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## INDEX

p. 2 . . . . From the 2006 President

p. 3 . . . . About the Association

- 2006 Leadership Team ■
- Regional Vice Presidents ■
- Senior Staff ■
- Vice Presidents ■

p. 4 . . . . Core Purpose &  
Principles

p. 6 . . . . Benefits of Membership

- Political Advocacy ■
- Products and Services ■
- Community Outreach ■
- Knowledge Management ■
- Leadership Initiatives ■

p. 22 . . . . Niche Services

p. 24 . . . . Awards & Recognition

p. 26 . . . . Institutes, Societies, &  
Councils

p. 30 . . . . 2006 NAR Financial  
Highlights

# THE VOICE FOR REAL ESTATE®



## NATIONAL ASSOCIATION OF REALTORS® **2006 ANNUAL REPORT**

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FROM THE PRESIDENT

# SHAPING A BRIGHT FUTURE

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The defining moment for the REALTOR® organization in 2006 occurred shortly before the year began. Just three short months after Hurricane Katrina ravaged the Gulf Coast, NAR faced a difficult decision: Do we fulfill our promise to hold our 2006 Annual Conference and Expo in New Orleans, or do we turn away from a city that desperately needs our help?

REALTORS® did more than keep our promise. We launched an unprecedented effort to rebuild Gulf Coast communities that were devastated by Katrina. As the year began, REALTORS® across the country already had donated countless hours and more than \$18 million to bring immediate relief to those who lost everything in the disaster. NAR then joined with our partners at Habitat for Humanity in an unprecedented effort to build 54 homes in Louisiana, Alabama, Mississippi and Texas – each one sponsored by a state or territory association. Meanwhile, NAR staff worked tirelessly to ensure adequate housing and services for a record number of attendees at our Annual Conference & Expo.

On November 16, 2006, more than 24,000 REALTORS® and our guests marched into the Crescent City for our most successful Annual Conference & Expo to date. Thousands of REALTORS® took time away from sessions and meetings to roll up their sleeves and frame houses, clean and beautify the City Park, sort books at the public library, and paint local schools. Together, we proved to the world that REALTORS® are America's leading community builders.

By any measure, our efforts to provide help, homes and hope to those affected by Hurricane Katrina, are remarkable. The fact that we accomplished it all while raising the level of services and programs available to REALTORS® and the consumers they serve is absolutely extraordinary.

When I selected the theme "Tomorrow's Future Is Today" for my presidency, my goal was to get NAR's members thinking about the changes they needed to make in their businesses and our association that would move us forward. With help from REALTORS® across the country, we did more than change; we reinvented our entire organization.

We found new, more effective ways to engage lawmakers and regulators on key issues, like Small Business Health Plans, Banks in Real Estate, Flood Insurance and Disaster Relief.

We launched a new GetActive Platform and leveraged our large broker members to raise the response to NAR Calls for Action. RPAC also disbursed over \$4.3 million in direct contributions to federal candidates, leadership PACs, and national political party committees, making it the largest political action committee and contributor to candidates. As a

result, REALTORS® the Voice for Real Estate rang louder than ever on Capitol Hill and with key regulators, putting us in a prime position to pass legislation in the years ahead.

We also found ways to engage more of our members in media coverage of the real estate industry at the local, state and national levels. NAR launched "Operation Tip Off," which gives key members a "heads up" on news articles that could impact their businesses and provides talking points so you can respond to unfair coverage. We also expanded our Public Awareness Campaign to a full 12 months, ensuring that consumers across the nation know that REALTORS® are the first and best choice when buying or selling real estate.

At the same time, NAR took major steps forward in the technology arena. We helped REALTOR.com make a successful transition to Move.com, drawing more consumers to our listings. NAR also welcomed our first Chief Technology Officer and created an Internet and Technology workgroup to help keep us on top of "virtual" developments in the years ahead. We also started an MLS PAG to help determine the future of the MLS—specifically, what it would look like if it were reinvented today.

The REALTOR® organization also added new programs and services to help us in our businesses. For example, we doubled the number of education courses available through the REALTOR® University. Additionally, we created the Real Estate Service group to explore how we can take the lead in bringing more services together in the transaction.

Finally, to improve our communication with members, we implemented our first-ever podcast and two association blogs.

These are just some of the innovative ideas NAR has embraced during the past year. Many of these ideas and related input came directly from you—America's REALTORS®. By helping to advance new programs, initiatives and ideas, we didn't just change our organization, we helped our entire industry grow and evolve.

On behalf of the entire 2006 Leadership Team—President-Elect Pat V. Combs, First Vice President Dick Gaylord, Treasurer Bruce Wolf, Executive Vice President and CEO Dale Stinton, and Vice Presidents and Liaisons Steve Hoover and Henry Ray—thank you for giving us the opportunity to represent the REALTOR® organization in 2006. Together, we proved that "Tomorrow's Future Is Today."

Tom Stevens  
2006 NAR President





## 2006 NAR LEADERSHIP TEAM

**President** Thomas M. Stevens, CRB, CRS®, GRI  
**President-elect** Pat V. Combs, ABR®, CRS®, GRI, LTG  
**First Vice President** Richard F. Gaylord, CIPS, CRB, CRS®, GRI  
**Treasurer** Bruce F. Wolf  
**Immediate Past President** Al Mansell, CRB, GRI  
**Vice President & Liaison to Committees** Steve Hoover  
**Vice President & Liaison to Government Affairs** Henry Ray  
**Executive Vice President and CEO** Dale Stinton

## NAR SENIOR STAFF

**Dale Stinton**, Executive Vice President and CEO  
**Janet Branton**, Senior Vice President, Leadership, International, and Specialties  
**Jerry Giovaniello**, Senior Vice President, Government Affairs and Chief Lobbyist  
**Bob Goldberg**, Senior Vice President, Marketing and Business Development/  
 Commercial Services  
**Doug Hinderer**, Senior Vice President, Human Resources, and Office Services  
**Laurie Janik**, General Counsel, Senior Vice President, Legal Affairs  
**David Lereah**, Senior Vice President and Chief Economist  
**Mark Lesswing**, Senior Vice President and Chief Technical Officer  
**Frank J. Sibley**, Senior Vice President, Communications and Convention

## NAR VICE PRESIDENTS

**Myron Adams**, Information Technology Services  
**Gar Anderson**, AE & Leadership Development  
**Kenneth Burlington**, Marketing & Sales, Product Management & Education Services  
**Stephen Cook**, Public Affairs  
**Sue Gourley**, Convention  
**Pamela Geurds Kabati**, Publications  
**Marc Gould**, Business Specialties  
**Miriam Lowe**, International Operations  
**James Marrelli**, Commercial Real Estate  
**Cliff Niersbach**, Board Policy & Programs  
**John Pierpoint**, Finance  
**Mary Stark-Hood**, Member Benefits, Strategic Alliance, Marketing Research  
**Joe Ventrone**, Regulatory Affairs and Real Estate Services  
**Gary Weaver**, Government Affairs, Policy and Field Operations  
**Walt Witek**, Government Affairs

## REGIONAL VICE PRESIDENTS

**David Drinkwater**  
 REGION 1 (Connecticut, Massachusetts, Maine,  
 New Hampshire, Rhode Island, Vermont)

**George K. Wonica, Sr.**, CRB  
 REGION 2 (New Jersey, New York, Pennsylvania)

**Philip McGinnis**, CCIM, GAA, GRI  
 REGION 3 (Delaware, Washington, D.C., Maryland, Vir-  
 ginia, West Virginia)

**Lois Killebrew**, GRI, CRB, CRS®, LTG  
 REGION 4 (Kentucky, North Carolina, South Carolina,  
 Tennessee)

**Roger "Neal" Jackson**, GRI  
 REGION 5 (Alabama, Florida, Georgia, Mississippi,  
 Virgin Islands, Puerto Rico)

**Joseph Banyai**, CCIM, SIOR®  
 REGION 6 (Michigan, Ohio)

**Joan Seramur**, GRI, CRB, CRS®  
 REGION 7 (Illinois, Indiana, Wisconsin)

**J.R. Stradt**, GRI, CRS®, ABR®  
 REGION 8 (Iowa, Minnesota, Nebraska, North Dakota,  
 South Dakota)

**Fred Kratky**, GRI  
 REGION 9 (Arkansas, Kansas, Missouri, Oklahoma)

**Jetty Donaldson**, CRS®, CRB, ABR®, GRI  
 REGION 10 (Louisiana, Texas)

**James "Wes" Graham**, GRI, CRB, CRS®  
 REGION 11 (Arizona, Colorado, Nevada, New Mexico,  
 Utah, Wyoming)

**Pili Meyer**, ABR®, CRS®, GRI  
 REGION 12 (Alaska, Idaho, Montana, Oregon,  
 Washington)

**Diana Bull**, GRI, CRB  
 REGION 13 (California, Hawaii, Guam)



# 2007 STRATEGIC PLAN

NAR strives to be the collective force influencing and shaping the real estate industry. It seeks to be the leading advocate of the right to own, use, and transfer real property; the acknowledged leader in developing standards for efficient, effective, and ethical real estate business practices; and valued by highly skilled real estate professionals as crucial to their success.

**Objective 1:** NAR is a major resource in supporting members' efforts to deliver a wide range of real estate transaction services.

- Expected results:**
- NAR will facilitate the creation of best practices to enable a functional, integrated transactional platform.
  - The NAR brand expands to identify its members as the primary providers and managers of a broader set of real estate transaction services.
  - NAR creates an environment in which members have a competitive advantage and are profitable in delivering a broader set of real estate transaction services.
  - Consumers select REALTORS® as the first point of contact in, and in control of, management and delivery of real estate transaction services.
  - Members view NAR as the "go-to entity and resource" for the expansion into additional real estate transaction services and for support for monitoring and advocating relevant legislative, regulatory, and judicial policies.

**Objective 2:** NAR delivers REALTORS® a relevant, specialized set of member services that reflect the increasingly diversified businesses of REALTORS®.

- Expected results:**
- NAR will facilitate the creation of a shared member database to allow comprehensive member information and efficient sharing of data among member organizations.
  - NAR will institute an annual member needs assessment and related survey
  - NAR delivers relevant services to support the increasingly diversified businesses of its members.
  - Members have the opportunity to personalize their NAR service offering.
  - NAR provides and enhances mechanisms for focused communication of services.

**Objective 3:** Market leaders (major brokers, franchises, and top producers in all disciplines/business specialties) understand NAR's value proposition and are involved in NAR activities. NAR services reflect market leaders' needs.

- Expected results:**
- NAR leadership understands market leaders, their needs, and collaborative strength potential.
  - NAR communicates its value proposition and market leaders understand it.
  - Together NAR and market leaders leverage their collaborative strengths.
  - Market leaders actively participate with and in NAR.

**Objective 4:** REALTOR® membership and leadership reflect America's diversity.

- Expected results:**
- NAR builds collaborative relationships with organizations representing diverse groups of members.
  - There is an increase in participation and leadership by diverse members and those members understand the value of participation and choose to be involved.
  - REALTOR® association communications reflect various languages and cultures.

**Objective 5:** REALTOR® associations, MLSs, and NAR members protect consumer privacy and ensure the security of consumer and professional information.

- Expected results:**
- NAR will educate and communicate best practices for ensuring information security and consumer privacy.
  - NAR develops tools to assist associations, MLSs and NAR members in securing their electronic assets.



