

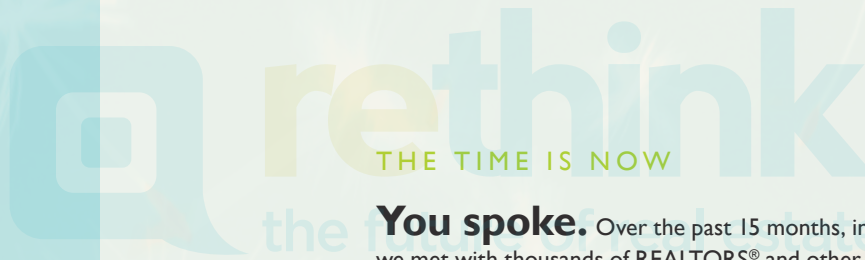


NATIONAL
ASSOCIATION *of*
REALTORS®

RETHINK. REIMAGINE. REINVENT.

THE TIME IS NOW.

NATIONAL ASSOCIATION OF REALTORS®
STRATEGIC PLAN, 2014-16



You spoke. Over the past 15 months, in 28 workshops around the country, we met with thousands of REALTORS® and other industry professionals. We asked you to “REThink” the future of real estate, and your voice strongly influenced this plan. Here’s how.

The clarion call for change was loud and clear. In city after city, you talked about the critical need to adjust to the new realities of society, the economy, and the real estate business. This plan calls on NAR and organized real estate to put a strong emphasis on change itself—to be open, nimble, and collaborative and to focus on helping members better meet consumers’ expectations. Specifically, it confronts your concerns about the structure of organized real estate, in particular the three-way agreement. Many of you questioned the long-term sustainability of the current structure given the trends and uncertainties in your business. This plan sets us on a path to explore an organization-wide realignment that values innovation and efficiency.

There was widespread talk about harnessing big data. In workshops, we heard frequent comments on the ubiquity and growing influence of data. We heard specific concerns about both the use of MLS data and the structure of MLSs. We also heard your concerns about the information that was being gathered and disseminated by third-party aggregators. In this plan, we call on NAR to collaborate with other data providers where appropriate and seek opportunities to leverage data in a way that strengthens the relationship between consumers and REALTORS®.

Responsibility lies within each of us. We’d be remiss if we didn’t say this plan builds on the great work of previous Strategic Planning Committees, but it’s also a departure in its urgent call for change. Accepting and adapting to change is critical to our organization’s survival and to retaining its critical role as the leading advocate for real property ownership, private property rights, and the smooth transfer of real property. But ultimate responsibility for the success of this plan lies not with NAR alone. Each of us as individual practitioners plays a role. The future is ours if we operate with a commitment to accept and embrace change.



Elizabeth Mendenhall
2012 Strategic Planning Chair



Shannon Williams King
2013 Strategic Planning Chair



Todd Shipman
2014 Strategic Planning Chair

SEEDS OF CHANGE

We listened. The REALTOR® association has been the centerpiece of our nation's real property markets for more than 100 years. We couldn't have sustained our position as The Voice for Real Estate® for so many years without evolving. Yet today, we're challenged as never before by technologies and economic uncertainties that are changing the expectations of both REALTORS® and consumers. To survive and thrive in this environment we must be not only open and adaptable but also courageous enough to make the right choices. That's the transformative message of RETHink, and we salute the Strategic Planning Committee for doing the difficult work that led us to this plan.

Change is a process, but we have already begun seeding the transformation:

- In 2013, we rolled out a reorganized committee structure that's more relevant to the challenges we are confronting today and in the coming years.
- We made historic changes to the realtor.com operating agreement to let our consumer listing Web site compete more effectively.
- This fall, we announced the launch of a new predictive analytics group to innovate ways to use and combine NAR and other data for your benefit.
- We are refocusing our consumer outreach initiative, working in closer collaboration with realtor.com, our state and local associations, and other organizations—and engaging consumers in advocacy.
- We are re-examining the process for moving into association leadership.
- We recently launched a student membership and are evaluating other membership categories.
- Through the REALTOR® Party initiative, advocacy resources are pouring back into REALTORS® communities.

Our three-way agreement—by which REALTORS® join the national, state, and local association—is a significant source of strength for all levels of our organization. But the concerns you expressed in RETHink workshops did not fall on deaf ears. We're exploring ways to retain our core strength, particularly in advocacy, while making our structure more efficient and in tune with your needs.

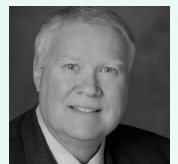
We look forward to continuing the dialogue started by RETHink. Your insights and continued commitment will keep the REALTOR® family strong through its second century.



Gary Thomas
2013 NAR
President



Steve Brown
2014 NAR
President



Dale Stinton
NAR CEO

RETHINK RECAP

How Will NAR Remain Relevant? You told us . . .

