

Make it - Happen

NATIONAL ASSOCIATION OF REALTORS®
ANNUAL REPORT 2013



NATIONAL
ASSOCIATION of
REALTORS®



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“The National Association of REALTORS® doesn’t wait for things to happen; we make it happen.”

GARY THOMAS
2013 NAR President

2013 NAR LEADERSHIP TEAM



GARY THOMAS
President



STEVE BROWN
ABR, CIPS, CRS, GREEN
President-Elect



CHRIS POLYCHRON
CRS, GRI
First Vice President



BILL ARMSTRONG
GRI
Treasurer



MOE VEISSI
Immediate Past President



BILL BROWN
Vice President



LESLIE ROUDA SMITH
ABR, CRB, CRS, PMN, E-PRO
Vice President



DALE STINTON
CAE, CPA, CMA, RCE
CEO

NAR Senior Staff

DALE STINTON
CAE, CPA, CMA, RCE

CEO

JANET BRANTON
CAE, CIPS

Senior
Vice President,
Commercial &
Global Services

JERRY GIOVANIELLO

Senior
Vice President,
Government Affairs
& Chief Lobbyist

BOB GOLDBERG

Senior
Vice President,
Sales & Marketing,
Business Development
& Strategic
Investments,
Professional
Development,
Conventions;
President/CEO,
Realtors® Information
Network

PAMELA GEURDS KABATI

Senior
Vice President,
Communications

DOUG HINDERER

Senior
Vice President,
Human Resources,
AE & Leadership
Development

LAURIE JANIK

Senior
Vice President,
General Counsel,
Law & Policy

MARK LESSWING

Senior
Vice President &
Chief Technology
Officer

JOHN PIERPOINT

Senior
Vice President,
Finance & Chief
Financial Officer

WALT WITEK

Senior
Vice President,
Community &
Political Affairs

LAWRENCE YUN

Senior
Vice President,
Research & Chief
Economist

Regional Vice Presidents

LINDA FERCODINI

Region 1
(Connecticut, Maine,
Massachusetts, New
Hampshire, Rhode
Island and Vermont)

DOMINIC J. CARDONE
ABR, CRS, SFR, GREEN

Region 2
(New Jersey,
New York and
Pennsylvania)

JOHN J. HARRISON
CRS, CRB, SRES, GRI

Region 3
(Delaware, District
of Columbia,
Maryland, Virginia
and West Virginia)

REBECCA D. MURPHY
CRS, CRB, GRI

Region 4
(Kentucky, North
Carolina, South
Carolina and
Tennessee)

FRANK E. KOWALSKI
GRI, CIPS, CRS

Region 5
(Alabama, Florida,
Georgia, Mississippi,
Puerto Rico and the
Virgin Islands)

BOB TAYLOR
GRI, ABR, CRS, CRB, E-PRO

Region 6
(Michigan and Ohio)

JOHN R. FLOR
ABR, CRS, GRI, RSPS, RSS, E-PRO

Region 7
(Illinois, Indiana and
Wisconsin)

DARYL LEE BRAHAM
GRI, CRB

Region 8
(Iowa, Minnesota,
Nebraska, North
Dakota and South
Dakota)

SHARLA M. LAU
GRI, ABR E-PRO

Region 9
(Arkansas, Kansas,
Missouri and
Oklahoma)

BROOKE HUNT
E-PRO, SFR

Region 10
(Louisiana and
Texas)

PATRICIA A. PIPKIN
GRI, SRES, PMN

Region 11
(Arizona, Colorado,
Nevada, New
Mexico, Utah and
Wyoming)

JEREMY A. STARR
GRI, CIPS, CRS, CRB

Region 12
(Alaska, Idaho,
Montana, Oregon
and Washington)