# 2007 STRATEGIC PLAN

**Objective 6:** NAR creates favorable public policy for members' business environment using all means (including, but not limited to, political, regulatory, legislative, and judicial means).

**Expected results:**

- NAR expands the use of traditional and nontraditional relationships and coalitions to strengthen public policy positions.
- NAR raises awareness about public policy issues and their impact on members.
- NAR enhances its proactive media and public relations efforts in support of public policy, consumer, and member initiatives.
- NAR strongly encourages increased participation of its members on national, state, and local boards and commissions and their interest in seeking local elective office, ensuring that the voice of real estate contributes to public policy debates at all levels.

**Objective 7:** NAR facilitates real-time, market-relevant access to uniform real property information without geographic boundaries, including members' offers of cooperation and compensation, to its members.

**Expected results:**

- NAR will make real property information available to any REALTOR® across the country and ensure its accuracy and timeliness.
- Members will have timely access to uniform real property information, including, but not limited to, mapping data, sold data, etc., without geographic boundaries, including members' offers of cooperation and compensation on a cost-effective basis.

**Objective 8:** NAR strengthens the relationship between the REALTOR® organization and consumers, leveraging that relationship to the mutual benefit of both.

**Expected results:**

- The public understands that the REALTOR® organization is its advocate in private property rights.
- NAR teams with consumers to be proactive on mutually beneficial issues.
- The public understands the enhanced value that REALTORS® add in providing real estate services.
- Consumers select REALTORS® as their trusted advisors for complete transaction services.

**Objective 9:** REALTORS® serve the public by adhering to the highest level of professional standards and supporting a marketplace that ensures safe, fair, and orderly real estate transactions.

**Expected results:**

- The public recognizes that REALTORS® adhere to a Code of Ethics and Professional Standards.
- The public understands the value of REALTOR® services in all aspects of real estate transactions.
- REALTORS® advocate legislative and regulatory initiatives that ensure safe, fair, and orderly real estate transactions.

**Objective 10:** NAR anticipates and addresses technology challenges and opportunities.

**Expected results:**

- REALTORS® succeed in the ever-changing technology environment.
- REALTOR®-owned and -controlled Web sites account for the majority of real estate-related Web traffic and leads.
- NAR accelerates the development of a series of REALTOR® technology business tools designed to keep the REALTOR® in the vanguard of the transaction.



## Major Legislative and Regulatory Issues

**A Lame Duck and Beyond:** As early as May 2006, Congressional leadership signaled its intent to resolve many issues during a lame duck session, beginning November 13, 2006, that would follow the Midterm election. Any issues that remain unresolved in 2006 must start over as new bills in the 110th Congress.

**Small Business Health Plans:** Legislation that would permit associations to offer health insurance plans to their members progressed further than in any previous Congress. NAR was instrumental in the drafting of S. 1955, the Senate version of a small business health plan bill, and the association is also credited for pushing the bill to the Senate floor in May 2006. As a result, S. 1955 was the first small business health plan bill to reach the full Senate. Regrettably, a procedural motion that would have permitted full Senate debate failed. NAR will continue its work with Senate leadership to create this opportunity.

**Banks in Real Estate:** For the sixth consecutive year, NAR convinced Congress to block the Federal Reserve-Treasury Department rule that would permit banks to engage in real estate brokerage and management. The House passed its Fiscal Year 2007 Transportation-Treasury-HUD (TT-HUD) appropriations bill, which includes another one-year ban against the Federal Reserve/Treasury rule. In the post-election lame duck session, NAR will urge the appropriations conferees to retain the permanent ban language in the final bill.

**FHA Reforms:** Through NAR's efforts, the House approved legislation modernizing FHA's single-family mortgage insurance program. A companion bill awaits consideration in the Senate. This legislation is the most substantive FHA reform Congress has undertaken in 15 years. The bills would raise FHA loan limits, eliminate restrictive down payment requirements, permit risk-based mortgage insurance premium flexibility, and extend the possible terms of FHA loans from 30 to 40 years. NAR is urging the Senate to approve its FHA reform legislation during the post-election lame duck session.

**Tax Policy:** Each year a variety of temporary, expiring tax provisions are bundled into a single package that renews and extends them. More than a dozen temporary provisions (known as "the extenders") expired at the end of 2005. To date, these have not been renewed. Extender packages passed both the House and Senate several times

in 2006, but were dropped from larger bills before they were sent to the President. One real estate-related extender permits a 15-year cost recovery period for leasehold improvements; another permits a deduction for brownfields cleanup expenses in the year they are incurred. If Congress passes an extender package before year-end, it is not known whether the effective date will reach back to January 1, 2006 for renewal or will be effective as of the date of enactment. It is also not known whether any extension will be through 2006 only or will continue through 2007.

**Private Property Rights:** NAR's advocacy led the House to approve legislation designed to secure due process for property owners when their rights have been violated and their property wrongfully taken. The bill, The Private Property Rights Implementation Act of 2006, clears procedural hurdles that limit property owners' access to justice and gives them their day in court. The bill applies only to claims filed in federal court by property owners seeking relief from violations of federal statutory and Constitutional law. (State claims will continue to be pursued at the state level.)

The issues discussed above passed the House and/or the Senate but, for a variety of reasons, were not sent to the President for signature by the end of 2006. In addition, House or Senate information-only hearings were held or late-session legislation was introduced on a few issues that could ripen for debate in 2007.

**Natural Disaster Policy:** NAR is taking a leading advocacy role in natural disaster policy to position the issue for action in 2007. The association is educating Congress on the need to protect homeowners and the economy by ensuring the affordability of disaster insurance, especially in disaster-prone areas. In March NAR hosted a natural disaster policy roundtable featuring two Members of Congress. NAR also convened a symposium in September to identify federal policy solutions for insurance backstops. Attendees included representatives of a variety of interest groups as well as Congressional staff. NAR also partnered with the Department of Homeland Security to promote National Preparedness Month in September. NAR is reaching out to industry groups and stakeholders to form a coalition to promote and advance legislation when the 110th Congress convenes next year.

**National Flood Insurance Program:** In three separate initiatives that President Bush signed into law, NAR successfully lobbied Congress



BENEFITS OF MEMBERSHIP  
(continued)

for increases in the borrowing authority under the National Flood Insurance Program. This authority, which started at \$1.5 billion and ultimately rose to \$20 billion, enables the Federal Emergency Management Agency (FEMA) to pay existing claims.

Separately, NAR secured the following funding amounts in the FY 2007 Homeland Security appropriations: \$198 million for FEMA's map modernization program, \$50 million for the repetitive loss pilot program, \$31 million for the flood mitigation assistance program, and \$100 million for the pre-disaster mitigation program. President Bush signed this legislation. Notably, the \$50 million for a repetitive loss pilot program was new funding. All other funding levels are similar to previous years. NAR continues to work closely with FEMA to assure the accuracy and usability of new maps.

**Competition in the Real Estate Industry:** NAR successfully defended the real estate industry against charges of anti-competitiveness. NAR President-elect Pat Vredevogd testified at a House Financial Services Subcommittee on Housing and Community Opportunity hearing on The Changing Real Estate Market. Her testimony followed testimony from the Department of Justice and the Federal Trade Commission criticizing MLS rules and state minimum service laws. Vredevogd's testimony reiterated NAR's position that competition is thriving, prices for real estate services vary, and consumers can find more property and transaction information than ever before through the Internet, thanks to REALTORS®.

**Eminent Domain:** As Congress responded to the holding in the Kelo Supreme Court ruling on eminent domain, NAR stressed its core values related to private property ownership. NAR was successful in ensuring that any federal legislation recognize that states, not the federal government, should establish rules and laws governing the use of eminent domain.

**Terrorism Insurance:** NAR commenced its advocacy for extending the federal terrorism insurance backstop that expires in 2007. In comments to Treasury and statements to Congress, NAR noted that a healthy commercial real estate market depends on readily available and affordable terrorism insurance. NAR is working with other real estate interest groups to develop a legislative proposal to ensure the continued availability of terrorism coverage and, over time, reduce reliance on the federal government.

## Regulatory Activities and the Executive Branch

**Office of the Comptroller of the Currency (OCC) Real Estate Development Rulings:** NAR defended its position that the OCC inappropriately expanded the authority of large banking conglomerates by permitting them to engage in commercial real estate development. In a series of letters to the OCC, NAR explained why it believes that the rulings stretch current law and precedent to the breaking point. OCC, in late 2005, had approved hotel and condo development based on claims that the projects were part of the bank's premises. NAR President Tom Stevens testified at a House Government Reform Subcommittee on Government Management, Finance and Accountability hearing on "Banks in Real Estate: A Review of the Office of the Comptroller of the Currency's December 2005 Rulings." Subcommittee members questioned the OCC's chief counsel about the real estate rulings, thus sending a strong signal that Congress will be more vigilant in its oversight of future OCC decisions related to real estate.

**Wal-Mart and Home Depot Applications to Own Industrial Loan Companies (ILCs):** NAR took a strong stand against applications by Wal-Mart and Home Depot that would permit them to own ILCs (a type of federally insured state bank). Tom Stevens testified before the Federal Deposit Insurance Corporation (FDIC) to explain that, when banks engage in real estate or commercial firms acquire banks, the result is the same — inherent conflicts of interest, an uneven competitive playing field, and danger to safety and soundness of the nation's financial system. Stevens also filed written comments with the FDIC opposing the approval of Home Depot's ILC application.

In response to NAR and others, the FDIC imposed a six-month moratorium, through January 31, 2007, on all ILC applications. Stevens submitted responses to the FDIC's questions in October and recommended that the FDIC extend its ILC moratorium to the end of 2007 to give Congress time to fully consider whether to eliminate or tighten the existing ILC loophole. NAR has endorsed the Industrial Bank Holding Company Act, first introduced this year, which includes provisions that prohibit the FDIC from granting new charters to commercial companies seeking to start or acquire ILCs.

**RESPA Reform and Education:** NAR has led the effort to ensure that RESPA reform offers workable rules as outlined in NAR policy. Meetings with HUD Secretary Jackson, OMB Director Portman, and HUD



BENEFITS OF MEMBERSHIP  
(continued)

General Counsel Keith Gottfried during the summer of 2006 effectively communicated NAR's RESPA policy positions. NAR also expanded its RESPA Realities educational efforts to include additional compliance materials, seminars at NAR Board of Directors meetings, and a model curriculum for RESPA education.

**Identity Theft Prevention:** NAR became the first organization to partner with the Federal Trade Commission on the Deter, Detect, and Defend—Avoid ID Theft campaign. An NAR—FTC co-branded identity theft prevention DVD and prevention toolkit were made available at the 2006 NAR Midyear Conference and Expo and online at <http://www.REALTOR.org/idtheft>, and were distributed to all association executives. NAR continues to work with the FTC and Congress on additional identity theft prevention efforts.

**Junk Fax Prevention Final Rules:** NAR secured a favorable existing business relationship exception to the Junk Fax Prevention Act (JFPA) final rules, enabling REALTORS® to send unsolicited faxes to past clients. NAR also succeeded in preventing the FCC from mandating a single mechanism, such as a toll-free number, to satisfy the JFPA cost-free mechanism for a consumer to transmit a do-not-fax request. Furthermore, the FCC adopted NAR's recommended time frame for businesses to comply with a do-not-fax request. Businesses have 30 days to process or honor opt-out requests.

