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## RE/MAX: Agents Taking Action

Dave Liniger  
Co-founder & Chairman  
RE/MAX

Instead of Waiting on a Market Rebound, RE/MAX  
Associates Learn, Adjust and Expand to Stay Successful

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# RE/MAX: Agents Taking Action

By Maria Patterson

**G**ayle Henderson spent more than a decade building her real estate business and becoming one of the top luxury-home specialists in Arizona. Her hard work was handsomely rewarded—in 2007, she earned more than \$500,000 in commissions.

But then the bottom dropped out of her Scottsdale market. Suddenly surrounded by foreclosures and underwater homeowners, Henderson, a sales associate with RE/MAX Excalibur, had a decision to make in early 2008: Adjust her approach to fit the times or wait it out and hope for the best. In reality, she says now, it wasn't a choice at all.

"I'm not a passive person, and I felt an obligation to my clients and my sphere of influence to learn how to provide the types of services they needed," says Henderson (ABR, CLHMS, CDPE, CRS, e-PRO), a 17-year real estate veteran who joined RE/MAX in 1998. "I've always believed in being more like a speedboat than an aircraft carrier."

Henderson took action. She soaked up everything she could about short sales. She earned the Certified Distressed Property Expert designation—becoming the very first CDPE in Arizona—and attended mastermind workshops. She talked to consumers, lenders, servicers and colleagues who shared their insights and experiences. She taught her team every detail of the process. She developed an avoiding-foreclosure web-

site and created bold new marketing materials. And she dove in and started doing short sales.

These days, Henderson is one of the top distressed property specialists in the Phoenix area. She has an 85% success rate in short sales and has grown adept at leading troubled sellers through the long, and often frustrating, process. She remains at a high level of commission earnings and is helping her community, one sale at a time, find its way through the crisis.

"Without a doubt, this is the most rewarding work I've ever done in real estate," Hen-

derson says. "It can be exhausting, but I have a real passion for what I'm doing."

An agent like Henderson was born to be with RE/MAX. The network, founded by Dave and Gail Liniger in 1973, has flourished because it's filled with similar go-getters who care deeply and take their careers very seriously.

"We made it clear from day one that RE/MAX was created to be the best possible place for real estate's most productive agents. We're not all things to all people, and we don't try to be," says RE/MAX Co-

Founder and Chairman Dave Liniger (ABR, CDPE, CRB). "Competitors' offices usually have a few strong agents and many others who are doing very little business at all. That's not our culture. RE/MAX affiliates are experienced, high-energy and busy, so our offices are lively and action-packed.

There's a winning environment, with agents constantly sharing re-



Gayle Henderson

ferrals, ideas and information. It really keeps everyone at the top of their game."

In its network of about 93,000 affiliates and 6,500 offices in more than 75 countries, RE/MAX offers agents and brokers high levels of independence and support at the same time. Its credo of "in business for yourself, but not by yourself" allows individuals to make their own choices while enjoying the significant competitive benefits of being aligned with the most recognized name in real estate.

### 'Distressed Homeowners'

Like Henderson, many RE/MAX associates in the United States have been forced to confront the mounting problem of defaults, lost equity and foreclosures. Some have completely changed their business model to meet the growing wave of short sales and REOs. Others have merely expanded their skill sets to include those sectors. The key for all is avoiding the trap of inaction.

The need for skilled real estate professionals has never been greater, Liniger says. Consumers, especially those facing foreclosure, are desperately seeking guidance and expertise.

"We're not dealing with distressed properties here; we're dealing with distressed homeowners," Liniger says. "Some people are in default because of bad decisions, but for a lot of them it's just bad luck—a job loss or something else beyond their control. When they simply can't afford to stay in the home, we need to help these distressed sellers leave with their dignity intact."

Liniger, who in March was named one of *Bloomberg Businessweek's* "50 Most Powerful People in Real Estate," has been a leading, vocal advocate for systemic improvements in the way short sales are processed. He and other RE/MAX

senior officers spent a great deal of time in 2009 championing short sales as the second-best option, after loan modifications, for all parties involved.

Meetings were held with leaders at Wells Fargo and Bank of America, as well as with officials at the FDIC, the FHFA, Freddie Mac and Fannie Mae. A pivotal sit-down in August with Senate Majority Leader Harry Reid (D-Nev.) moved the process forward and led to a private meeting last September 9 in Washington, D.C., between Liniger and three of the nation's top housing officials—HUD Secretary Shaun Donovan, FHA Commissioner David Stevens and Laurie Maggiano, director of policy for Treasury's Office of Homeownership Preservation.