VINCE MALTA

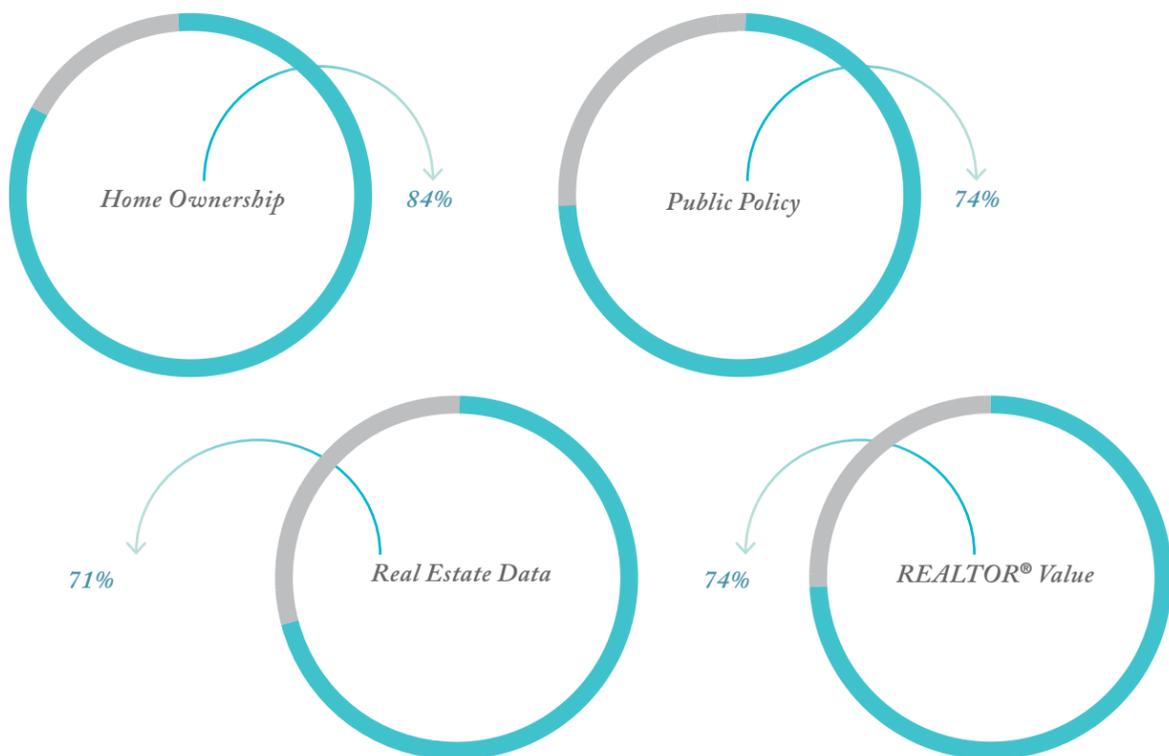
Region 13
(California, Guam
and Hawaii)

NAR: *The Dominant Voice* for *Real Estate*

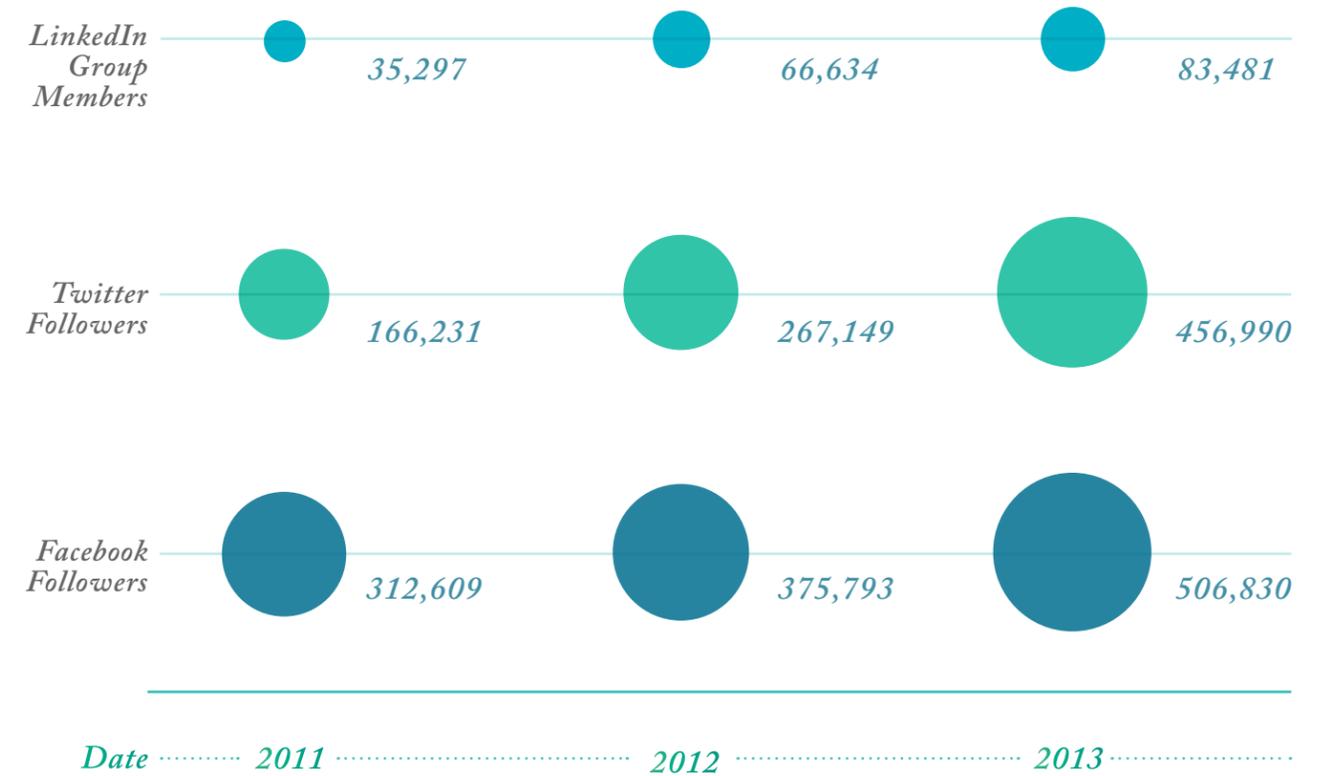
SHARE OF VOICE:

