

The National Association of Realtors<sup>®</sup>, “The Voice for Real Estate,” is America’s largest trade association, representing more than 1.3 million members involved in all aspects of the residential and commercial real estate industries.

**Remarks by Dick Gaylord  
2008 NAR President  
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## **Keys to Unlock the Real Estate Market**

### ***Introduction***

Good morning! It is wonderful to be here with my fellow REALTORS<sup>®</sup> in Long Beach. How is everyone today?

I am excited that so many of you could make it to this networking breakfast. Although, having spent the past week in Washington, D.C., it feels a little more like lunch to me. Before I begin, I want to recognize Joan Ostrander for putting this event together. Thank you, Joan, for your great efforts.

Someone once said to the great piano composer Johann Sebastian Bach that his playing was absolutely remarkable. Bach replied, “There’s nothing remarkable about it. All one has to do is hit the right keys at the right time, and the piano plays itself.”

I am not a musician – but I have been a REALTOR<sup>®</sup> for more than 30 years, and I know a thing or two about keys.

When people ask me how I have achieved such remarkable success during my career in real estate, I tell them much the same thing that Bach told his friend: “There’s nothing remarkable about it. All you have to do is use the right keys to open the right doors, and the success will take care of itself.”

Like keys on a piano, finding the right keys to unlock the real estate market can be harder at certain times than others. Real estate is cyclical – there are easy times and there are challenging times.

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How many of you have been in the business for less than 5 years? Please raise your hands.

As I travel the country as NAR President, I talk to so many newer agents who really thought that the real estate business would always be booming, with clients walking in the door every day.

I can tell you from experience that the kind of boom we saw from 2001 to 2005 is certainly the exception, not the rule. There will always be up cycles and down cycles. That’s the nature of our business.

To be successful in real estate for the long term, you have to work harder than everyone else, especially when the market is in a slower cycle. And, that’s exactly what we all need to do now.

### ***Keys to Unlocking the Market***

The good news is that we all have NAR to help gives us the rights keys to unlock today’s market. Today, I want to talk about six of those keys and how you can use them to your advantage. Let me give them all to you first, so you can write them down...

- The first key is to understand your local market – and how it differs from the national picture.
- The second key is to reach out to more consumers.
- The third key is to know exactly what your homebuyers and sellers want – before they tell you.
- The fourth key is to provide the best possible service.
- The fifth key is to get involved in politics.
- And, the sixth key is to stay ahead of longer term changes in the industry.

Now, let’s talk about how you can excel in each of these areas.

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### ***Key #1 – Understand the Local Market***

The first key is to understand the local market.

We all know that real estate is a local business – that’s nothing new. What is new is the general confusion regarding how national trends impact, and reflect, our local markets.

Take home sales, for example. In 2007, existing home sales totaled 5.65 million. That was a 12.8 percent decline from 2006, but it also was the fifth highest year on record. What does this tell us about our local markets? Very little.

Some cities across the country have actually seen increases in home sales and prices. While others, like Long Beach, have seen declines. The average is exactly that – an average.

However, because the media most often focuses only on national figures, consumers get a skewed picture of the current environment. As a result, they are missing many of the positive opportunities.

Our first job as REALTORS<sup>®</sup> is to look beyond national figures and total home sales and examine what is really happening behind the scenes. Are home sales up or down in my area? Is inventory rising or falling? Are home prices more affordable now than they were a year ago? What about jobs and population growth?

Then, we must ask what these trends mean for consumers and for our businesses.

For example, here in Southern California, if you look beyond sales and prices, you will see that inventory has actually declined for several months. This means that fewer investors and builders are bringing inventory to the market. Economists often see this as one of the first signs of recovery.

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That’s good news for consumers who may want to buy a home, and it means that now would be a great time for all of us to start reaching out to consumers who have put off the decision to buy a home.

NAR, the California Association of REALTORS® and the PACWest Association have some great resources that can help you understand how the local market stacks up to the national trends.

For example, NAR offers a wealth of information on prices in this region, and overall economic factors, such as interest rates and population growth. This information is free for REALTORS®. Just visit [www.realtor.org/marketreports](http://www.realtor.org/marketreports).

