



Imagining the Future

**Possibilities, Predicting, Preparing
Change in the Real Estate Business**

by Natalie Danielson

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A Washington State Approved Real Estate School for Clock Hour Education under R.C.W. 18.85.

The Future... Imagining, Predicting, Preparing Curriculum

Session/ Hours	Major Topics	Presentation
¼ hour	Introduction Tick Tock What changes have we seen in this century? How have the changes affect the way we sell real estate? What is the most dramatic change affecting you as an agent?	Lecture Discussion
2 1 hours	What are some national predictions or trends? Washington State Trends Technology and its impace on the real estaet industry.	Lecture Discussion
3 1 hour	Banking and Mortgage Lending Property Condition and Disclosure Sustainability and Green building	Lecture Discussion
4 1/2 hour	Exercise imagining the future	Group discussion
5 ¼ hour	Preparing for the future	Lecture

The Future of Real Estate

Imagining, Prediction, Preparing

Breathe in... Breathe out... Change happens every second we are alive. All around us .. every day and in every way the world is changing. In our industry of real estate it is constantly evolving affecting the way we do our job sometimes from day to day.

The internet changed our world since the dawn of the new century. No other change has made such a dramatic impact on real estate marketing, contracts, and communication. New technology is heading in our direction. We went to the moon 50 years ago without a calculator and today you can run an entire business in the palm of your hand from anywhere in the world with a smart phone.

When the market came to almost a dead halt, real estate agents have been struggling to keep hanging on. About a third of the real estate agents left the business in the last decade. Those agents that survived along with those new agents coming on board will see the real estate movement facing some interesting changes ahead. Some will be so exciting and some will create fear of losing a career.

There are all kinds of doom and gloom predictions from politicians and economists. The trillion dollar national debt, rising oil prices, and the budget cuts everywhere affect everyone. But, what we do see in the Northwest is that properties are selling, prices are climbing upwards, and financing is becoming more available. The fear of rising interest rates will get buyers out shopping. Short sales will become a thing of the past as equity builds. First time home buyers have been saving. Move up buyers with equity are trading up. Investors have been holding back and are out shopping. Hammers are pounding and cranes are going up as construction booms. This is an extremely exciting time to be in the real estate industry!

As the business grows, communication, information and marketing efforts will continually evolve. It is important to be prepared for changes ahead even when we cannot predict what they might be.

Course Objectives

This three clockhour course will focus on looking at what could happen in our industry, discussing what others predict, and getting ideas on how to keep up with changes to stay relevant and effective as a real estate agent.

As a result of taking this class the agent shall be able to:

1. Identify what kinds of changes have occurred in the past several decades
2. Look at National and Washington state trends in the real estate industry
3. Look at how the changes may affect technology, banking, property condition and green building
4. Evaluate how certain changes could affect you in the future.

Tick Tock... what changes have occurred in the New Century

For the Times Square 2000 millennium celebration, the ball was redesigned entirely by Waterford Crystal. The ball was a geodesic sphere, six feet in diameter and weighed 1,070 pounds covered with 504 Waterford Crystal triangles. The ball was equipped with computer controlled 696 lights and 90 rotating pyramid mirrors, that produced a magnificent, kaleidoscope color effect. People around the world worried as we rang in the New Year that it could mean the end of the world... the power grid in the US would fail... or worst yet... all of our computers would cease to work. But, what did happen is that the internet and new technology became an integral part of our lives and work.

1996 First time listings were on the internet some brokers had their own listings on their website.

Before the IDX Age, there were three ways for brokers, listing agents and buyer's reps to post listings on their own Web sites: show property data about their own listings; provide a link to aggregate sites, like REALTOR.com; or provide a link to the local MLS—if it had a consumer-searchable function. All three made the consumer leave the site to view property listings. And once they were gone, often they were gone for good.

1999 Economic Research Group of NAR survey found that 23% of the homebuyers searched for a home online

The vast majority of online consumers are looking for home listings and not for real estate agents.

Consumers were using the internet for initiating only some basic re-requisites for purchasing real estate.

2002 IDX feeds became available so consumers could search on the real estate firm websites

2005 Google maps launched

2005 Postlets starts

2006 Facebook open to anyone over 13

- Twitter launches

- Active Rain starts

- Zillow starts and within 3 days has 1million visitors

- 006 Zillow launches Zestimate

2007 Real estate market bubble bursts

- Trulia launches Q & A for real estate

- First iPhone introduced

2009 Zillow has iPhone App

2010 first iPad.. mobile computing on tablet begins

2011 Zillow purchases postlets

2013 Trulia buys ActiveRain

Since that ball dropped in times Square on January 2000, the way we communicate, market, research, discover news, shop, and run our businesses has changed. And in the midst of all that technology changing our real estate bubble grew with properties skyrocketing in value, borrower qualifications became soft, and the economy soared only to come to a crashing halt in 2007.

As the real estate market and our economy make a striking comeback, technology continues to grow and change. There were many real estate agents, even those that survived, who did not embrace the new way we do business and communicate and are struggling today. It is important to make an intentional effort to become familiar with new tools and ways to communicate. The clock continues to tick... always changing.

Discussion

When did you get your first website... or do you have one?

Do you have a smart phone? How has it changed your life?

Are you active on Facebook?

Do you have a blog?

