomas Mann, Senior Fellow and the W. Averell Harriman Chair at Brookings, Peter Francese, demographer and Founder of American Demographics Magazine, and Marian Salzman, President of Euro RSCG Worldwide PR participated in panel discussion focused on political, demographic and consumer trends. John Tuccillo, consultant and former chief economist of the NATIONAL ASSOCIATION OF REALTORS® facilitated a discussion about the major drivers of the real estate industry during the next 3 to 10 years. These areas included: 1) technology; 2) the REALTOR® - Association and REALTOR® - consumer value proposition; 3) consumer and REALTOR® demographics; and 4) REALTOR® organization structure.

**Small Group Sessions.** For each of these four themes a sub group of Committee members met for a day-long discussion focusing on challenges and opportunities in each area. Each group also developed a set of scenarios that described possible outcomes for the REALTOR® organization and for REALTORS®. Commonalities across these scenarios provided the basis for



further discussion about long-term challenges and opportunities confronting the Association and its members.

**Member Needs Assessment.** Results from an annual member needs assessment were incorporated into the information gathering phase of the strategic planning process. This survey collects information about the views of REALTORS® on the value of NAR, anticipated challenges REALTORS® will face, ways NAR can assist members in meeting these challenges and views of REALTORS® on ways that NAR can further improve its relationship with members.

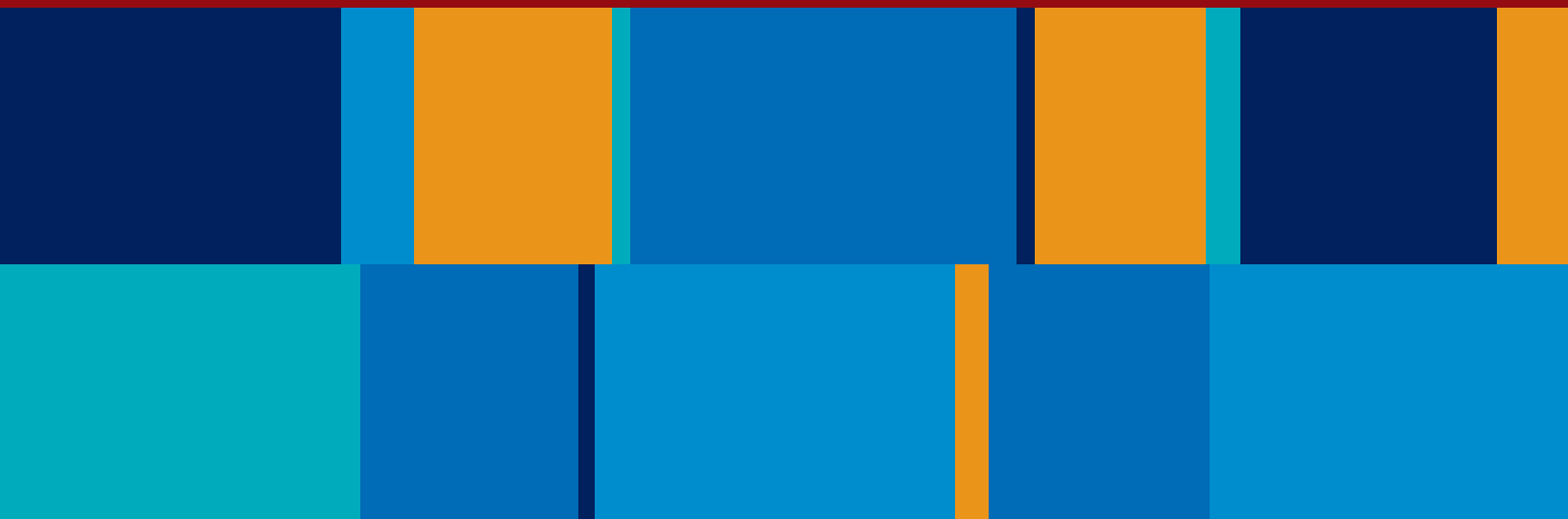
**Research.** Results from NAR surveys and research reports also were provided to the Committee. These reports and analyses describe changes in the business practices of members and changes in the characteristics and expectations of real estate consumers. Committee members were kept apprised of relevant news and analysis through a periodic distribution of news articles.

**Committee Deliberations.** Information gathered from industry leaders, the member needs assessment, research, along with input from NAR committee leadership, helped support the Strategic Planning Committee's review and deliberations about changes and revisions to the strategic plan. Within the process of reviewing the current plan, revising strategic objectives and formulating new objectives, both large group discussion and focused small group sessions were used to develop a draft strategic plan.

**Plan Approval.** Upon completion, the Strategic Plan was approved by the Strategic Planning Committee and forwarded to the NAR Board of Directors for their approval.

**Disseminating the Plan.** Following the approval of the Plan by the NAR Board of Directors, the revised Strategic Plan is made available online at REALTOR®.org and in various hardcopy formats. The strategic plan is sent to all NAR committee members, state and local REALTOR® association leadership and NAR staff. Upon request, the Plan will be made available to state and local REALTOR® associations to facilitate their strategic planning process.





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