"Throughout these discussions, people were very receptive to our ideas about short sales," says Mike Ryan, a RE/MAX senior vice president who joined Liniger at the Washington meeting. "They agreed that the short sale process was slow, inconsistent and problematic, and that something had to be done about it. When the HAFAs (Home Affordable Foreclosure Alternatives) guidelines came out, they included many of the provisions we had recommended. That was very good to see."

### Call to Action

While Liniger worked tirelessly behind the scenes to improve the short sale process, he also endeavored to get his people ready for the resulting shift in perception.

During a frank, heartfelt address at the annual RE/MAX Convention in March 2009, he acknowledged the worsening conditions in many

markets and encouraged affiliates to abandon their aversion to short sales and learn to work them effectively. Specifically, Liniger introduced the crowd to the CDPE designation, which he called "essential training for these times."

By the end of the year, more than 10,000 RE/MAX associates had answered the call to action and become CDPEs. The total has since grown to nearly 11,000, which is 10 times greater than any competitor. Counting the Five Star Institute's "Five Star Professional (FSP)" and NAR's "Short Sales & Foreclosure Resource (SFR)" programs, over 15,000 RE/MAX associates have taken advanced courses in the distressed property arena.

Short sales are gaining momentum and consumer visibility. They accounted for 17.9% of U.S. home sales in April, and the number is trending upward, according to a study by Campbell Communications. RE/MAX agents, in large part



Margaret Kelly

*While most real estate firms cut back on advertising, RE/MAX produced a series of straightforward television ads featuring CEO Margaret Kelly.*

because of their training and experience, are closing many of these difficult transactions.

"RE/MAX associates are leading the way in distressed properties just as they always have in tradi-

## cover story

tional home sales,” Liniger says. “Our brokers and managers have shown tremendous leadership in helping agents prepare for this. It’s possible only because of the quality of people within our network. Organizations filled with beginners and part-timers simply can’t match us on this.”

### Relevant Training on Demand

The No. 1 position in CDPEs continues a longtime trend. More than 50,000 affiliates have taken advanced courses through RE/MAX University, and for good reason—year after year, statistics show that agents with professional designations earn significantly more than those without them.

RE/MAX has a wide lead in virtually every major professional designation. The network is No. 1 in credentials related to buyers (ABR), residential sales (CRS), seniors (SRES), luxury homes (CLHMS), global real estate (CIPS), relocation (CRP) and bank-owned properties (FSP).

RE/MAX University makes it happen. Since 1994, with the advent of the industry’s only proprietary satellite training network, RE/MAX has enjoyed a tremendous competitive advantage in education. This edge grew even more pronounced in March with the unveiling of a broadcast-quality, on-demand video platform through which sales associates, brokers and managers around the world can access more than 1,000 totally-free programs at any time, 24/7.

RE/MAX University on Demand offerings include short, three- to four-minute “Quick Hit” clips from trainers, such as Brian Buffini and Richard Robbins, as well as multi-hour classes for most of the major designations. Virtually everything is free except the accredited courses, which are heavily discounted from industrywide prices.

### More Leads, More Business

The RE/MAX University video player is just one component of the network’s suite of online tools, which also features a members-only extranet, a Design Center of marketing templates, and one of the industry’s most powerful business-building tools: LeadStreet.

LeadStreet has delivered more than 8 million leads—with no referral fee—directly into the hands of RE/MAX associates. The system debuted in 2006 when RE/MAX took the unprecedented step of putting the listings of all companies onto remax.com through an elaborate set of IDX agreements. The key to the system is swift, effective action once the lead is received.

“I feel a sense of responsibility to act on the leads quickly and professionally,” says Shara Martineau (QSC, SFR), a Hall of Fame agent with RE/MAX All Stars in Corona, California, an office that has closed more than 40 sales through LeadStreet. “It’s important to follow up with the person right away. You never know what might come from it.”

LeadStreet is fed by the unmatched amount of traffic on remax.com which, by any measure (Hitwise, ComScore, Compete.com), is the most-visited website of any national real estate franchise brand. On average, roughly 1.7 million unique visitors come to the site each month, and many of them subsequently become clients or customers of a RE/MAX associate.