You also can get NAR’s latest metro home price report, and expert analysis and commentary from NAR Chief Economist Lawrence Yun at the Research section of Realtor.org.

We even have a monthly newsletter called Real Estate Insights, which provides you with the latest news and resources from NAR. It’s free – all you have to do to sign up is visit – [www.realtor.org/research](http://www.realtor.org/research).

CAR has some additional resources to help you understand what is happening in California. At [www.car.org](http://www.car.org), you’ll find monthly insights from chief economist Leslie Appleton-Young and the most comprehensive home sales and price data in the state.

Of course, the PACWest Association is another great resource. They also have monthly information on home sales, prices and inventory. That’s where I found the information on inventories that I shared with you today. Just visit [www.pacwest.com](http://www.pacwest.com).

Understanding the market is the first step to finding opportunities. These resources are key number one. Please take advantage of them all.

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### ***Key #2 – Reach Out to Consumers***

Understanding the market can help us identify opportunities. But, to really get things moving, we need to make sure that consumers understand the opportunities – to buy and sell – in the current environment.

In other words, we need to shift their focus away from negative national news stories. The REALTOR<sup>®</sup> organization is helping us here, too.

NAR recently implemented a “surround-sound” strategy that is already working to generate positive news stories about local real estate markets. This strategy is aimed at helping homebuyers who are currently on the fence get back into the housing market.

We also have a new toolkit for all state and local associations. These kits contain messages for specific markets, letters to the editor and tips on how to pitch stories to the local media and reach out to community organizations. They also include NAR research and news releases that highlight positive trends consumers may not be aware of.

Armed with this information and the resources provided in the toolkits – which are available online – you can explain to potential buyers and sellers what is really happening in the market. Please visit [www.realtor.org/surroundsound](http://www.realtor.org/surroundsound) for more information.

At the same time, CAR has launched a multi-faceted campaign called “market matters,” to help educate consumers about opportunities to buy here in California. Both of these campaigns complement NAR’s popular Public Awareness Campaign – now in its eleventh year.

This year’s campaign features new national radio and television spots.

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The campaign has always focused on the value of hiring a REALTOR®, but this year our ads also emphasize the value of becoming a homeowner. The 2008 ads counter some of the recent negative national media reports by highlighting the facts about housing as a primary way families can build wealth.

This year’s campaign also will direct consumers to a new Web site – [www.HousingMarketFacts.com](http://www.HousingMarketFacts.com). This site provides more information about the benefits and value of owning a home, identifies important public policy issues and includes direct links to different sections of Realtor.com.

As always, we can tailor the ads for our local real estate markets here in Southern California.

Again, the key is to use these tools to unlock pent-up demand by helping potential buyers understand what is really happening in the market. For more information, just visit [www.realtor.org/awarenesscampaign](http://www.realtor.org/awarenesscampaign).

### ***Key #3 – Know What Buyers and Sellers Want***

Reaching out to consumers can certainly open doors, but we also need to stop and listen to what they want – that’s key number 3.

How many of you have seen NAR’s latest homebuyer and seller survey? Do you know the average age of today’s homebuyer?

According to the report, it’s 39 years old. And a full 20 percent of buyers are single women.

Is this information important? You bet it is.

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In fact, the 2007 Profile of Home Buyers and Sellers is one of the best ways for agents to find out what today’s buyers and sellers are looking for and what they expect from a REALTOR<sup>®</sup>.

I already told you that homebuyers are younger. The report suggests that they are using the Internet more than ever. How effective is your web site?

There also are more first-time buyers. Do you have the resources they need to guide them through the entire process?

Not surprisingly, the report shows that both buyers and sellers prefer working with an agent who can help guide them through the transaction.

NAR’s cost versus value survey is another great example of how you can use what you learn from buyers to help your sellers in a tough market. This survey provides information on what home improvements will help increase the value of a home, based on features that are most appealing and in demand. These are valuable insights that you can use to improve your businesses and ensure that you meet your clients’ expectations.

I encourage you to go online and check out all of NAR’s research reports. Just click on the research section of [realtor.org](http://realtor.org) for a list of reports by topic.