IN 2013, NAR remained dominant in share of voice in the media compared to other industry voices on the broad topics that matter most to REALTORS®, consumers and the real estate industry. NAR's media influence across four key messaging and content areas are: homeownership, public policy issues, real estate/housing data and REALTOR® value.

- NAR
- Others
(Case-Shiller, Zillow, Trulia, National Association of Home Builders, realtor.com®, Redfin)



NAR'S SOCIAL MEDIA GROWTH:



Ensuring Affordable Homeownership and Fostering Vibrant Communities

IMPROVING THE LENDING ENVIRONMENT FOR CONSUMERS

IN JANUARY 2013, NAR won a significant victory for consumers when the Consumer Financial Protection Bureau agreed with NAR's argument that protecting lenders will ensure the wide availability of affordable credit for qualified buyers. The rule on the Qualified Mortgage defines underwriting standards that the majority of lenders will use to qualify prospective buyers.

The new loan underwriting standards are:

IN AUGUST 2013, NAR scored another critical win for consumers when federal regulators proposed aligning a second mortgage regulation, known as the Qualified Residential Mortgage, with the Qualified Mortgage.

- ✔ *Low points and fees*
- ✔ *Follows underwriting guidelines*
- ✔ *No risky features*
- ✔ *Borrower's debt-to-income ratio must not exceed 43% of gross income*
- ✔ *Mortgage must be affordable to the consumer*

Because of NAR's vision and foresight, consumers will not face the daunting hurdle of a 20% down payment on a home.

IN 2014, NAR will continue to work on solving the problematic definition of "points and fees" that came about as a result of the decision.



*Championing Real Estate
at the Federal Level*



LOAN LIMITS

At NAR's urging, the federal housing finance agency kept the 2014 maximum conforming loan limits for mortgages acquired by Fannie Mae and Freddie Mac at \$417,000 on one-unit properties in most areas and a cap of \$625,500 in high-cost areas.



CONGRESSIONAL EVENTS PROGRAM

NAR showcased its grassroots strength by providing political support to legislative champions of the real estate industry.

Because of NAR's efforts, up to

70,000 HOME BUYERS

opened the door to the American Dream of homeownership.

Hosted **15**

freshman members of Congress

Hosted **13**

VETERAN HOUSE MEMBERS

6

UNITED STATES SENATORS,

thanking them for their leadership on issues important to REALTORS®.

Brought Federal Political Coordinators to attend all events in Washington, sending elected officials a strong signal about our team approach.



PRESERVING FHA AND ENSURING SECONDARY MORTGAGE MARKET FINANCE

NAR supports restructuring the secondary mortgage market by winding down Fannie Mae and Freddie Mac but believes any new secondary market entity replacement must have an explicit government guarantee.

PRESERVING HOMEOWNERSHIP TAX POLICIES



NAR believes that current-law real estate tax provisions are vital to the health of the economy and to homeownership.

SAFEGUARDING CONSUMER DATA PRIVACY



NAR is working with Congress and regulators to develop appropriate legislative and regulatory best practices to lessen the potential for breaches and identity theft.

BOLSTERING COMMERCIAL REAL ESTATE LENDING



NAR is working to promote legislation on federal regulations pertaining to commercial real estate and the value and importance of liquidity in commercial credit markets.