**EPA Renovation and Remodeling Rule:** NAR submitted comments to the Environmental Protection Agency on its Renovation and Remodeling Proposed Rule, which would require renovation and remodeling companies to follow enhanced safe work practices to prevent exposure to hazards from lead. The rule also would impose additional recordkeeping, tenant notification, and administrative burdens on property managers and REALTORS® who offer property management services. NAR commented specifically on proposals for cost/benefit analysis, finding that EPA either significantly underestimated the costs of the proposed rule or failed to analyze other associated costs. Comments from NAR and other parties led EPA to consider additional studies to supplement the scientific information they used to support the proposed rule. If EPA conducts further scientific studies, implementation of the rule may be delayed by a year or more.

**Basel Accords and Commercial Real Estate Lending Guidelines:**

The Basel Accords are internationally negotiated agreements that redefine the methods by which banks determine required reserves, affecting many commercial lending practices. The so-called Basel I agreement applies to smaller banks; Basel II applies to large banks. NAR urged regulators and Congress to closely examine the possible negative effect the revised accords could have on the flow of capital to commercial real estate. NAR also urged regulators to consider the scope and variety of commercial real estate classes and markets so their proposed guidance on commercial real estate lending would not deter sound real estate lending. The proposed guidance on commercial real estate lending would recommend increased risk management practices for banks with a concentration of commercial real estate above a certain threshold. NAR is concerned that the combined effect of these regulatory initiatives could reduce the flow of capital to commercial real estate and thus hurt the strength of this economic sector.

### REALTORS®, Grassroots, and Politics

NAR has long been esteemed for its vibrant grassroots presence on Capitol Hill. NAR has provided new technology, the GetActive-Grassroots platform, which REALTORS® have embraced as a powerful means of underscoring our messages on legislation and policy matters.

**Telling Our Story:** Congress heard from more REALTORS® in 2006 than ever before. Using the new platform, our members sent more than 500,000 letters and faxes to Congress in support of the small business health plan (SBHP) legislation in the House and Senate. This represented a five-fold increase in response rates for calls for action.

**State Organizations and the New Platform:** The NAR GetActive-Grassroots platform also can support state and local grassroots initiatives. To date, 38 state and 150 local REALTOR® associations have adopted it for use in communicating to their state legislatures and local governments. NAR has received very positive feedback from many state and local associations reporting on the successes they have experienced through their use of the software.

**Broker Initiatives:** The GetActiveGrassroots platform allows brokers to send NAR call for action messages to their own agents on their own systems. Thus the call for action message appears to come



BENEFITS OF MEMBERSHIP  
(continued)

# POLITICAL ADVOCACY

directly from the broker. In 2006 NAR Grassroots initiated the Large Broker program to leverage the effectiveness of brokers. To date, 23 brokers representing more than 100,000 agents have signed on.

**Public Issue Advocacy:** To encourage Congressional support and help pass SBHP legislation, NAR conducted extensive radio and print advertising in the Washington, D.C. media market and targeted Congressional districts and states. Voter attitudes toward the SBHP issue and viable messages were tested in a national public opinion poll as well as regional polls that were conducted as part of the issue advocacy campaign.

## REALTORS® Political Action Committee (RPAC)

The 2006 election marks the first time a political party didn't lose a single seat in over 50 years. Not a single existing Democratic House or Senate seat was captured by the Republicans in the election. This historic tide contributed to a lower RPAC success rate than in previous cycles. RPAC had enjoyed a 97 percent average of supporting the successful candidate; this time, that average dropped to 92 percent.

Following a record year of fundraising, RPAC committed more than \$11.6 million, an unprecedented level of resources, to affecting the Congressional elections. Win or lose, REALTORS® were once again, and more than ever, a serious political force.

**Candidate Contributions:** RPAC disbursed over \$4.3 million in direct contributions to federal candidates, leadership PACs, and national political party committees, making RPAC the largest political action committee and contributor to candidates.

**Opportunity Race Program:** Opportunity races are reserved for RPAC-endorsed candidates who have strong records of supporting REALTOR® issues and thus earn additional REALTOR® support beyond the maximum \$10,000 direct contribution allowed by law. The RPAC Opportunity Race Program is permitted to send direct mail to REALTORS® in targeted districts, urging them to vote for the RPAC-supported candidate. Because RPAC used corporate investments to fund the program, only REALTOR® members can receive the direct mail.

**Independent Expenditure Campaigns:** RPAC can conduct independent expenditure campaigns in highly competitive races involving candidates who have demonstrated an extraordinary level of commit-

ment to REALTOR® issues. Support can include direct mail and television and radio ads aimed at convincing the general public to support the candidate. Independent expenditure materials always focus on candidates' positive record of support for homeownership. RPAC does not engage in negative attack ads.

Accomplishments in 2006:

- In U.S. Senate races, RPAC supported 15 Republican candidates and 12 Democratic candidates and stayed neutral in six races. Democrats successfully defended their 12 seats. Of the 15 Republican candidates, seven were reelected; six incumbents and two challengers were defeated.
- In U.S. House of Representatives races, RPAC supported 414 candidates and remained neutral in 21 races. All 195 Democratic candidates were successful. Only 193 of 219 Republicans won.
- RPAC conducted opportunity races in 51 of the 87 races in the general election and 22 primaries. RPAC-supported opportunity race candidates won 49 of the 73 races.
- RPAC conducted independent expenditure campaigns in an unsuccessful Senate primary campaign and in five competitive races in the general election; three of the five candidates won their elections.



**BENEFITS OF MEMBERSHIP**  
(continued)

# PRODUCTS & SERVICES

## **REALTOR Benefits® Program**

The REALTOR Benefits® Program provides REALTORS® value-added offers and savings on everyday business and personal solutions from NAR alliance partners. The program currently includes more than 30 partner companies in such industries as insurance and warranties, financial services, educational tools, office solutions, sales and marketing, automotive, and technology. Hundreds of thousands of NAR members take advantage of REALTOR Benefits® Program offerings, which can add up, often to many times more than the annual NAR dues payment. In addition, the program also generates non-dues revenue, which helps keep NAR membership dues low and allows NAR to introduce new or expanded member programs.

Among the program's 2006 highlights:

- Addition of new or expanded partner offerings, including those from Sprint/Nextel, eNeighborhoods, RIS Media, Pitney Bowes, GotVMail, Avis, and Budget.

## **REALTOR® Safety Week**

Real estate practitioners face more on-the-job risks than many other business professionals. To focus attention on safety, NAR launched the first REALTOR® Safety Week in 2003 and officially designated Sept. 10–16, 2006, as the fourth annual REALTOR® Safety Week. Each July NAR sends a comprehensive safety kit to association executives and brokers to help them plan safety-related events for their members during REALTOR® Safety Week and throughout the year.

2006 kit contents included the following:

- A REALTOR® Safety Tip Card
- The totally revised "Don't Be A Victim: Personal Safety for REALTORS®" video, on both CD-ROM and DVD
- Safety articles and e-mail messages for use in communications to members
- Safety presentation materials with speaker instructions and talking points
- Numerous safety handouts for use at safety training sessions

In addition, comprehensive Safety Week Web pages (<http://www.REALTOR.org/Safety>) provided safety tips, resources, tools, and information.

## **e-PRO®**

The e-PRO® certification program, which teaches NAR members how to incorporate the latest Internet technology into their business, develop an Internet marketing plan, and create online and e-mail marketing strategies, is the fastest-growing certification program within NAR, with over 48,000 student registrations. Continuing education credits for e-PRO® are available in 24 states. Online, <http://www.CEStates.eProNAR.com> provides a complete roster of all states that have approved e-PRO® for continuing education credit. The e-PRO® program is also recognized for elective credit in the requirements for the Certified Residential Specialist (CRS), Accredited Buyer Representative (ABR), and Certified International Property Specialist (CIPS) designations.

## **Meetings & Expo**

Through the four annual meetings and 128 special meetings it organized in 2006, the NAR Convention Group provided members with hundreds of educational, networking, and social events to increase their business acumen.

In 2006:

- The Midyear Legislative Meetings & Trade Expo, held in Washington, D.C., in May, attracted a record 10,071 attendees. The sold-out Expo featured a record 225 exhibitors. The midyear meetings comprise NAR governance meetings; legislative activities— including Hill visits, in which REALTORS® meet with their Members of Congress to address industry issues — and the Trade Expo.
- The REALTORS® Conference & Expo, the association's premier event (and among the 200 largest exhibitions in North America), attracted 23,560 REALTORS® and guests to New Orleans in November, including 1,193 international delegates from 49 countries. This was the largest event to meet in New Orleans after Hurricane Katrina. The Expo featured a record 650 exhibiting companies in 150,900 square feet. The conference featured more than 200 educational sessions for brokers and salespeople. On a scale of 1 to 5, with 5 being the most valued, attendees gave the conference a median score of 4.64.

Highlights of the REALTORS® Conference & Expo included the following:



**BENEFITS OF MEMBERSHIP**  
(continued)

# PRODUCTS & SERVICES

- The tremendous contributions made by REALTORS® in volunteer activities to help rebuild New Orleans. More than 2,000 participants volunteered spent approximately 8,500 hours — building new homes with Habitat for Humanity, renovating damaged homes with Rebuilding Together, painting and refurbishing two schools, sorting books for the New Orleans Public Library, sorting food at the Second Harvest Food Bank, and landscaping, painting exhibits, and hanging holiday lights at City Park.
- An unprecedented General Session featuring two former U.S. Presidents, Hon. George H.W. Bush and Hon. William J. Clinton, who spoke to a record attendance of approximately 8,000 attendees.
- An incredible performance by Harry Connick Jr. at the celebrity concert.
- The Entrepreneurial Excellence Series, featuring noted business authors and experts Marcus Buckingham (author of *First, Break All the Rules*), David Oreck (founder of Oreck Corp.), Dr. John C. Maxwell (author of *The 21 Irrefutable Laws of Leadership*), and Debbi Fields (founder of Mrs. Fields Cookies).
- The Technology Learning Center, where nearly 7,000 attendees received hands-on training on various computer hardware and real estate software.
- NARdi Gras Night Parade and Party on Bourbon Street, the largest event in the French Quarter since Katrina.

The REALTORS® Conference & Expo brought approximately \$40 million in much-needed tourism dollars to New Orleans and provided a huge morale boost to residents who are trying to rebuild their lives and community after the nation's worst natural disaster in the nation's recent history. New Orleans reciprocated with excellent customer service and sincere appreciation, making the REALTORS® Conference & Expo 2006 one of the most inspiring events in NAR history.

## **REALTOR® University**

REALTOR® University is NAR's online education portal, offering more than 100 hours of Web-based education. Real estate practitioners can take courses leading to these official NAR designations and certifications: Accredited Buyer Representative (ABR®), Accredited Buyer Representative Manager (ABRMsm), Certified International Property

Specialist (CIPS), Resorts and Second Home Property Specialist (RSPS), Transnational Referral Certification (TRC), At Home With Diversity, Accredited Land Consultant (ALC) and the Real Estate Professional Assistant (REPA) certification.

Among REALTOR® University's key 2006 accomplishments:

- The number of online courses leading to official NAR designations doubled.
- Revenue was 30 percent higher than in 2005.
- REALTOR® University courses are ARELLO certified and approved for continuing education in many states.



BENEFITS OF MEMBERSHIP  
(continued)

# COMMUNITY OUTREACH

**Land Use Initiative:** State and local REALTOR® organizations have increased their usage of NAR's Land Use Initiative due to more intensive marketing, particularly by Regional Vice Presidents and the large number of eminent domain bills entered into state legislatures. The attorneys who support the Land Use Initiative reviewed proposed eminent domain bills for 10 state REALTOR® associations. Leading users of the program in 2006 were REALTOR® associations in California, Maryland, and Georgia.