Organizational change is essential . . .

- Re-evaluate the structure of the organization to increase its relevancy.
- Eliminate unnecessary duplication of efforts across the three levels of the REALTOR® organization.
- Facilitate consolidation where we're paying for duplicate services.
- Play a leadership role on behalf of REALTORS® and consumers.
- Re-evaluate NAR's leadership model.

but maintain a position of strength.

- Bring the association's influence to bear in the revitalization of housing, community development, and new and different concepts of housing and homeownership.
- Continue educating members about the need for political involvement at all levels.
- Build ties with like-minded consumers to strengthen advocacy efforts.

Be the data leader . . .

- Adapt to and embrace technology.
- Leverage data and related technologies to support our success.
- Enhance REALTOR® organization's relevance as the first and best source for industry, market, community, and consumer data and information.

and the standard bearer.

- Raise the standards of entry into the profession.
- Raise the standards of entry into the association.
- Enforce professional standards.
- Distinguish in consumers' minds the difference between REALTORS® and licensees.

Forge ties with the public . . .

- Learn more about consumers and their preferences.
- Position REALTORS® as the primary source of credible, accurate information about real estate.
- Highlight the value and role of REALTORS® as active, influential members of the community.
- Preserve and strengthen the REALTOR® brand by differentiating the unique services, expertise, and perspective we provide before, during and after a transaction.

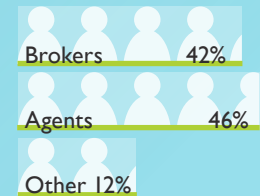
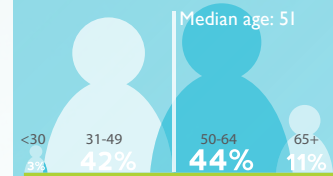
and with strategic partners.

- Collaborate with data partners inside and outside the organization.
- Share information and engage on issues of mutual interest.

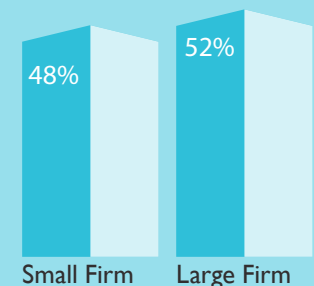
REThink was launched in August 2012.

Who Took Part?

4,500
workshop participants



18,000
rethink hours



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.

Objectives

Build an organization in which **openness, innovation, and reinvention** are the watchwords.

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

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

Be the most **comprehensive, reliable, and accessible** source of real estate data and information for members and consumers.

Raise the **competency and professionalism** of REALTORS®.

Strengthen relationships within the **REALTOR®** community.

Shape the future of residential and commercial **mortgage financing** to ensure a strong and sustainable flow of capital into the mortgage marketplace.



[change]

objective

Build an organization in which openness, innovation and reinvention are the watchwords.

REALTORS® have experienced many disruptive changes in the past several years: the financial and housing crisis; new technologies and data models; and rising consumer expectations. To remain relevant to its members, the REALTOR® organization, at all levels, must be prepared to help members stay ahead of the rapidly evolving marketplace. That means not only recognizing change but also being willing to adapt and innovate to help ensure REALTORS® remain central to the real estate transaction.



in practice [change]

- NAR optimizes its structure for efficiencies and to enhance the value proposition to members throughout the organization.
- NAR continually scans the environment to ensure its policies, processes, and programs remain relevant.
- NAR continually evaluates and innovates to facilitate business and financial opportunities for its members.
- NAR seeks member engagement and efficiency in its decision-making.
- NAR recognizes the importance of innovation within the REALTOR® organization and supports entrepreneurship and a culture of innovation.
- NAR explores “big data” strategies, including predictive marketing techniques, to learn how they might be used within the organization and to monitor their use by industry disrupters.

a shared responsibility

“Do more than belong: **participate**. Do more than care: **help**. Do more than believe: **practice**. Do more than be fair: **be kind**. Do more than forgive: **forget**.

Do more than dream: **work.**” William Arthur Ward, author



[the public]

objective

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

Consumers rely on REALTORS® to provide expertise that culminates in a successful real estate transaction. That relationship is broader and deeper when extended to the areas of shared advocacy interests and local market expertise and carried out through the full life cycle of property ownership or use. In an increasingly complex and fragmented real estate marketplace, a long-term relationship between REALTORS® and consumers, including tomorrow's consumers, benefits the public and supports the success of REALTORS®.



in practice [the public]