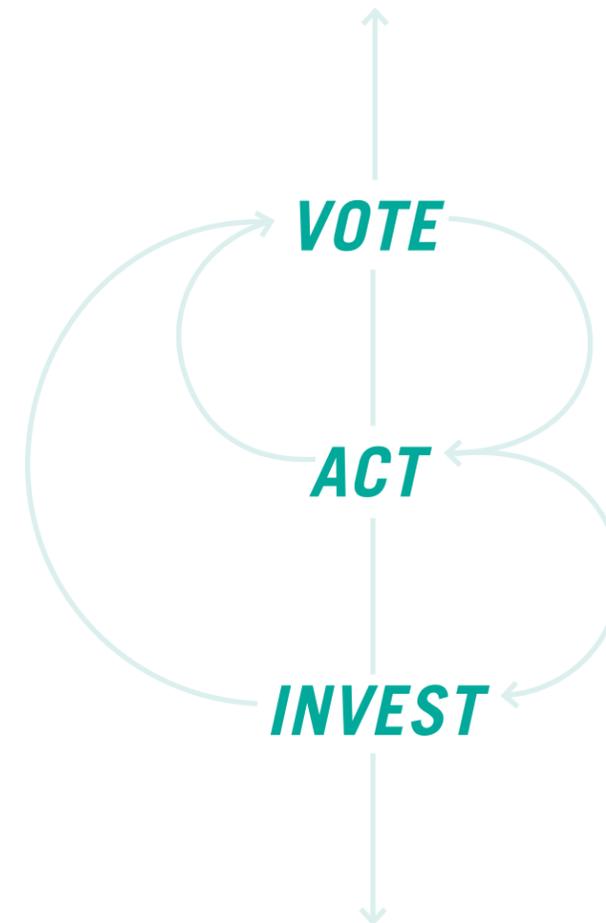
GRASS-ROOTS STRENGTH





MAKE IT HAPPEN

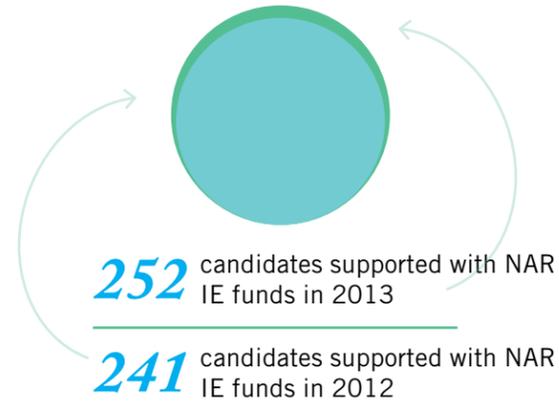
IN 2010, then-NAR President Vicki Cox Golder launched the REALTOR® Party Initiative to galvanize the strength of NAR's 1 million members in 3 very specific ways:



IN 2013, the REALTOR® Party forged a new path in NAR's advocacy efforts.

VOTE

IN 2013, which was an off-election year, the VOTE component of the REALTOR® Party continued using state and local independent expenditures (IE) to elect candidates who support legislation that helps build REALTORS® businesses and strengthen our communities.



\$4.2 million dollars spent in 2013



\$5.3 million dollars spent in 2012



69 REALTOR® candidates supported for office in 2013



68 REALTOR® candidates supported for office in 2012



MOBILE APP

WE LAUNCHED the REALTOR® Action Center mobile app that allows members to VOTE, ACT and INVEST from anywhere by:



RECEIVING NOTIFICATION ALERTS FOR CFAs



CHECKING ACTION ITEMS FOR REALTOR® PARTY ENGAGEMENT



INVESTING IN RPAC



KEEPING APPRISED OF STATE AND LOCAL ADVOCACY EFFORTS



TRACKING HOW STATE AND LOCAL ASSOCIATIONS ARE USING NAR PROGRAMS TO BUILD POLITICAL STRENGTH

ACT

THE ACT component of the REALTOR® Party encouraged REALTORS® to support public policies that promoted homeownership and investment in real estate in 2013. We did this in many ways, including responding to Calls for Action at every level of government and fostering relationships that build vibrant communities.

2013 CALL FOR ACTION (CFA) RESPONSE RATES:

11.1% Flood insurance issues could sink your sales

15.1% Tax reform should do no harm

100% Federal Political Coordinators' response rate to all NAR Calls for Action

INVEST

IN 2013, the INVEST component of the REALTOR® Party encouraged REALTORS® to support pro-REALTOR® Party candidates at the local, state and federal levels by investing in the REALTORS® Political Action Committee and President's Circle.

RPAC raised **\$8,111,081** IN 2013, an 11% increase over 2012.

RPAC at all levels (local, state and national) raised a record-breaking

\$24,700,946 across the country in 2013.

RPAC participation increased by

4% to 26%, more than double the average participation rate of other trade association PACs.