### Promotional Powerhouse

This traffic doesn’t happen by accident. A strategic mix of national promotions—via TV, radio, print, the Internet, social media, sponsorships, partnerships, cause marketing and more—combines with the marketing efforts of individual

regions, offices and agents to create billions of RE/MAX impressions each year. These constant reminders make consumers think of the individual offices and agents they know personally.

On national TV, RE/MAX has an overwhelming “share of voice,” generating more than 70% of the total impressions among real es-



tate brands during 2009. Instead of cutting television advertising during the downturn—as some competitors did—RE/MAX altered its message to better reflect the times, producing a series of ads featuring straightforward comments from CEO Margaret Kelly. The widespread exposure provides a critical advantage on the local level.

“The national advertising—especially with the new messages from Margaret—sets me apart from all of my competition,” says Jay McHugh (CBR, CRS, CDPE), a top-producing sales associate with RE/MAX Unlimited in Brookline, Massachusetts. “My clients know the brand and what it stands for, so when I couple that with my own professional reputation and image, they feel they’re being represented at the highest level possible. It really helps me in my listing presentations.”

Some in the industry downplay the competitive advantages of having the most recognized brand in

## Millennials Will Heat Up Housing Market

real estate. Liniger is not one of them.

“People say brand doesn’t matter only when they have no brand power themselves,” he says. “Every RE/MAX associate contributes to, and benefits from, our brand’s credibility. They are the brand. And because of what the brand represents—the best in the business—a consumer who contacts a RE/MAX agent does so with high expectations. It works only because our people have the ability to deliver on that promise.”

### High-Level Performance

The numbers bear that out, supporting the claim first made in 1998 that nobody in the world sells more real estate than RE/MAX. In study after study, RE/MAX associates are much more productive than the agents of any other national brand.

In *RISMedia’s 2010 Power Broker Report*, for instance, which ranked the top 300 U.S. brokerages based on 2009 transaction sides, RE/MAX placed 69 brokerages on the list, 46% more than anyone else. Even more telling, the 13,505 RE/MAX associates within those brokerages closed 203,392 transaction sides last year, an average of 15.1 each. That figure easily eclipsed the per-agent production of all other national brands.

The high-quality, high-performance model extends beyond the U.S. as well. A recent ranking of top offices in Canada—where RE/MAX has been No. 1 nationally since 1987 and where, in April, *Reader’s Digest* named RE/MAX “the most trusted brand” in real estate—generated similar results. RE/MAX filled 130 slots (65%) in the REAL Trends Canadian Top 200 rankings. The RE/MAX per-agent average of 17.9 transaction sides was 20% higher than any competitor.

Although RE/MAX Chairman and Co-Founder Dave Liniger forecasts sluggish U.S. market conditions for the next two or three years, he sees much brighter days after that. And the next great spike, he says, will be built on a combination of pent-up demand and demographics—not on questionable lending practices, overextended buyers or insane debt-to-income ratios.

Born between 1980 and 1995, the 74 million members of Generation Y—also known as Millennials or Echo Boomers—

are on the verge of becoming the country’s major consumer group, but in numbers much greater than Generation X (the 48 million people born between 1965 and 1979). The oldest Millennials are moving through the household formation years of 25-44 and will soon replace Gen X as the primary group of first-time home buyers. When they do, demand in the entry-level price range will increase, and sales in that sector will trigger subsequent move-up transactions.



“When you think about the influence 80 million Baby Boomers have had on virtually every aspect of society, including housing, over the past 40 years, it’s fascinating to anticipate the impact of another wave that’s just as massive,” says Liniger, noting that growing household formation among immigrants and minorities will add to the effect. “Millennials will drive this business back to very high levels.”

Such industry-leading performance, both inside and outside the United States, illustrates the soundness of the RE/MAX model and its focus on top-producing professionals. It works in every market, building solid, lasting connections based on business and success.

Even during these tough economic times, more than 5 million home sales will take place in the U.S. this year. Action-minded RE/MAX pros like Gayle Henderson want their fair share, and they understand how much is riding on their skills and professional dedication.

“I’m a big believer in paying it forward,” she says. “I like to think that if I influence someone in a positive way, that person usually carries it on to someone else. We’re all playing a huge role in stabilizing the market, and the more we help and support each other, the more we can be proud of what we do each day. If you’re not fully committed to that, you’re really not in the game at all.” **RE**

For more information, please visit [www.remax.com](http://www.remax.com) and [www.joinremax.com](http://www.joinremax.com).

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