#### ***Key #4 – Provide the Best Possible Service***

Knowing what buyers and sellers want only pays off when you can deliver. That brings us to key number 4 – providing the best possible service.

REALTORS<sup>®</sup> understand – better than anyone else – that success depends on repeat business. Providing the best service to our clients will open the door to new business.

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It’s one of the reasons our membership is growing, while others are leaving the profession.

Now, you might be surprised to know that there is a handbook for providing the absolute best service in the business – it has all of the secrets you need to succeed in any kind of market. You might be even more surprised to hear that you already have a copy of the handbook. It’s called the Code of Ethics, and it is the sole reason that REALTORS® have outperformed and outlasted other practitioners for 100 years.

The Code is the benchmark for cooperation and service on which NAR was founded in 1908. ALL REALTORS® promise to uphold this standard and treat all parties to the transaction openly and honestly. It is what separates us from all other practitioners.

The Code provides guidance on every aspect of the transaction – from pricing homes accurately to equal, professional representation and timely disclosures; negotiating offers; protecting our client’s property from loss; cooperation with other brokers; and potential conflicts of interest. It also outlines our public responsibilities and our duties to other REALTOR®.

The REALTOR® family participates in Code of Ethics training every four years. The deadline for the next quadrennial cycle is December 31, 2008. If you haven’t completed your training, please contact your local association for more information about the training opportunities available to you.

I also urge every REALTOR® to download and print a copy of the Code. Just go to [realtor.org/ethics](http://realtor.org/ethics). And, if you know a REALTOR® who is not adhering to the duties required by the Code, contact your local or state board, so that we can educate them on the high standards that the name “REALTOR®” stands for.

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In addition to Code of Ethics training, NAR also offers more than 20 designations and a broad range of other professional development resources through our affiliates. Again, you can get more information on all of these resources by visiting the Education Page at Realtor.org.

In this ever-changing environment, education and training is no longer just a “nice-to-have.” It is a MUST for anyone who wants to succeed in real estate today and stay in this business for the long term.

Consumers drive our businesses, and those who provide the best possible service will always outperform and outlast the competition.

### ***Key #5 – Get Involved in Politics***

The fifth key to unlocking the real estate market is something that many REALTORS<sup>®</sup> take for granted – politics. Hate it or love it, laws and policies impact every aspect of the real estate business.

Consider, for example, our efforts to raise the FHA and Conforming loan limits. Raising the loan limits could help as many as 200,000 people avoid foreclosure. It also could generate 300,000 more sales, helping to bolster home prices nationwide. And, most importantly, this legislation would give people here in California access to the same low-interest rate loans as are available in most other areas of the country.

And, that’s just one issue. Last year alone, NAR helped pass legislation that impacts every member of this organization and the consumers and communities we serve.

As you know, we achieved a major victory for consumers caught in costly mortgages, when President Bush signed the Mortgage Cancellation Tax Relief Act in December.

NAR also is help push landmark FHA Reform through the House and the Senate.

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President Bush recently signed a bill that continues the Terrorism Risk Insurance Program for seven years.

And, for the first time ever, Congress also passed a two-year moratorium on banks entering the real estate business, which will take effect early next year. We also have record support for a permanent ban through the Community Choice in Real Estate Act.

Our lobbying strength puts REALTORS<sup>®</sup> in a prime position to succeed on many other key priorities this year – and chief among them is raising both the conforming and FHA loan limits as part of the economic stimulus package.

Our success ultimately depends on you. We need everyone to participate in two simple ways.

First, we need to contribute to RPAC. Without sufficient funds to support candidates who support our positions on critical issues, we would not succeed on any of our priorities.

In 2008, I have set an RPAC fundraising goal of \$10 million. That’s a lofty goal, and we cannot simply rely on those who have given before. We need each and every REALTOR<sup>®</sup> to do his or her part – whether it’s \$10, \$50, \$100 or more.

If you haven’t donated yet, please do so right away. In an election year, your contributions will help strengthen our voice on a number of issues that are critical to our markets and our success.

Of course, money is just one way to get involved. We also need every REALTOR<sup>®</sup> to take action when it’s time to vote on these critical issues.