RPAC has **5,504** MAJOR INVESTORS, up 14% from 2012.

President's Circle has **726** MEMBERS 20% ahead of last year.

President's Circle members invest an additional **\$2,000** directly to REALTOR® Champions, giving NAR approximately **\$1.4** MILLION in REALTOR® Party funds beyond RPAC dollars.



*Championing
Real Estate
at the State and
Local Level*

MORE THAN 540 state and local associations tapped into

MORE THAN
4,000
RESOURCES

COMMUNITY OUTREACH

150 GRANTS,
totaling \$674,000, supporting housing opportunity, diversity and smart growth

1,200 REALTORS®
trained in housing opportunity and smart growth classes

CAMPAIGN SERVICES

252
State and Local Independent Expenditure campaigns

69 REALTOR®
candidates supported with Independent Expenditures

262
direct mail campaigns

2.78 MILLION
pieces of mail

1.28 MILLION
phone calls

48
ISSUE MOBILIZATION GRANTS

ADVOCACY & GRASSROOTS

6,000

NEW BROKERS and their agents added to the Broker Involvement Program

More than

17,410 BROKERS
with 452,089 agents in the Broker Involvement Program

INAUGURAL REAL ESTATE BROKER CONFERENCE HELD FOR BROKER OWNERS AND PRINCIPAL BROKERS

Mobile texts sent to

30,000 REALTORS®

regarding important advocacy issues

Connecting with Consumers

NAR remains the dominant real estate voice across all media. Whether the story is about the value of homeownership, public policy affecting real estate, real estate trends and data, or REALTOR® value, NAR is truly “The Voice for Real Estate.”

60 BILLION IMPRESSIONS
generated in 2013—
a publicity value of
\$50 million

HOUSELOGIC—more than 100,000 REALTORS® took advantage of the resources available on HouseLogic’s REALTOR® Content Resource.

HOUSELOGIC HELPS REALTORS®
MAINTAIN AND SUSTAIN CONSUMER
RELATIONSHIPS THROUGHOUT THE
HOMEOWNERSHIP LIFECYCLE.

Show runs in the top
REAL ESTATE TODAY RADIO

25 media markets
and on

200 stations

7.5 MILLION
cumulative monthly
listeners



Defining our Destiny

THE NATIONAL ASSOCIATION OF REALTORS®

provides our members with cutting-edge research that captures real estate's broad impact on our members, our communities and our national economy.

BUILDING THE REALTOR® BUSINESS ADVANTAGE

The National Association of REALTORS® worked to ensure member access to a wide array of benefits, business tools, educational opportunities and discount programs designed to help members succeed in 2013.

NAR Shapes the Online Consumer Experience

REALTOR.COM®

The National Association of REALTORS® Board of Directors made a critical, forward-looking decision to make realtor.com® more competitive in the online market space. Their decision reaffirmed NAR's commitment to making realtor.com® the first and best online destination for home buyers and sellers.

Realtor.com® will emphasize the value of using a REALTOR® when buying, selling or investing in real estate and provide tools to help consumers identify agents who are REALTORS®. After the board vote, realtor.com® reported a 22% increase in unique views to the site during the third quarter of 2013, compared to 2012.

THE BOARD RECOMMENDED AMENDING THE SITE'S OPERATING AGREEMENT, ENABLING REALTOR.COM® TO:

-  **DISPLAY UNLISTED NEW HOMES AND NEW HOME CONSTRUCTION**
-  **DISPLAY UNLISTED RENTALS**
-  **OBTAIN LISTINGS FROM ENTITIES NOT OWNED AND CONTROLLED BY REALTORS®, AS WELL AS FROM BROKERS WHO ARE NOT REALTORS®**

New studies released by NAR research in 2013 include:

HOME BUYERS AND SELLERS GENERATIONAL TRENDS REPORT

Identifies the generational differences of home buyers and sellers in the current real estate marketplace.

PROFILE OF BUYERS' HOME FEATURE PREFERENCES

Examines buyers' preferred features when purchasing homes, including regional preferences.

DIGITAL HOUSE HUNT

Google and NAR's collaboration to uncover digital media usage trends and insights among today's home shoppers.