**Customized State Smart Growth Legislation Program:** In further support of the eminent domain issue, NAR and its consultants helped draft eminent domain legislation tailored for the New Mexico and Georgia associations as models for their state legislatures. The Georgia legislation was signed into law. Although the New Mexico draft could not be considered during the short 2006 session, two REALTORS® were appointed to Governor Richardson's advisory commission, which is working on legislative recommendations for the 2007 session. NAR also produced guidelines on working principles on the use of eminent domain to help state REALTOR® associations address eminent domain issues in state legislatures.

**Community Outreach Symposium:** In partnership with the Louisiana and New Orleans REALTOR® associations, NAR hosted the Planning for Stronger Gulf Coast Communities symposium in New Orleans. The symposium featured an extensive discussion on post-Katrina activities, with special focus on recovery efforts; rebuilding communities using smart growth strategies; transforming vacant or abandoned properties; and an update on flood plain mapping, insurance, and new building codes. Speakers included representatives of the Louisiana Recovery Authority, FEMA, and several local elected officials.

**Diversity:** NAR launched the Diversity in Leadership campaign at the Leadership Summit in August. A toolkit for local associations outlines activities that can increase diversity among leaders. Case studies and individual profiles illustrate how to increase diversity without selecting potential leaders based solely on their minority status, how to invite minority individuals to take the steps toward leadership positions, and the benefits of a diverse leadership. An accompanying brochure helps members understand how to become active in NAR committees and leadership.

A second element of this campaign has a national political focus. The goal is to increase the participation and presence of NAR's Federal Political Coordinators (FPCs) whose Congressional representatives are members of the Congressional Black, Hispanic, and Asian caucuses. FPCs from such districts participated in two meetings of the Congressional Black Caucus and one of the Congressional Hispanic Caucus. At the Congressional Black Caucus Annual Legislative Conference, Detroit's mayor praised REALTORS® for their successes in reducing property taxes in Detroit.

NAR continues to provide diversity training through the At Home with Diversity course, and more than 20,000 REALTORS® have earned the At Home with Diversity certification. During the past year, the Council of Residential Brokerage added a course, Managing Diversity for the Broker, Owner and Manager, that qualifies for the At Home with Diversity certification. CRB now joins the CRS, WCR, and CIPS programs in offering diversity training toward their designations.

**Housing Opportunity:** NAR expanded housing opportunities around the nation in a variety of ways. The Housing Opportunity Program (HOP) introduced its first competitive grants program through a new State and Local Initiative Program. Thirty-seven associations submitted applications, and 14 of those received up to \$4,000 to conduct new or expanded housing opportunity initiatives. NAR and the U.S. Conference of Mayors, through the Ambassadors for Cities program, recognized six REALTOR® associations and their mayors for their efforts to expand homeownership in their communities. Throughout the year, NAR leadership and representatives from the U.S. Conference of Mayors presented the awards at public media events.

NAR also took a leadership role in rebuilding the Gulf Coast through a partnership with Habitat for Humanity International and our state associations. By the end of 2006, state REALTOR® organizations had raised funds to complete 40 Habitat homes in the Gulf region. In addition, HOP launched Home from Work, a program that trains REALTORS® to work with area employers to promote workforce housing opportunities. Five training sessions took place throughout the country in 2006, with the goal of conducting another 10 by the end of 2007. NAR continues to partner with a number of organizations to promote housing, and has signed a Memorandum of Understanding with the Chamber of Commerce's Center for Workforce



**BENEFITS OF MEMBERSHIP**  
(continued)

# COMMUNITY OUTREACH

Preparation to develop and disseminate a publication promoting model partnerships between REALTOR® associations and local Chambers nationwide.

**Reaching Out to the Large Brokerage Community:** NAR created the Real Estate Services Task Force to identify and provide more value to large brokerage firms and their core businesses, including mortgage, title, and insurance endeavors. The task force has completed extensive one-on-one interviews with more than 50 chief executives of large brokerage firms to ascertain their needs and expectations from NAR. In addition to negotiating strategic marketing alliances and revenue sharing opportunities with the large brokers, the task force worked to establish a cooperative venture with mortgage companies. This work will allow large real estate firms to streamline operations and increase capture rates. Additional cooperative ventures with title insurance companies and other real estate-related services are being explored for future development. The task force will continue to identify services, tools, and strategic relationships that will help expand and enhance the business interests of large brokers and their agents.



BENEFITS OF MEMBERSHIP  
(continued)

# KNOWLEDGE MANAGEMENT

## REALTOR.org

The national association's Web site (<http://www.realtor.org>) provides REALTORS®, association executives, news media, consumers, and others ready access to the wealth of real estate industry information and knowledge from NAR.

REALTOR.org is the primary communication channel for the information and services coming from every department at NAR. For REALTORS®, the site is one of the key benefits of NAR membership, with access to member discounts and savings on products and services as well as information on how to maximize business success through specialization, professional development, and more. For the media, it is the single place to access the news and resources from NAR. And for staff of state and local REALTOR® associations, it is the place to learn about programs and information for them and their members.

REALTOR.org keeps visitors informed about NAR's efforts to ensure that the legislative and regulatory environment is favorable to REALTORS® and private property owners, and it is the source for NAR's nationally renowned real estate industry research. Additionally, REALTOR.org is where the association showcases its grant-making efforts.

REALTOR.org offers several "opt-in" e-newsletters on various real estate topics as well as a general interest "opt-out" monthly e-newsletter, REALTOR.org Essentials, promoting new information at the site.

Among the major improvements to REALTOR.org in 2006:

- Increased use of new technologies: REALTOR.org launched 15 new blogs, including ones for the NAR president, the association's Annual and Midyear meetings, NAR in the News, and the association's Library department; the association's first podcasts, from the association's President, the Conventions area, and the Commercial group. These technologies provide more ways for members to learn about and provide input to the association.
- Increased use of video and photo slide shows, which convey information beyond just text.
- Revamped Home Buyers and Sellers section to help members and consumers better understand how NAR represents home owners' interests, the benefits of working with a REALTOR®, and presents home owner-related resources.

- Improved presentation of legislative issues, beginning with Banking and Commerce, to help members and others understand NAR's perspectives and actions on federal issues.
- Redesigned Library section to make its resources more accessible to members.
- More scannable press releases, enabling members of the media to access NAR's news.

The site also realized improved metrics in 2006:

- Unique visitors increased by more than 20 percent, to almost 600,000 per month.
- Visits increased by more than 15 percent to 875,000 per month.
- The number of registered users increased by 30 percent to more than 670,000.

## REALTOR.com®

NAR's property listing Web site is the world's leading real estate site, providing real estate information to REALTORS® and consumers. It is consistently ranked first in online real estate by major Web traffic rating organizations. In 2006 the site averaged more than 6 million unique visitors, nearly 15 million visits per month, and 520 views per listing.

Close to 100 percent of all MLSs participate, including 20 new data content providers added in 2006. Listing inventory continued to grow in 2006, peaking at 3.8 million properties in November, up from 2.8 million in 2005.

Financial stability improved, and Move™ spent millions of dollars to maintain exclusive portal agreements with America Online and Microsoft Network to drive consumer traffic to REALTOR.com® listings.

Among REALTOR.com®'s key accomplishments in 2006:

- Launched the first phases of a new Find a REALTOR® functionality, including full integration with NAR's NRDS membership database to enable searches designation and business specialty.
- Introduced Featured Tours allowing Showcase Listing Enhancement customers to add virtual tours to listings without a distribution fee. This increased the number of tours on the site 17 percent in the first few weeks.
- Added Featured CMA to offer consumers more information about



BENEFITS OF MEMBERSHIP  
(continued)

housing and prices. It is the industry's first and only home valuation tool that respects the role of REALTORS® in marketing properties and negotiating transactions.

- Launched Move.com™ in May. Within just a few months, Move.com™ became the fourth-largest supplier of traffic to REALTOR.com®.
- Hosted 81 real estate marketing Expo events reaching thousands of REALTORS® with information about competing in today's internet-savvy marketplace.
- Relocated its data center from California to Phoenix. This move assured ongoing stability, improved infrastructure, upgraded disaster recovery plans, and more efficient product development efforts.
- Collaborated with NAR on plans for a Web 2.0 version of REALTOR.com®. The first phase of functionality was scheduled for launch early in 2007.
- Through the Customer Care organization, handled nearly 30,000 calls from members each month, receiving a 98 percent quality rating.

### REALTOR® Magazine

REALTOR® Magazine, published 12 times per year, is NAR's official magazine, serving as the industry's publication of record and essential "business tool for real estate professionals." Annual features include "Top 100 Companies" and "30 Under 30," and regular departments cover real estate news, the economy, law, technology, selling and marketing, and ethics. A "For Brokers" section is bound into the magazine for real estate-company owners and managers.

**A decorated title.** In 2006 the magazine won an APEX Grand Award for the June 2005 issue, featuring the magazine's 2005 "30 Under 30." All told, the magazine won 18 editorial and design awards in 2006 from Communications Concepts (APEX), the American Society of Business Publication Editors (AZBEES), Publications Management/University of Missouri School of Journalism (Magnum Opus), and the Trade Association Business Publications International (Tabbies). The magazine's Web site and conference newspaper also won awards in 2006, as did the magazine's first book, *Broker to Broker: Management Lessons from America's Most Successful Real Estate Companies* (John Wiley & Sons, 2005), edited by Robert Freedman.

# KNOWLEDGE MANAGEMENT

**The latest release.** In 2006 the magazine released its second book, *1,200 Great Sales Tips for Real Estate Pros* (John Wiley & Sons). This 272-page volume, edited by Christina Hoffmann Spira and Mariwyn Evans, extracts the best ideas from the past four years of the magazine's annual List Issue, providing practitioners with practical guidance on how to achieve more and still have balance in their lives.

**Special features.** The magazine celebrated the seventh year of its Good Neighbor Awards program, recognizing REALTORS® who make extraordinary contributions to their communities. Every year, the Good Neighbor Award winners are featured in the November issue of the magazine. The magazine also continued its longstanding relationship with *Remodeling* magazine to produce the popular "Cost vs. Value Report," which provides national, regional, and metro averages for the value of various remodeling projects at resale. A full version of the report is offered for sale as a four-color booklet to practitioners who want to provide this value-added content to their clients and customers. *Remodeling* and REALTOR® Magazine also teamed up in 2006 to offer readers a PDF version of the report featuring resale values for their region and metro area.

### REALTOR® Magazine Online

REALTOR® Magazine Online (<http://www.REALTOR.org/realtormag>) features an array of timely Web-only articles, quizzes, and guides that help members of the National Association of REALTORS® lead successful careers. The site expands on the print magazine's mission of being "The Business Tool for Real Estate Professionals," providing how-to information on topics ranging from new prospecting techniques to home-design trends.

The Web site also serves as the interactive archive of REALTOR® Magazine, allowing members to gain free access to all content from current and past issues. Other top attractions include daily and weekly industry news e-mails, exclusive columnists, book reviews, and helpful handouts for customers.

New content offerings for 2006:

- New quizzes on key topics: At <http://www.REALTOR.org/rmoquiz2.nsf/QuizHomePage?OpenForm>, site users can test their knowledge of home staging, national do-not-fax rules, on-the-job safety, REALTOR® trademark usage, fair housing laws, and the 2006



BENEFITS OF MEMBERSHIP  
(continued)

# KNOWLEDGE MANAGEMENT

year in review.