- Through REALTOR® advocacy and communications efforts, consumers understand the long-term benefits of real estate ownership and leasehold interests.
- Consumers recognize that a REALTOR® is an integral part of any real estate transaction, adheres to a strict Code of Ethics, and is an advocate for their interests.
- Consumers select REALTORS® as their trusted resource for all real estate services.
- NAR encourages REALTORS® to develop long-term relationships with consumers and supports those efforts.
- REALTOR® associations, MLSs, and NAR members protect consumer privacy and ensure the security of consumer and proprietary information.
- REALTOR®-owned and controlled media are the trusted source of accurate data and information for consumers and drive traffic and business opportunities to our members.
- NAR communications reflect and accommodate the diversity of our society.
- NAR promotes a high level of engagement and involvement in the communities that members serve.
- NAR generates compelling messages that encourage consumers to engage the services of REALTORS® to buy, sell, and lease real estate.
- The association embraces new and different concepts of housing and home ownership and positively influences community development.

a shared responsibility

“We need to be **totally consumer centric** — not what we want but what they want — and be able to adapt quickly.” REThink Participant



[advocacy]

objective

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

Advocating for policies that assure a healthy real estate marketplace benefits not just REALTORS® but consumers and the economy. The legislative and regulatory landscape of the future will always be uncertain, but effective advocacy by REALTORS® is necessary to sustain and protect private property rights; property ownership; and the orderly, efficient transfer of property in the United States.

in practice [advocacy]

- NAR is recognized as the advocate for legislative, regulatory and legal policies that benefit REALTORS® and real property interests.
- NAR supports policies that sustain and protect property rights and the ability of consumers to effectively and efficiently engage in real estate transactions.
- NAR supports policies that recognize and sustain the societal value of home ownership.
- NAR supports policies that ensure housing affordability and accessibility for all.
- NAR supports policies that encourage commercial real estate investment and use.
- NAR builds coalitions with aligned advocacy groups to strengthen public policy positions.
- NAR uses targeted communication channels and technology to promote REALTORS® interests.
- NAR provides opportunities for REALTORS® to partner with consumers in advocacy.
- NAR collaborates with public and private entities that benefit our members, inside and outside the industry.
- NAR supports REALTORS® and others aligned with REALTOR® interests seeking election or appointment to public office.
- NAR keeps stakeholders at all levels of the organization up to date about public policy issues and their impact on REALTORS® and consumers.
- NAR continues to strengthen its involvement in legislative, regulatory, and political advocacy nationally and supports state and local efforts.
- NAR offers information and education on advocacy, where appropriate, to our global partners.
- NAR evaluates and communicates the success of advocacy programs.

a shared responsibility

“Let us not seek the Republican answer or the Democratic answer but the right answer. Let us not seek to fix the blame for the past; let us accept our own responsibility for the future.” John F. Kennedy



[data]

objective

Be the most comprehensive, reliable, and accessible source of real estate data and information for members and consumers.

Consumers face an ever-widening array of sources claiming to provide comprehensive, authoritative data and information to meet their real estate needs. With REALTOR® association support, REALTORS® are the go-to source for credible data and information pertaining to real estate in their market. As the amount of information continues to grow, the value of REALTORS®' local expertise increases.

in practice [data]

- NAR develops and implements strategies to collect and leverage data for the benefit of its members in new and innovative ways.
- NAR delivers valuable, compelling data that members can't get elsewhere and that puts them in a position to remain central to the consumer real estate experience.
- NAR delivers timely, cost-effective access to uniform real property information, as well as real-time analytics.
- NAR collaborates with outside organizations to optimize data for members.
- NAR supports REALTOR®-centric transaction management and data platforms.
- NAR data supports its advocacy efforts by giving the association an understanding of consumer attitudes regarding real property ownership issues.
- NAR has a 360-degree view of its membership, enabling it to make wise decisions on member benefits.
- NAR educates REALTORS® about best practices for ensuring information security and consumer privacy.
- NAR identifies and promotes tools to assist associations, MLSs, and REALTORS® in securing their digital assets.
- NAR produces and disseminates timely information on all aspects of the real estate industry, including member and consumer demographics and preferences, and provides ways for members to segment and customize the information.

a shared responsibility

“Association or broker systems need to be partners with [the] competition... change industry dynamics...my data plus your data wins.” RETHink Participant

UNDER
ALL IS
THE
LAND

UPON ITS WISE UTILIZATION
OWNERSHIP DEPEND THE SURVIVAL AND
FREE INSTITUTIONS AND OF OUR CIVIL
REALTOR® IS THE INSTRUMENTALITY THROUGH
THE LAND RESOURCE OF THE NATION
HIGHEST USE AND THROUGH WHICH LAND OWNERSHIP
WIDEST DISTRIBUTION. * HE IS A CREATOR OF HOMES,
CITIES, A DEVELOPER OF INDUSTRIES AND PRODUCTIVE
FUNCTIONS IMPOSE OBLIGATIONS BEYOND THOSE OF
COMMERCE. * THEY IMPOSE GRAVE SOCIAL RESPONSIBILITIES
A PATRIOTIC DUTY TO WHICH THE REALTOR® SHOULD
HIMSELF, AND FOR WHICH HE SHOULD BE DILIGENT IN
IMPROVE THE STANDARDS OF HIS CALLING AND SHARE
FELLOW REALTORS' COMMON RESPONSIBILITY FOR ITS
AND HONOR. * IN THE INTERPRETATION OF HIS OBLIGATIONS
HE CAN TAKE NO SAFER GUIDE THAN THAT WHICH HAS BEEN
HANDLED DOWN THROUGH TWENTY CENTURIES, EMBODIED IN THE
GOLDEN RULE:

[professionalism]

"WHATSOEVER YE WOULD THAT MEN SHOULD DO TO YOU,
EVEN SO TO THEM."

WRITTEN BY THE ETHICS COMMITTEE, A.H. BARNHISEZ, CHAIRMAN AND PUBLISHED BY
THE NATIONAL ASSOCIATION OF REAL ESTATE BOARDS, CHICAGO, ILLINOIS, 1912

THE TIME IS NOW.

objective

Raise the competency and
professionalism of REALTORS®.

Consumers expect to work with a competent professional when completing a real estate transaction. REALTORS® also expect high levels of competence when working with their peers. A visible and successful campaign to lift the professionalism of REALTORS® benefits both the association and its members.

in practice [professionalism]

- Consumers recognize that being a REALTOR® means commitment to the highest level of professionalism and competence, as well as adherence to the Code of Ethics.
- Consumers recognize REALTORS® as credible 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 and use.
- NAR supports authentic consumer feedback and ratings that benefit both consumers and REALTORS®.
- NAR supports efforts to strengthen licensing and efforts to uniformly enforce professional standards.
- NAR offers high-quality, accessible education for members, including advanced real estate degree programs.
- NAR's membership criteria are recognized by real estate associations around the world as the standard for professionalism and competency.

a shared responsibility

REALTORS® . . . are zealous to maintain and improve the standards of their calling and share with their fellow REALTORS® a common responsibility for its integrity and honor. NAR Code of Ethics, preamble

A hand is holding a white sign with the word "REALTOR" written on it in a light blue, sans-serif font. In the center of the sign, the word "[unity]" is written in a white, lowercase, sans-serif font. The background is a light blue, textured surface with a pattern of small white dots. A horizontal green line runs across the middle of the page, separating the image from the text below.

[unity]

objective

Strengthen relationships within
the REALTOR® community.

The association enjoys an increasingly diverse membership. Meaningful interaction with and among members—and a policy of inclusiveness—enhances REALTOR® Party advocacy efforts, as well as opportunities for innovation that support members' business interests.

in practice [unity]

- Members know NAR's value proposition and understand what the association does to support their business success.
- Members are given the opportunity to engage with association leadership and make their voices heard.
- NAR focuses resources and engagement on members who are regularly and actively engaged in real estate as their primary business.
- Members recognize NAR as a trusted provider of relevant information, products, and services.
- NAR embraces generational, demographic, geographic, and cultural differences within the association and its leadership.
- NAR collaborates with members; local and state associations; affiliated institutes, societies, councils; and global partners to promote common interests.
- NAR leads the effort to promote a global marketplace that ensures safe, fair, and orderly real estate transactions.

a shared responsibility

“We are each other’s harvest; we are each other’s business; we are each other’s magnitude and bond.” Gwendolyn Brooks, poet



[capital]

objective

Shape the future of residential and commercial mortgage financing to ensure a strong and sustainable flow of capital into the mortgage marketplace.

The 2008 financial crisis underscored the critical role healthy capital markets play in the growth and vibrancy of the global economy, the real estate industry, and REALTORS® business success. Supporting policies that make responsible lending accessible to consumers and businesses—and sustain it in all types of economic environments—is the foundation of real estate's continued vitality.



in practice [capital]

- 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.
- NAR is a leader in ensuring the viability of a strong and sustainable market for mortgage financing.
- NAR advocates for continued federal support for real estate financing and capital to ensure an adequate supply of mortgage money in all market conditions.
- NAR supports the use and creation of a wide range of responsible mortgage products that serve the needs of consumers.
- NAR's communications and education help members work effectively in an environment of financial and economic uncertainty.
- REALTORS® are valued as a reliable and informed resource to the real estate consumer in all financial market environments.

a shared responsibility

“Take the lead. Don’t let others create the future and tell us how to live it.” REThink Participant

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NATIONAL ASSOCIATION OF REALTORS®
STRATEGIC PLAN, 2014-16

NATIONAL ASSOCIATION OF REALTORS®

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#rethinkfuture



NATIONAL
ASSOCIATION *of*
REALTORS®