PROFILE OF REAL ESTATE FIRMS

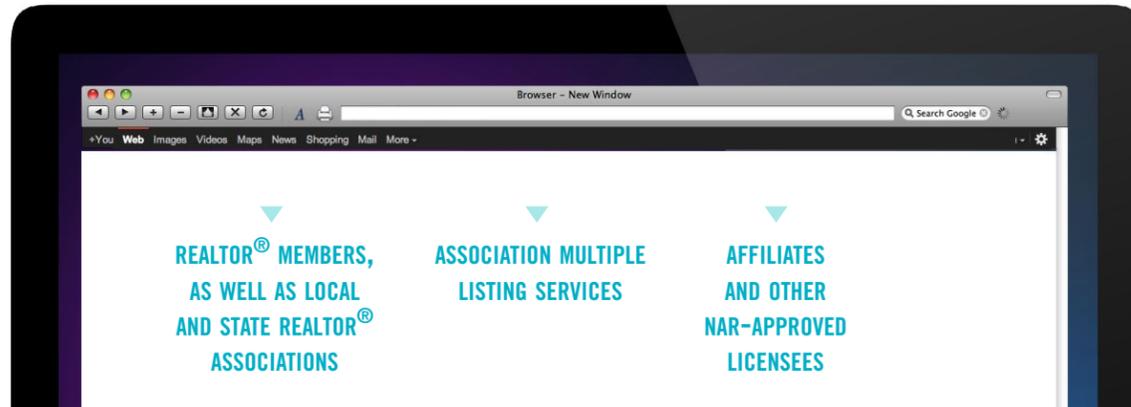
Survey of firm executives who are members of the National Association of REALTORS®, which provides insight into the business characteristics, business activity, franchised firms, benefits and education at firms, as well as firms' future outlook.

Creating Member Benefits for Today & Tomorrow

.REALTOR®

The next evolution of the Internet has begun, with hundreds of new domains soon to appear online. NAR has applied for the .REALTOR® top-level domain, with the goal of making it the most trusted and valued source in the real estate industry. As consumers increasingly turn to the Internet, it's crucial that REALTORS® increase our online presence and take advantage of the new domain to strengthen the REALTOR® brand for NAR members, who will be able to register their own names to leverage their online branding.

The REALTOR® domain extension will be available to:



1,000+ COMPANIES

in pipeline actively monitored as candidates for SCV and REach™.

7 COMPANIES chosen for inaugural REach™ class from over **130+** APPLICATIONS

600 MEMBERS joined REach™ Insight Panel to provide feedback and help shape the companies' products and services.

30,000 MEMBERS

have used REach™ company products and services.

× NAR INVESTS IN CUTTING-EDGE TECHNOLOGIES

Second Century Ventures (SCV), the strategic investment arm of the National Association of REALTORS®, launched the REach™ technology accelerator program to bring the latest innovations to the real estate industry. REach™ partners with early stage companies that have innovative technology solutions and engages with members to help those companies shape their products and services for their businesses.

THE NAR FAMILY OF INVESTMENT COMPANIES CONTINUES TO PROVIDE INNOVATIVE TOOLS FOR MEMBERS

NAR and SCV invest in companies that provide innovative solutions for the real estate industry. Our commitment not only helps them continue to improve their product and service offerings and create innovative new ones; it also lets members know they can rely on them as part of the NAR family.

THE NAR FAMILY OF INVESTMENTS CURRENTLY INCLUDES:

DocuSign

zipLogix

move

symform

Xceligent
COMMERCIAL REAL ESTATE RESEARCH

>ifbyphone

planwise

RPR
Real Estate Property Research, LLC

NAR REach | Accelerating Real Estate

THE REALTOR BENEFITS® PROGRAM

Your Official Member Benefits Resource

Providing NAR members with discounts and special offers on products and services from more than 30 industry-leading companies that understand the unique needs of real estate professionals and are committed to your success.

NEW PARTNERS WELCOMED TO THE REALTOR BENEFITS® PROGRAM:



PARTNERS WHO EXTENDED AND/OR EXPANDED THEIR OFFER TO REALTORS®



MORE THAN
800,000

members took advantage of the program in 2013.

3.1 MILLION MEMBER

experiences created in 2013.

NAR REALTOR BENEFITS® PROGRAM

Facebook page launch.

22,500

TOTAL ATTENDEES (REALTORS® and guests)—highest attendance since 2007.

6,136

TOTAL USERS for new Annual Conference app.

30,500

LIKES on Conference Facebook page.

REALTORS®
INSURANCE
MARKETPLACE



View options available in NAR's private exchange and public exchanges in one place. Compare plans with the help of licensed benefits specialists.



Enroll in the plan that best meets your needs.

10,800

FOLLOWERS on Twitter (@narannual).

361

TRADE SHOW EXHIBITORS

CONFERENCE LIVE

the virtual window into the REALTORS® Conference & Expo experience, had the most visitors in its history.