- Expanded architecture resources: The completely redesigned and updated Architecture Guide at <http://www.REALTOR.org/rmoarch.NSF/pages/archindex> is brimming with photos, illustrations, and detailed descriptions of home styles.
- Listing presentation videos: We captured three different styles of listing presentations on camera and then interviewed consumers to find out what worked and what didn't. The goal: Help members cinch the listing at their next appointment. The presentation videos are available online at <http://www.REALTOR.org/rmomag.NSF/pages/Feat1200602>.
- How-to articles: Tip-filled articles at <http://www.REALTOR.org/rmomag.NSF/pages/onlineexclusivearchive> explain how to manage time better, how to start a business, how to create an office-policy manual, how to hire a personal assistant, how find success in the condo craze, and more.

REALTOR® Magazine Online gained recognition in 2006 for editorial excellence:

- Society of National Association Publications: Gold Award, For Rookies section; Silver Award, Web site editorial content
- Awards for Publications Excellence: Most Improved Newsletter (Business Tips Newsletter)
- Magnum Opus Awards (cosponsored by the Missouri School of Journalism): Gold Awards, "How to Reach the Immigrant Home Buyer," and "Don't Let Tiny Closets Shut Out Buyers"; Silver Award, "Top Performer Diaries"
- Inman Innovator Awards: Finalist, Most Innovative Media Site

## REALTOR® Association Executive Magazine

For executives of the country's more than 1,500 state and local REALTOR® associations and multiple listing services, NAR produces the quarterly REALTOR® Association Executive Magazine. From how to choose the right MLS software to how to put a spark into education offerings, REALTOR® Association Executive Magazine is the definitive source of information for executive officers throughout their careers.

## Internal News Service (INS) Reports

NAR's Publications group keeps REALTOR® association executives in tune with news from around the industry and the association. Weekly

Internal News Service (INS) reports are distributed to association executives and regional MLS executives via e-mail and are available in the Association Executives section of REALTOR.org (<http://www.REALTOR.org/inis.nsf/RecentArchives>). A monthly Marketplace INS alerts association executives to new products and services, events, and education offerings from NAR. A biweekly INS report goes to large brokers and a monthly report for members of NAR's Board of Directors. Special Internal News Service Reports are issued with breaking news.

## REALTOR® Magazine Show Daily

The REALTOR® Magazine Show Daily highlights the products, educational sessions, and committee meetings that take place during the annual REALTORS® Conference & Expo. On-site reporting gives the event's roughly 26,000 attendees summaries of the best ideas and important industry news presented during the conference. Highlights of coming events help attendees plan their days and add more value to their conference experience. Summaries of new products offered at the Expo let attendees pinpoint interests and maximize their time at the show. And photos of members, leadership, staff, and exhibitors generate a sense of community and interactivity with the newspaper.

In 2006:

- Each issue of the Show Daily was also available online so those not attending the convention could benefit from conference information. The online presence also served as a promotional tool to encourage attendance at the 2006 conference.
- The use of more photos helped bring readers into the action and allowed for a quick read during the busy show.

## Letter of the Law

The weekly Letter of the Law e-newsletter from NAR's Legal Affairs department is geared to members with a special interest in legal developments. Available via REALTOR.org and NAR's Listserv, Letter of the Law covers recent real estate-related cases and judgments.

## REALTORS® Commercial Alliance Report

This quarterly print newsletter focuses exclusively on the concerns and needs of commercial practitioners. Each issue covers legislative news, industry trends, and research and statistics that enable com-



BENEFITS OF MEMBERSHIP  
(continued)

mercial brokers, property managers, and other commercial members of NAR to conduct their business more effectively. The RCA Report also provides regular updates on the activities of NAR's commercial affiliates and RCA committees. Each issue is mailed to approximately 68,000 subscribers.

Among the Report's 2006 highlights:

- More in-depth editorial and redesign allow for more reporting on feature stories.
- Quarterly updates and commentary on NAR's new Commercial Leading Indicator.

### Center for REALTOR® Technology (CRT)

In support of its mission of implementation, advocacy, and information, CRT provides technology leadership, guidance, and assistance to NAR members. It makes available informed industry insight, research, and open-source applications.

In 2006:

- CRT continued its information technology–focused blogging to share timely information and commentary about CRT projects, and new technologies, including real estate–related technology. The blog has 289 RSS subscribers and 40 e-mail subscribers, many of whom pass the articles to others. The blog has been featured or mentioned on other leading industry blogs. CRT continues to publish its CRT Report newsletter (circulation 2,654) to help real estate brokers and association executives stay abreast of new technologies. The newsletter features practical discussions of how new technology can help them in their businesses.
- CRT continued to develop leading Real Estate Transaction Standard (RETS) applications. ezRETS, a data-retrieval tool, allows real estate practitioners to download and use property listing information in the RETS format and easily select information—such as comparative market analyses, marketing brochures, or neighborhood trends—to integrate into reports. The connectivity capabilities of ezRETS can often eliminate the need for proprietary interfaces and custom programming, saving time and money. VieleRETS, which is free to members, enables practitioners to download image and text information from multiple MLSs to their own Web sites. ibRETS allows software vendors to easily integrate

# KNOWLEDGE MANAGEMENT

RETS into their products.

- Six MLSs became certified under REALTOR® Secure, an information security best practices program.
- Through its outreach program, CRT staff spoke at more than 50 REALTOR® events and meetings and fielded more than 300 inquiries to info@crt.realtors.org.
- For the 2006 REALTORS® Conference & Expo, CRT developed and delivered six technology sessions. CRT offered wireless access to attendees of the Association Executives Institute, the Leadership Summit, the Midyear Legislative Meetings & Trade Expo, and the REALTORS® Conference & Expo. At the Midyear Legislative Meetings & Trade Expo and the REALTORS® Conference & Expo, CRT provided two bloggers' lounges, which served as press rooms for bloggers in the real estate industry. The lounges provided a quiet atmosphere where attendees could post to their blogs about their experiences at the conferences.
- In late 2006 CRT started funding industry initiatives in Florida and Maryland involving enhanced security and single sign-on technology. These projects, which have large software development components, will continue in 2007.
- With additions to staff, CRT's focus during the past five years on the MLS and the real estate industry was redirected to brokers. The results of this change in focus will begin to appear in 2007.
- CRT Vice President Mark Lesswing was promoted to Senior Vice President and Chief Technology Officer. This promotion recognizes the leadership value that Lesswing and CRT have brought to NAR's members over the last five years.

### Information Central

The most active communication between NAR and its members happens daily via the association's Information Central Department. Information Central provides many services, including the Association Call Center and Customer Assistance, Library and Information Services, the Association Archives, Membership Records and REALTOR® Emeritus, D.C. Staff Information Support, and the Virtual Library and Customer Support pages on REALTOR.org.

The physical library features a collection of 24,000 real estate– and Association-specific printed and recorded materials. The archives preserves the vital hundred-year historical record of gover-



**BENEFITS OF MEMBERSHIP**  
(continued)

nance and general operations of the Association; the Call Center handles and directs more than 250,000 contacts each year; and the Virtual Library at REALTOR.org offers a variety of resources on many topics of interest to real estate and association professionals. NAR's information specialists keep association staff, leadership, and members up to date on critical issues and emerging trends through specially researched Field Guides, Information Power Tools, and Technology Reports as well as blogs, podcasts, streaming video, and written analysis. They also carry out intensive, customized business research for members and staff. Through our digital eBooks collection and ProQuest online periodical database, members and staff have access to thousands of books and journals 24/7 in a variety of formats.

Information Central's key accomplishments in 2006:

- The Contact Center effectively handled more than 250,000 member and staff contacts via telephone, webchat, email, snail-mail and face-to-face communication channels.
- The Virtual Library received more than 2.8 million page views, often making it among the most-visited sections of REALTOR.org.
- Utilizing the latest in communication technology, Information Central began providing regular podcasts of its popular Technology Reports in February.
- The new online eBooks collection introduced access to more than 600 real estate, sales and marketing, small business, management, technology, and personal growth titles in April. This collection enables members and staff to download digital books, audio books, and videos to computers, SmartPhones, Blackberries, and PDAs. In the first eight months, more than 10,000 titles were downloaded.
- The Virtual Library eBooks Service was awarded the American Society of Association Executive's Associations Advance America 2006 Award of Excellence in June.
- The NAR eBooks project and Mary Martinez received a Digital Pioneer Award in July for "excellence and leadership in advancing digital media in libraries."
- Marian Leon was awarded the prestigious Call Center Manager of the Month Award from the International Call Management Institute in August.
- The Archives staff continued to digitize printed records and did considerable research and original writing for the NAR centennial anniversary book being published in 2007. "This Month in NAR History" has become a popular feature in the Virtual Library.
- Our Library reference staff handled more than 14,300 research requests, making 2006 the busiest year yet for our research librarians.
- The Washington Information Resource Center merged with Information Central in Chicago in December, freeing up scarce floor space in D.C. and integrating personnel to enhance the staff's total effectiveness.
- Membership records again processed a record number of REALTOR® Emeritus awards. Almost 700 members received this award in 2006.



**BENEFITS OF MEMBERSHIP**  
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# LEADERSHIP INITIATIVES

## Research

NAR's Research division provides unbiased, timely, actionable information that helps real estate professionals improve their operations, profitability, and industry knowledge. The Research division also strives to be the definitive source of real estate data and to provide credible research analyses and reports for the real estate market. The existing-home sales series is the industry benchmark measurement for residential real estate market activity. In addition, the Research division analyzes the economic, policy, and structural effects of changes in the real estate industry and produces studies and statistics on real estate practice as well as company ownership and management. It analyzes the impact of legislative, regulatory, and tax code changes on the industry and the home-owning public and monitors developments in the U.S. economy, producing a regular economic forecast for home sales, mortgage interest rates, and home prices.

Key accomplishments by NAR Research in 2006 include:

- Funding several research projects through the National Center for Real Estate Research that examine state and local fiscal issues, long-term demand for office space, and the impact of property taxes on housing affordability. NCRER, funded by NAR, underwrites research by experts from the nation's top universities and consulting firms.
- Preparing international housing research reports on trends in foreign direct investment in U.S. real estate and state-by-state reports on international business activity.
- Launching NAR's proprietary Commercial Market Leading Indicator.
- Expanding coverage of the commercial real estate market, including forecasting the office, retail, industrial, multifamily, and hospitality sectors.
- Conducting four major surveys on baby boomers, second-home owners, real estate firms, and home buyers and sellers.
- Producing local home-price analysis reports for more than 100 markets to help local associations refute widespread media stories on a housing bubble.
- Analyzing the impact of subprime loan problems on the housing market.
- Producing forecasts, articles, and research reports on market trends for Real Estate Insights, a monthly Web-based publication

and e-newsletter, and Commercial Real Estate Outlook, a quarterly e-newsletter.

## Public Awareness Campaign

The National Association of REALTORS® Public Awareness Campaign has helped millions of consumers realize the value of using a REALTOR® to help them buy or sell real estate.

The campaign has influenced the way consumers think about buying and selling real estate. NAR's latest consumer tracking study found that approximately three out of four consumers, or 73 percent, are aware of NAR's television and radio advertising campaign. In addition, the percentage of consumers surveyed who are more likely to hire a REALTOR® than a real estate agent who is not a REALTOR® rose from 51 percent in 1999 (the first year of the survey) to 64 percent in 2006.