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Last week, NAR sent out a “Call for Action” on the economic stimulus package. If you responded, please raise your hand. Thank you very much!

The Senate will vote on this bill next week, and we need them to know that this is a priority for REALTORS<sup>®</sup> in California. For those of you who haven’t responded, please go to [RealtorActionCenter.com](http://RealtorActionCenter.com) later today and answer the call.

Again, this issue shows just how important politics is to our businesses. In my experience, if you aren’t involved in politics, chances are you will be out of business. So, please get involved in every way possible.

### ***Key #6 – Stay Ahead of Changes in Our Industry***

The last key is one that can help unlock new opportunities in our market for many years to come – and that is the ability to stay ahead of changes in our industry.

No matter what we do in 2008, if we do not prepare for longer-term changes in our business, we will fall behind the competition.

As great American writer Oliver Wendell Holmes once said: “I find the great thing in this world is not so much where we stand, as in what direction we are moving...we must sail sometimes with the wind and sometimes against it, but we must sail, and not drift, nor lie at anchor.”

Just as NAR is helping you unlock today’s market, we are giving you everything you need to move forward well into the next century.

As you know, this past May, NAR’s Board of Directors approved funding for 13 bold initiatives that will help all REALTORS<sup>®</sup> stay ahead of the competition well into the future. We are calling them the Second Century Initiatives, and in 2008, NAR will focus on four of them.

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First, NAR will seek to build a direct relationship with the consumer. Consumers share our interests – in the transaction and on key public policy issues. Imagine the difference we could make, if the Voice for Real Estate spoke for 10 million consumers – in addition to our nearly 1.4 million members.

As part of our enhanced outreach, NAR also will improve REALTOR.com.

Second, NAR will create a new technology venture that will give us a seat at the table in Silicon Valley.

There is more capital flowing into technology today than before the dot-com boom. We need to work with investors to create technology that benefits our industry and is owned by REALTORS<sup>®</sup> – like you.

Third, we will work to create a National Real Estate Gateway. The Gateway will include information about every parcel of property in the U.S. This is now NOT a matter of “how” but “when.” Others are already working on it, but we will be the best because we have more than 1.3 million experts “on the ground” in every neighborhood in America.

Finally, after close to two years of study, member survey, and due diligence, NAR’s Board of Directors voted to submit a plan to charter a new REALTORS<sup>®</sup> Federal Credit Union and provide initial funding. The credit union will be a fully independent, credit union member-owned legal entity. Its groundbreaking, internet delivery system will offer 24/7/365 access, and it is being designed to meet the unique personal and business financial services needs of REALTORS<sup>®</sup> and their families.

Rest assured, we have spoken directly with members of Congress, and this initiative will not impact our efforts to keep banks out of the real estate business. In fact, nearly every government agency, as well as the U.S. Congress, has a credit union. This is simply another member benefit.

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We will keep you posted on all of these initiatives in the months ahead. In the meantime, I encourage each of you think about your own long-term goals.

Ask yourself: “What can I do that will put me ahead of the competition 5, 10, or even 15 years down the road?” Your ideas just might lay the foundation for the next generation of REALTORS<sup>®</sup>.

### ***Conclusion***

There they are – six keys to unlocking the real estate market.

If you didn’t get them all – don’t worry. Joan provided you will some excellent hand-outs with the key points.

You also can find much of the information I shared with you today – and much more – on President’s Report page at Realtor.org. Just click on About NAR, and then President’s Report.

You can find recent speeches and presentations from the entire leadership team, and my twice-monthly podcast. While you are there, I encourage you to check out our new Voices of Real Estate blog, where the leadership shares our stories from the road. Who knows? My next blog, just might be about all of you.

Finally, as a fellow REALTOR<sup>®</sup> here in Long Beach, I just want to say that I understand the challenges you are facing because I am facing them in my own business. If there is anything you need, please do not hesitate to call me.

I am confident we will succeed because I can see how much talent, commitment and ideas are here in this room. I have no doubt that we will unlock the real estate market and succeed on all of our priorities in 2008.

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There is nothing we can’t do when we work “All Together.”

Thank you very much. Now, I am happy to take your questions.