CONFERENCE LIVE

visits increased **91%** to **29,239** in 2013.

NAR HOSTS THE PREMIER GATHERING OF REAL ESTATE PROFESSIONALS

THE 2013 REALTORS®

Conference & Expo in San Francisco last November drew real estate professionals and their guests from around the world. The dynamic program offered speakers and educational sessions to help members become more successful and stay fully informed on opportunities and challenges in their markets.



RAISE THE ROOF

*with the
Realtor[®]
Party*

The
VOICE
for
REAL
ESTATE

Raising *the* Professional Bar

NAR'S NEWEST CERTIFICATION: MILITARY RELOCATION PROFESSIONAL (MRP) CERTIFICATION

NAR officially launched the MRP certification to educate REALTORS® about working with U.S. service members, their families and veterans to find the housing solutions that best suit their needs and to take full advantage of available benefits and support.

REALTOR® UNIVERSITY: PIONEERING ONLINE EDUCATION

Recognizing the variation between markets and personal interests, REALTOR® University offers more than 400 hours of specialized online courses. Because these courses are offered online, brokers and their agents can complete them at their own pace, earning continuing education credit at no additional cost for nearly all designation and certification courses offered online.



All courses are tablet-friendly.



45% of students access their courses on tablet devices.

NAR TECH EDGE

Expanded to seven events in 2013, this one-day technology conference, hosted by NAR, gives attendees the chance to learn about cutting-edge technologies that are changing the real estate industry.



State and local REALTOR® associations compete to bring NAR Tech Edge events to their areas.



NAR speakers and local technology experts present sessions on mobile marketing, online reputation management, Google and cloud computing, content strategy, social media, photo and video importance, and much more.

GLOBAL SERVICE

Expanding Our Reach

IN 2013, NAR expanded its reach around the world by signing cooperation agreements with:

 **THE INSTITUTE OF PROFESSIONAL AUCTIONEERS & VALUERS IN IRELAND**

 **THE FEDERATION OF ECUADOR REAL ESTATE PROFESSIONALS**

NAR gives REALTORS® an extensive global network for referral opportunities by:

MAINTAINING partnerships with **80** associations in **60** countries

This was a hallmark year for the Certified International Property Specialist (CIPS) designation. By earning the prestigious CIPS designation, REALTORS® can open the door to a world of opportunity:

500 NEW DESIGNEES, the most in a single year. A record number of international CIPS institutes hosted in locations across the globe:

MEXICO
DUBAI
COLOMBIA
SPAIN
GREECE
PHILIPPINES
PERU
THAILAND
COSTA RICA

REALTOR.COM® INTERNATIONAL receives more than 1 million non-U.S. unique visitors each month and displays listings from

37 COUNTRIES

CREATING PROSPERITY

For Our Commercial Members

REALTOR BENEFITS® partner Xceligent, launched a new commercial real estate listings website. CommercialSearch.com has more than 400,000 property listings nationwide and formed a new partnership to power the commercial real estate search function of realtor.com® and provide additional exposure to REALTOR® members' commercial real estate listings.

UPHOLDING THE LAW

For Property Owners

NAR fought to protect property rights when it argued and won a case before the Supreme Court. In Koontz v. St. John's River Water Management District, the Court ruled (as NAR argued) that the Fifth Amendment's taking clause applies to a property owner denied a permit to develop property—unless that owner agrees to:

Forgo development of a larger portion of the property than is necessary to directly offset any adverse environmental impact

Pay the costs of environmental improvements to property that he or she does not own and that is not related to or even near his or her property

NAR's commercial real estate voice strengthened socially this year.

More than **10,000** NEW TWITTER FOLLOWERS (125% increase)