The campaign has also become one of the association's most popular membership services. According to the latest membership survey, 97 percent of all members like the ad program, and 94 percent would like to see even more advertising than is currently run.

The 2006 campaign features three new television commercials, two new radio spots, and six customizable print ads, as well as bus shelters, billboards, posters and Web banners.

"Someone You Can Trust" promotes the REALTOR® Code of Ethics and highlights the honesty and integrity that REALTORS® bring to every transaction. Only members of the National Association of REALTORS® subscribe to NAR's strict Code of Ethics in their dealings with clients and customers, the public, and each other. Consumers can read a summary of the principles in the code at [www.REALTOR.org/codeofethics](http://www.REALTOR.org/codeofethics).

"Don't Try This At Home" targets unrepresented sellers (the FSBO market). The commercial features a hard-hitting message: REALTORS® have the experience to price your home effectively, so it can sell for up to 16 percent more than selling it yourself. That data comes from the 2005 NAR Profile of Home Buyers and Sellers.

"Entrepreneur at Heart" features REALTORS® talking about what it's like to be out on their own, every day, in an increasingly competitive marketplace. They also discuss the pride they feel in helping people achieve the American dream of homeownership.

The campaign's Hispanic outreach efforts represent a major step



**BENEFITS OF MEMBERSHIP**  
(continued)

# LEADERSHIP INITIATIVES

in improving Hispanic interest in using a REALTOR®. In just one year, awareness of the term REALTOR® among this audience increased 9 percent. NAR continues to reach out to this critical and growing market with spots on Spanish-language networks such as Univision, Galavision, and Telemundo.

Learn more about the Public Awareness Campaign at <http://www.REALTOR.org/awarenesscampaign>.

## **REALTORS® Relief Foundation**

The REALTORS® Relief Foundation collected \$3,050,000 toward the Housing Opportunity program's Operation Home Delivery effort to build 54 Habitat for Humanity homes in the areas of the Gulf Coast affected by the 2005 hurricanes. The Foundation contributed \$5,000 towards the cost of building each home for a total of \$270,000 out of the general fund.

In 2006 the REALTORS® Relief Foundation continued the work started in 2005 with the states affected by the 2005 hurricanes by providing an additional \$350,000 to state relief funds in Mississippi and Texas.

Out of its general fund, the REALTORS® Relief Foundation provided a grant of \$50,000 to the Texas state relief fund to assist in providing housing-related assistance to the victims of the El Paso floods. Additionally, the foundation approved grants totaling \$70,000 to provide housing-related assistance to tornado victims in Illinois and Tennessee.

## **2006 NAR Board of Directors Actions**

### **Exclusive-Agency Listings on the Web**

To address concerns raised by the U.S. Department of Justice and the Federal Trade Commission over the policies of some MLSs on the display of exclusive-agency listings on public Web sites, the board amended NAR's Internet Data Exchange (IDX) Policy. The amendment requires MLSs to include all listings authorized for distribution in IDX feeds. Participants may then select listings to display on their Web sites.

Additionally, MLSs that operate a publicly accessible Web site or transmit participants' listings to third-party aggregators must include all listings in the data feed. The only listings that may be excluded are those that give the property's address or provide a graphic

display of where the property is located and display a "For Sale By Owner" sign or other notice that indicates the seller is soliciting direct contact from buyers.

However, the policy clarifies that MLSs are not required to operate a public Web site or to give data to third-party real estate Web sites.

### **Professional Standards Bolstered**

A number of new professional standards were approved, including one that requires members to give customers advance notice if customer data may be shared with or sold to third parties. Another new rule says that members must present a "true picture" of where they are directing customers on the Web and must not use Internet tools to deceptively direct consumers from their intended online destination.

Other new standards involve the handling of arbitration proceedings. A new rule says that local and state REALTOR® associations may do business under an alternative name, known as a "DBA" identity. However, the associations must gain NAR's approval for the DBA. The board voted that the rule would be retroactive.

### **Expanding Online Reach**

The board approved spending \$2.25 million in cash and \$2.25 million in in-kind contributions for a promotion to help maintain REALTOR.com as the No. 1 home search site on the Internet. Funds won't be spent without the Leadership Team's approval of the final campaign.

Another \$200,000 was approved to develop a prototype of a consumer outreach initiative to position NAR as the major source of online information for home buying and selling.

### **Federal Policy Changes**

The board approved a number of federal policy positions:

- **Employer-Assisted Housing:** NAR will support income tax-based incentives for employer-assisted housing programs as part of its housing affordability strategy.
- **Disaster Insurance:** The board decided that the goal of any federal natural disaster program should be to promote availability and affordability of insurance for residential as well as commercial properties. A bus tour of the New Orleans area during the REALTORS® Conference & Expo brought to light the importance of the availability and affordability of insurance in disaster-prone



BENEFITS OF MEMBERSHIP  
(continued)

# LEADERSHIP INITIATIVES

areas, said John Rinehart, chair of the Land Use, Property Rights, and Environment Committee.

- **Business Issues:** NAR will push for an exclusion for businesses in any federal data privacy legislation and will oppose federal pre-emption of state data privacy laws. It also will advocate for creating a non-working retirement residency card for foreign nationals who are at least 55 years old and own U.S. property.

#### Swift Response to Disasters

The board approved the Disaster Planning and Mitigation Task Force's plan to create a disaster response "strike team" that would be mobilized after a disaster to determine if and how NAR should provide recovery support. The plan also calls for NAR to identify off-site data storage facilities and negotiate discounted rates for members.

In reports to the board:

- **Strong Financial Footing:** NAR Treasurer Bruce Wolf said the association received \$87.5 million in dues income for 2006 and has a fully leased D.C. headquarters building, among other strong indicators. "The bottom line is NAR is in better shape than it ever has been," said Wolf.

For 2007, the Board approved a budgeted membership of 1,230,000, a decrease of 10 percent from the current level of 1,366,000, which reflects the slowdown in markets across the country.

- **Political Fundraising Exceeds Goals:** RPAC Fundraising Chair Adorna Carroll of Newington, Conn., reported that as of Oct. 31, RPAC had raised a new record of \$7.04 million, easily topping this year's goal of \$6.25 million. All 54 state and territory associations exceeded their goals. Collectively, more than \$23 million was raised for national, state, and local RPAC efforts.

RPAC Committee Chair John Harrison said 92 percent of all political candidates that NAR supported were victorious. "We're the most bipartisan PAC in the country and we're proud of that."

The board postponed consideration of recommendations by the Election Reform Task Force until a public forum can be held at the 2007 Board of Directors meeting; the task force is looking at ways to make the nominating process more objective and encourage more people to run by reducing obstacles to candidates, such as financial and time commitments.

- **REALTOR® Leaders Honored:** The 2006 Distinguished Service Award was presented to Joseph K. Funkhouser II, from Harrisonburg, Va., and Robert J. Arkley, from Waterbury, Vt. The 2006 William R. Magel Award was presented to Malcolm Young, chief executive officer of the Louisiana Association of REALTORS®.

The Nominating Committee recommended the following slate of NAR officers for 2008: president, Richard Gaylord, CRB, CRS, Long Beach, Calif.; first vice president, Vicki Cox Golder, CRB, Tucson, Ariz.; treasurer, James Helsel Jr., CCIM, CPM, Lemoyne, Pa. The Committee is inviting candidates for the post of president-elect.



NICHE SERVICES

NAR provides targeted services to members who engage in a wide variety of business specialties. Read about many of them here.

# BUSINESS SPECIALTIES

## Resorts and Second Homes

To better serve practitioners working in the resort-area and second-home markets, NAR offers a number of resources: a resort home page at <http://www.REALTOR.org/Resort>; a Resort & Second-Home Listserv; resort-area and second-home data reports; a two-day educational course on Resort & Second-Home Markets; national networking opportunities at the midyear and annual meetings; a Resort & Second-Home Symposium and Workshop (every 18 months); and the Resort & Second-Home Property Specialist (RSPS) certification.

## The Real Estate Buyer's Agent Council (REBAC)

In 2006 REBAC-licensed course providers offered ABR® designation education to more than 15,000 REALTORS®. In addition to classroom sessions conducted by state and local associations and some of the industry's most respected real estate schools and franchises, REBAC offers its courses through REALTOR® University.

After earning their designation, members are notified of additional educational opportunities from REBAC. Members also receive monthly print and weekly electronic newsletters about news and trends in buyer representation. REBAC promotes buyer representation in general, and the ABR® specifically, through a national advertising campaign that reaches the public via radio spots during special events such as the Super Bowl, the Olympics, and the Grammy Awards. REBAC also distributes newspaper and radio stories nationally through a news syndicate.

## International

NAR works to help REALTORS® grow their businesses by educating them about identifying international business opportunities in their local markets and how to effectively serve these markets, and by providing a network of professionals around the globe for referrals and other cross-border business activities.

Among the International Division's 2006 accomplishments:

- To assist local brokerages in identifying international business opportunities in the region, international market profiles were developed for each U.S. state. These downloadable profiles, available at <http://www.REALTOR.org>, examine international business activities by state, including the number of foreigners arriving from various countries, homeownership rates, and top exports.

- NAR formed a business alliance with its Mexican bilateral partner, the Mexican Real Estate Association (AMPI). Through this alliance, all AMPI members become REALTORS®. In turn, NAR ensures delivery of core member services and training most beneficial to cross-border business.
- In support of this initiative, a new course, Doing Business in Mexico, was developed for online and classroom delivery.
- Continuing to expand its global network, NAR signed or renewed agreements with groups in Argentina, Japan, Mexico, and South Africa.
- A record 304 people were awarded the Certified International Property Specialist (CIPS) designation, expanding the global network in which trained professionals can conduct business and consumers can locate an international specialist.
- Also setting a new record, 3,800 students in the United States and abroad attended one or more of the 146 CIPS courses offered in 2006.
- Nearly 1,500 NAR members — more than twice as many as in 2005 — completed Transnational Referral Certification training, which prepares real estate professionals to make and receive compensated referrals using the transnational referral system developed by the International Consortium of Real Estate Associations (ICREA).
- NAR was represented at the World Urban Housing Forum III in Vancouver, Canada as part of the International Housing Coalition's effort to promote "Housing for All." In conjunction with the Counselors of Real Estate and the Annie E. Casey Foundation, NAR organized and presented a case study at the Forum on Promoting Affordable Housing in the United States.
- NAR promoted the REALTOR® brand and provided high-level business networking opportunities for NAR members at a variety of conferences and trade expositions worldwide, including MIPIM-Cannes (Europe), MIPIM-Asia, SIMA-Madrid (second home expo), FIABCI World Congress-Bangkok, CERAN (Central Europe), SECOVI Master Immobiliaria (Brazil), and the Joint China-U.S.-Korea Real Estate Forum.

## International Real Property Foundation (IRPF)

The International Real Property Foundation enables NAR leaders to



NICHE SERVICES  
(continued)

share core values of professional real estate practice with the world. The foundation is funded primarily by the U.S. Agency for International Development and by private foundations. IRPF is dedicated to the proposition that the surest way to establish and shore up democratic institutions is by improving standards of living, typically a by-product of secure real property ownership, which leads to strong, market-driven economies.

### CourseCalendar.com

CourseCalendar.com directs members to course offerings at the local level. In 2006 this “education Multiple Listing Service” offered nearly 30 NAR and affiliate courses. The 1,215 individual sessions generated \$5.19 million in non-dues revenue for the sponsoring organizations, including affiliates (Institute of Real Estate Management, Real Estate Buyer’s Agent Council, REALTORS® Land Institute, and Women’s Council of REALTORS®) and the NAR specialty areas of Resort and Second Homes and International’s CIPS course offerings.

### REALTORS® Commercial Alliance

The REALTORS® Commercial Alliance represents the collective interests of NAR’s commercial real estate constituencies, including the CCIM Institute, the Counselors of Real Estate, the Institute of Real Estate Management, the REALTORS® Land Institute, and the Society of Industrial and Office REALTORS®. The RCA facilitates collaborative efforts to build on the strengths of each commercial affiliate entity to benefit the entire industry.

In 2006 RCA:

- Supported more than 67,000 commercial real estate practitioner members, up from 56,000 in 2005. There are 149 commercial committees, forums, or councils within state and local associations and 32 commercial overlay boards.
- Redesigned the visual identity of all RCA publications and products. A new Web site section, <http://www.REALTOR.org/commercial>, provides updates, templates, resources, and information on RCA products and services. Nineteen groups adopted the RCA name.
- Produced a video, RCA Delivering on the Promise, for commercial groups and local associations, which describes how the brings members relevant, business-focused products and services.
- Sponsored the first online convention for the commercial real

# BUSINESS SPECIALTIES

estate industry. More than 14,000 commercial real estate professionals made 81,000 visits to over 40 trade show booths and tuned in to speaker presentations more than 18,000 times.

- Published new position papers in the Hot Topics series on military base realignment and closures and the dangers of mixing banking and commerce. The series provides current information on issues that affect members’ business.
- Published RCA Technology & Intelligence Briefings, featuring interviews with innovative commercial practitioners and industry experts on technology trends and the business of commercial real estate. The Briefings were also distributed as podcasts.
- Offered an online course, The Fundamentals of Commercial Real Estate, through REALTOR® University.
- Launched a National Awards Recognition program to acknowledge commercial members of NAR and its Institute Affiliates who were honored by local or state REALTOR® commercial groups for excellence in the commercial real estate industry.
- Provided 20 commercial groups with industry speakers and trainers through the Signature Series, subsidized in part by the RCA. The program enhances commercial professional development at state and local associations.
- Presented the first Commercial Day at the Annual Meeting & Expo.
- Launched the Commercial Networking Exchange (CoNEx), a networking event, co-sponsored with local associations and businesses, at the Annual Meeting & Expo.
- Partnered with the REALTORS® Land Institute to update the Alien Land Ownership Guide, which summarizes state statutes and restrictions regarding land ownership by aliens and foreign business entities.



### HOPE Awards

The HOPE (Home Ownership Participation for Everyone) Awards recognize organizations and individuals making outstanding contributions to increasing minority homeownership. HOPE awards are given every other year; they will be given next in 2007. A distinguished panel of judges selects winners based upon their impact on the community served. Award winners receive \$10,000; national media coverage; and the opportunity to participate in a HOPE Awards symposium and news conference, where they discuss their projects and answer questions from journalists and housing experts. HOPE statuettes are presented at a gala celebration in Washington, D.C. Information about the HOPE Awards is available at <http://www.hopeawards.org/>.

### REALTOR® Magazine Good Neighbor Awards

REALTOR® Magazine's annual awards program recognizes REALTORS® who have made an extraordinary commitment to improving the quality of life for others through volunteer work. In 2006, five winners received \$10,000 grants for their charitable organizations and traveled to the 2006 REALTORS® Conference & Expo in New Orleans, where they were honored during the General Session. Five honorable mentions received \$2,500 grants. The awards were sponsored by eNeighborhoods Inc., the founding sponsor; Fannie Mae; and LandAmerica.

In 2006 the awards:

- Received more than 300 nominations — an all-time record.
- Held a gala dinner fêting the winners, with Good Morning America's Robin Roberts as the keynote speaker. Invited attendees included winners' family members and friends, past winners, REALTOR® Magazine editors, representatives from the sponsoring companies, and Past President Martin Edwards, of Memphis, Tenn., who was the dinner's master of ceremonies.

The 2006 Good Neighbors were:

#### **Ernest "Chuck" Ayala, GRI, Ayala Real Estate, San Francisco**

Thirty-three years ago, Ayala founded Centro Latino de San Francisco, a community center that supports more than 2,000 low-income seniors with meals, transportation, bilingual assistance, and health assessments. Ayala, Centro Latino's CEO and president, also was a

delegate to the White House Conference on Aging and serves on the California Commission on Aging, for which he coordinated hearings on disaster preparedness for people living in long-term care facilities.

#### **Rob Cronin, Coldwell Banker, Conklin & Co., Hailey, Idaho**

Cronin is the driving force at the American Cancer Society's Camp Rainbow Gold, an overnight summer camp, equipped with a medical team and social worker, that gives children who have been diagnosed with cancer a fun-filled camp experience at no cost to their families. Cronin, a cancer survivor himself, has filled every role: board member, fundraiser, counselor, activities director, and camp director. He raised \$1.4 million in two years, which will be used for a new scholarship program to send former campers to college and to help the camp buy its own land and facilities.

#### **Sharon Friend, CRS, Las Vegas Realty, Las Vegas**

Friend is president of The Children's Service Guild, which helps children touched by the family court system obtain medical and dental care, clothes, toys, bedding, and other essential needs not covered by government funding. The Guild is a private nonprofit group that supports 30 departments within the county's family services and juvenile justice system. The main beneficiary is Child Haven, a temporary residence that houses 5,000 children a year. Friend volunteers an average of 35 hours a week and is credited with maintaining the Guild's financial stability in one of the fastest growing areas in the country and with raising enough money for Child Haven to build a new residential facility in 2005.

#### **Lolita Junk, Diversified Real Estate Services/GMAC, Galesburg, Ill.**

In 1995, Junk founded the Knox County Teen Court, which has helped more than 1,500 juvenile nonviolent first-time offenders get a second chance for a clean record while holding them accountable for their actions. The program, which uses volunteer high school students as attorneys and jurors, gives "sentences" such as anger management classes, drug or alcohol counseling, apologies, theft seminars, and community service. It boasts a recidivism rate of well under 10 percent, compared with 65 to 75 percent for youth handled in the traditional courts. Junk created the first teen court in Illinois, which now has more than 130 programs and has become a model for teen courts nationally and throughout the world.



**AWARDS & RECOGNITION**  
(continued)

**David Sonenberg, The Sonenberg Co., Roswell, Ga.**

For 23 years, Sonenberg has been president of North Fulton Community Charities (NFCC), an organization he helped found, that assists families, individuals, and the elderly by fulfilling emergency needs for food, clothing, rent, utilities, medicine, and other basic needs. His leadership and fundraising enabled the NFCC to purchase and renovate its own building last year. In 2005, NFCC helped more than 4,200 families (more than 11,000 people), including 375 Katrina evacuee families. NFCC operates a food pantry that serves an average of 85 families a day.



## **Certified Commercial Investment Member (CCIM) Institute**

The CCIM Institute is the governing body of the world's largest commercial real estate network, with 18,000 members in North America, Asia, and Europe. Since 1969, through its respected CCIM education program, the institute has conferred the Certified Commercial Investment Member designation to qualified commercial real estate and allied professionals. In addition, the institute offers the most current, comprehensive, and revolutionary technology in commercial real estate. These core competencies of networking, education, and technology affect and influence the way CCIM members do business.

Among CCIM's 2006 accomplishments:

- More than 17,000 students experienced CCIM education, an 80 percent increase since 2002.
- Students in all classroom-based core courses have access to new online course sites that offer a variety of pre- and post-class resources, hosted by the Blackboard platform.
- The CCIM & IREM Success Series debuted to 1,000 professionals. Success Series 2007 will be held in San Antonio, Tex. in October.

## **Council of Real Estate Brokerage Managers (CRB)**

The Council of Real Estate Brokerage Managers, an NAR affiliate, provides leading-edge tools and education to enhance the productivity and profitability of more than 7,000 members worldwide. Since 1968, the Council has awarded the Certified Real Estate Brokerage Manager (CRB) designation, to REALTORS® who meet specific requirements and have completed advanced professional training. CRB members consistently increase their level of industry knowledge, advance their earning and career potential, increase their company's productivity, and benefit from active involvement in a network of real estate professionals. The median gross personal income of a CRB designee is 84 percent higher than that reported by brokers, owners, and managers without the designation according to the 2005 CRB Member Survey and 2005 NAR Member Profile.

Among the Council's 2006 milestones:

- The CRB candidate pool has steadily climbed during the past few years; it experienced a 6 percent increase from last year.
- CRB management education offerings continue to interest the

international market, with courses taking place in China, Mexico, and South Africa.

- Two new CRB courses have debuted: Managing Diversity for the Broker/Owner/Manager (in partnership with NAR) and Managing and Leading Teams.
- CRB management education continues to thrive, with a 74 percent increase in program offerings and a 47 percent jump in attendance in the past two years.
- A curriculum redesign of the CRB core courses is under way to ensure they deliver cutting-edge knowledge and tools for brokers, owners, and managers.
- The CRB Council started a blog at <http://www.crb-source.blogspot.com/>.

## **Council of Residential Specialists (CRS®)**

The Council of Residential Specialists is the largest not-for-profit affiliate of NAR. At the end of 2006, CRS had more than 49,000 members, including more than 39,000 who have earned the Certified Residential Specialist (CRS®) designation.

In 2006, the Council:

- Introduced its second eLearning course, Putting Technology to Work for Your Clients, following on the successful 2005 debut of Creating Value for Your Clients. These interactive, online courses present the best practices and concepts covered in CRS® core courses. Participants complete tasks and solve real-world problems for a fictional real estate agency. Upon successful completion, participants earn one unit of elective credit toward the CRS® designation.
- Unveiled a redesign of The Residential Specialist magazine with the November/December issue. The redesigned publication features a more open, modern, and sophisticated look that makes it easier to deliver practical information that members can use in their business.
- Launched the CRS® Promotional Materials Contest, which drew more than 230 entries in six categories. Members were able to rate the entries online at <http://www.crs.com>. Members' ratings determined the winners, who won prizes and were featured in The Residential Specialist.



## The Counselors of Real Estate (CRE)

Established in 1953, The Counselors of Real Estate is a professional membership organization for the leading real property advisers. Membership is exclusive and is awarded by invitation only; 1,100 advisors currently hold the prestigious CRE® designation. The organization serves as an information resource, creates opportunities for professional development, facilitates knowledge sharing among its members, and sustains an environment of community and collegiality.

Among CRE's 2006 major accomplishments:

- The organization completed and adopted its 2006–11 Strategic Plan.
- A 97 percent membership renewal reflected the organization's value to its designees.
- The CRE High Level Conference, which explores a non-real estate–specific subject of keen importance, delved into “A Clash of Cultures: Understanding Life in the Global Village.”
- The organization developed and began to execute a new, four-pronged international strategy that focuses on its alliance with the Royal Institution of Chartered Surveyors (RICS) and similar organizations; international membership development; the creation of an international caucus; and expanded, internationally focused education sessions at CRE national meetings.
- The CRE expanded its presence in the international arena by partnering with RICS at the MIPIM conference and by leading a delegation to China at the request of the Chinese government.
- The James E. Gibbons Educational Trust Fund of The Counselors of Real Estate provided funding for eight initiatives, including a program in conflict resolution; an affordable housing project; and archiving the papers of James Graaskamp, CRE, former chair of the University of Wisconsin Real Estate Department.
- A revamp of educational programming included a major revitalization of Business Issues Forums sessions.
- The organization expanded the scope of the CRE Dispute Resolution Program for Real Estate, bringing the expertise of The Counselors' panel of neutrals to the broad commercial membership of the National Association of REALTORS®.
- The CRE Consulting Corps, a volunteer community service initiative, conducted four counseling assignments: two university-based

projects in Texas; a highest and best use study for a religious facility in New York; and an ambitious master plan to redesign the Philadelphia public school system.