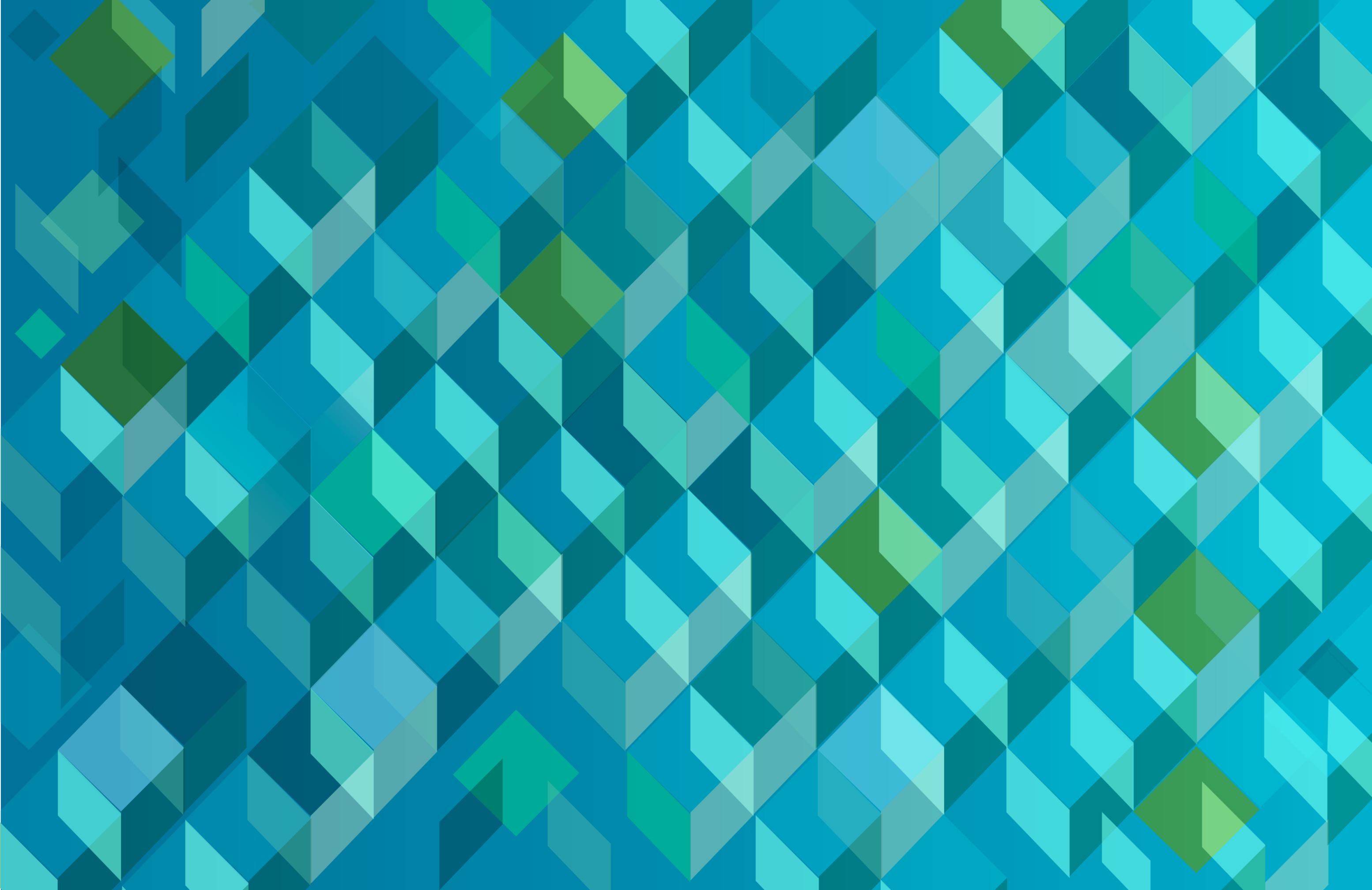
Nearly **1,500** TWEETS

 @COMMSOURCE

HONORING OUR HISTORY

In 1913, NAR adopted the first code of ethics in the real estate industry. In 2013, we celebrated a century of pride and professionalism. To honor the REALTOR® Code of Ethics Centennial, members launched NAR's most successful social media campaign ever.





\$155

TOTAL 2013 DUES AND ASSESSMENTS

\$35 Consumer Advertising Campaign (2,000 annual television / 5,000 annual radio spots, promoting REALTORS®, homeownership and real estate investment)

\$40 New REALTOR® Party Advancement Initiative (targeted state and local real estate and homeownership advocacy)

\$22 Government Affairs, Political Affairs, Economics & Research, Regulatory Affairs, RPAC and Consumer Communications

\$23 Second Century Initiatives: REALTORS Property Resource®, HouseLogic, Real Estate Today Radio, .REALTOR® domain, Commercial (eProperty Data)

+\$36 The remainder of NAR's services (Legal, Member Communications, International Policy, Commercial, Education, Marketing, Affinity Partners, Business Specialties, Wholly Owned Subsidiaries, Center for REALTOR® Technology)

BREAKDOWN OF HOW NONDUES REVENUE IS USED:



Note: \$33 is a per-member representation of nondues revenue.



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WWW.REALTOR.ORG



FACEBOOK.COM/REALTORS



[@REALTORS](https://TWITTER.COM/@REALTORS)

DESIGN BY COLUMN FIVE