- The organization launched an electronic version of its professional journal, Real Estate Issues.
- The CRE continued enhancements of its Web site and online database to expand business opportunities and member networking and knowledge sharing, particularly in the area of expert witness and litigation support.

## Institute of Real Estate Management (IREM®)

The Institute of Real Estate Management has been real estate management professionals' source for advocacy, education, resources, information, and membership for more than 70 years. IREM® is the only professional real estate management association serving both the multifamily and commercial real estate sectors. It has 81 U.S. chapters, eight international chapters, and several other partnerships around the globe.

IREM® has more than 17,400 individual and 505 corporate members. The organization promotes ethical real estate management practices through its credentialed membership programs, including the Certified Property Manager® (CPM®) designation, the Accredited Residential Manager® (ARM®) certification, the Accredited Commercial Manager certification, and the Accredited Management Organization® (AMO®) accreditation. These credentials certify management practitioners' competence and professionalism. IREM® also offers associate, student, and academic membership status.

Among IREM®'s key accomplishments in 2006:

- Membership reached a total of 17,383 by year end, surpassing a three-year growth goal of 10 percent targeted at the beginning of 2004.
- IREM introduced the Accredited Commercial Manager certification, the first new IREM® credential in 25 years, for commercial site managers of office buildings, retail properties, and industrial and other commercial properties.
- In partnership with the CCIM Institute, IREM® launched a unique annual educational event, the Success Series, to address commercial real estate's most timely and compelling topics.
- IREM® invested in a Web conferencing system to enable delivery of



ongoing education on a variety of topics via hour-long Webinars to those in the industry (both members and nonmembers).

### The Real Estate Buyer's Agent Council (REBAC)

The Real Estate Buyer's Agent Council was founded in 1988 to promote buyer representation skills and services, a mission REBAC became better able to pursue after joining the REALTOR® family in 1996. REBAC is NAR's largest designation organization, and education is at the core of this growth. REBAC offers a varied curriculum of courses, culminating in the Accredited Buyer Representative (ABR®) and Accredited Buyer Representative Manager (ABRM<sup>SM</sup>) designations. More than three-quarters of active REBAC members hold the ABR® designation.

Among REBAC's key 2006 accomplishments:

- Active membership surpassed 53,000, the largest for all of NAR's institutes, societies, and councils. This represents more than a seven-fold increase in membership since NAR acquired REBAC in 1996.
- REBAC-licensed course providers offered ABR® designation education to more than 15,000 REALTORS®.
- REBAC signed a letter of intent to acquire the Seniors Real Estate Specialist designation, bringing another quality designation into the NAR family.

### REALTORS® Land Institute (RLI)

The REALTORS® Land Institute is an NAR commercial affiliate organization of land use professionals dedicated to the advancement of land sales, leasing, development, and management and to the education of its members. An important element of these missions is the Accredited Land Consultant (ALC) designation, recognized as the hallmark of a land use professional. RLI services its membership through a variety of benefits, such as listing and networking tools. RLI and its membership also are active politically, creating a strong voice for land use and private property rights.

Among RLI's accomplishments for 2006:

- RLI finished 2006 in excellent financial condition. In 2002 and 2003, NAR approved funding to enable RLI to restructure and reorganize. The current loan amount, not due until 2017, is expect-

ed to be paid in full in early 2007.

- RLI membership totals 2,280. The ALC designation is held by 387 members. A survey of members in August revealed that 52 percent have been in the land profession 10 years or less and 18 percent for more than 25 years. One-third earn more than \$150,000. Nearly half are younger than 55. One-half of RLI members hold the GRI designation; members also hold the CRS, CCIM, CRB designation, CIPS, SIOR designations.
- RLI presented a record 111 Land University courses to more than 2,800 attendees. RLI also launched two online courses—Land 101: Fundamentals of Land Brokerage and Tax Deferred (1031) Exchanges. A new course on GIS/GPS mapping provides the tools and practical skills to understand land navigation. RLI is working with the National Association of Tax Professionals to deliver a new two-day course, the Tax Implications on Real Estate, in the second quarter of 2007.
- RLI and the REALTORS® Commercial Alliance updated the 1984 report, Alien Land Ownership Guide, a study of state laws relating to ownership of U.S. land by aliens and business entities.
- During the REALTORS® Conference & Expo, RLI, with the Army Corps of Engineers and the Land Use, Property Rights, and Environment Forum, presented a land issues program and tour of the areas affected by Hurricane Katrina, including levee breaks.

### RLILand.Net

In 2006 RLILand.net, the national information exchange for land listings, included 6,180 listings (a 48 percent increase from November 2005), representing more than \$3.8 billion in land inventory. More than 2,445 listings from the site had been sold by November 2006, an increase of 40 percent over the same time in the previous year.

### Society of Industrial and Office REALTORS® (SIOR®)

SIOR® is a global professional organization that certifies commercial real estate service providers with the exclusive SIOR® (specialist, industrial, and office real estate) designation based on achievement, knowledge, accountability, and ethical standards. Only the industry's top industrial and office professionals qualify for SIOR®. Today there are more than 3,000 members in 526 markets in 20 countries.



Among SIOR's accomplishments in 2006:

- Continued membership growth, supported by a streamlined admissions process that permits membership applications to be processed in an average of four months while retaining SIOR's high membership standards. In 2006, 255 new members were admitted to SIOR; the total 2006 membership was 3,140.
- A new strategic planning program emphasizing branding and promotion of the SIOR designation within the commercial real estate industry. Other core goals included membership growth, creation of a strategic plan for education, and international expansion.
- Relationships with European organizations in targeted efforts to increase international membership.
- Cooperative transactions surpassing \$1 billion for the first time within a 12-month period in the history of SIOR.

### **Women's Council of REALTORS®**

The Women's Council is a nationwide community of 18,000 real estate professionals who include many of the best and most experienced in the business. Based on commission income, WCR members are more than twice as productive as the average REALTOR®, with an average gross income of \$117,900 and 18 years' experience. WCR maintains a network of 290 local chapters with volunteer managers trained to position their groups as a business resource in their REALTOR® communities. They offer regular programs focused on real estate education, problem solving and networking, plus the referral power of a strong national organization.

Among WCR's 2006 accomplishments:

- Funding a new, integrated Web site and membership database system that will offer a wide array of new member and chapter services, including searchable member expertise profiles, one-click chapter reports, forums and virtual meeting rooms and much more. The new system launches in September 2007.
- Launching a completely revised "Effective Negotiating for Real Estate Professionals" course, which is WCR's most popular Performance Management Network (PMN) Program course. The course, which is also approved as an elective for REBAC's ABR® designation, teaches how to consistently secure the best outcomes for clients and to communicate effectively under pressure, with techniques for client counseling and the art of influence and persuasion.

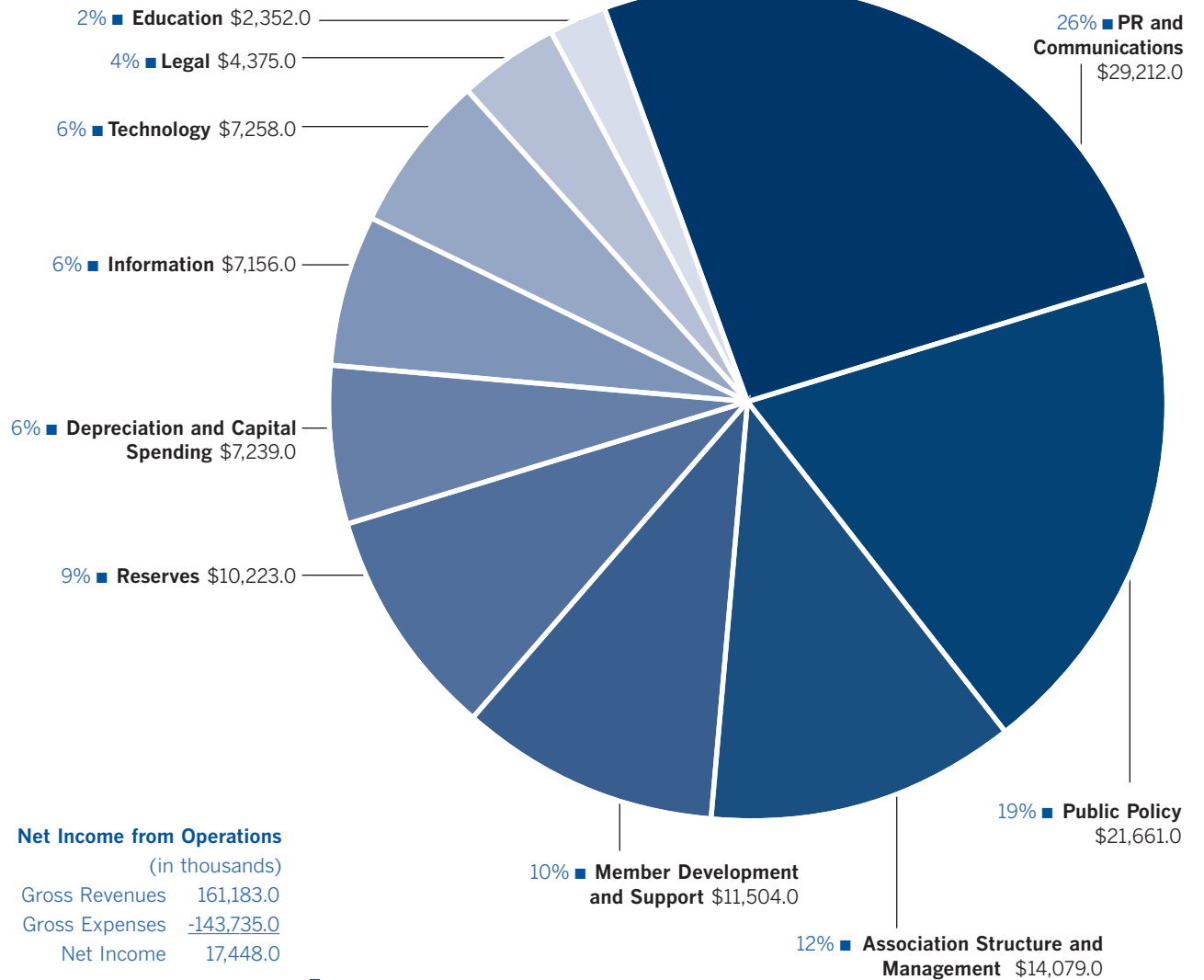
- Chartering seven new chapters in 2006, WCR ended the year with 18,235 members, making WCR the twelfth-largest of 700 U.S. women's organizations.



2006 FINANCIAL HIGHLIGHTS

# FINANCES

**Total 2006 Dues & Assessments** \$115,059.0 (in thousands)



**Net Income from Operations**

(in thousands)

Gross Revenues	161,183.0
Gross Expenses	<u>-143,735.0</u>
Net Income	17,448.0

**Membership Count**

2006 Actual	1,357,732
2007 Projected	1,300,000