Do you have a mobile real estate business?

Do you keep your money in a brick and mortar bank

Are you concerned about sustainability when you list a property?

National Predictions and Trends

No one accurately predicted the crash of 2007 in our economy and the real estate industry. Many could see it coming but no one anticipated the effect that it would have on everyone. It is the same for almost every prediction that is made. We can only basically guess what could happen in the future. Some of us imagined that life would be like we saw on the TV show “The Jetsons.”

Have you imagined the future and your predictions were close to reality?

There is no national real estate license. All real estate agents are licensed by their individual state. Some states have reciprocal licensing or requirements in that you can bypass a class or step to become licensed in another state. The National Association of REALTORS is an organization of real estate agents. Not all agents are members. In some states including Washington, the REALTORS does not own the MLS. In many states membership in the REALTORS is required in order to access the MLS. You can now search listings across the country from the smallest town over 3000 miles away.

Do you picture a database that includes all properties nationally?

Transactions have become almost virtually paperless. Real estate transactions might occur completely online without paper documents for everything from the agreement to the loan application. Today, you can purchase almost anything within one to two clicks on your phone or computer. Transactions will happen with forms that are uploaded and signed using electronic signatures.

How do you see the transactions becoming more virtual?

Most real estate agents work in a firm that is part of a national or multi state franchise. Some have international connections. This gives the agents access to information and technology that might not otherwise be available from a small boutique firm. It also links agents across state lines for referrals and relocation.

Do you see agents continuing to gravitate toward the mega real estate firms? What is the future and advantage of the small boutique firm?

Home ownership during the past century has been the “American Dream.” The percentage of people that own their home continually increases so that today, more than half the population is a homeowner. Our government programs, tax deductions and banking industry has supported home ownership because it has been shown to have a positive effect on the total economy.

Do you see this trend of home ownership continuing to grow? What are your concerns about the government programs that support ownership?

Marketing agreements and partnerships between lenders and/or title companies with real estate firms has always been a trend for the past 30 years. It continues to grow and evolve attempting to work within the constraints of the laws put in place to make sure there is full disclosure and consumer choice.

Do you see in-house lenders and title companies agreements with real estate firms as a strong growing trend or a floundering one?

Do you work with an in-house lender or title company?

Do you think those associations benefit the consumer?

Syndication of listings is a hot topic across the country. When an agent lists a property it will be on the MLS database. Often, the agent or the firm will share that listing information on additional sites like Zillow and Trulia. Zillow does not have access to the NWMLS. The brokers give them listings. Zillow bought Trulia. In addition, there are other sites that are marketing listings possibly locally, or for types of properties. They typically get the listing information from the real estate firm. Sometimes the information is not updated on a timely basis. In some cases, they might “scrub” the listing information putting listings unauthorized on their website. This might be so that they can sell advertising to agents, sellers, or other related industries.

Do you share your listing information on other sites beyond the MLS?

How do you share that information? Does your office automatically send it to a company like Postlets or ListHub?

Have you checked these sites that they claim will advertise the listing?

What advertising accompanies your listing on the site when a consumer clicks on it?

Washington State Trends

Washington State real estate agents are licensed to practice in this state. There are several Multiple Listing Services (MLS's) that serve different areas and regions. The Northwest MLS is the largest one including agents and properties in the greater Puget Sound region. It is a co-op that is essentially owned by the real estate designated brokers and agents. The Washington Association of REALTORS does not own or manage an MLS database. Its membership does not include all the licensed real estate agents.

Do you see the Northwest MLS becoming the only MLS in the state? Are you a member of the REALTORS? Do you see membership growing or changing in the next decade?

Two of the larger real estate franchise firms in Washington State include John L Scott and Windermere. Both have branched out regionally with offices out of state. In Washington State there are a number of national franchises including (but not limited to) Berkshire Hathaway, Coldwell Banker, Century 21, Keller Williams, Berkshire Hathaway, and Real Living. In the bookselling business Barnes and Noble along with Borders Books came into communities and literally wiped out all the small retailers. They did it without reducing the prices on the same inventory. With Amazon becoming the largest retailer in the world, even the large booksellers have been closed down. In Puget Sound the Barnes and Noble in the University District closed along with the Borders in Redmond. And, in 2016, Amazon opened a bookstore in University Village!

Do you see that as a trend in the real estate business in Washington State?

Do you imagine that all the major real estate firms will become national franchises?

What do you think will happen to the independents?

Currently, when you are licensed to sell real estate in Washington State you are not limited to the type of property, client, or transaction you sell or lease. You could sell or lease anything from a residential home in a neighborhood to a small plat of land for a cell tower site. You could sell a condominium up in the upper floors of a metropolitan building to a 100 acre winery in the other side of the state. For many years, the idea of a single license verses a specific license has been tossed around in our state.

What type of property do you specialize in selling? Do you have any issue going outside that comfort zone?

Do you see that there would be an advantage to getting licensed for residential and commercial separately?

Do you think property managers should have a separate license?

Traffic is a major consideration when a consumer purchases a home in Washington State. Most of the metropolitan areas are limiting the amount of parking required for multi family units and commercial business. Cities are attempting to build better public transportation, building off site parking spaces, putting tolls on roads and (what we used to refer to as) freeways.

How do you think public transportation, parking and tolls will affect the future homeowners and the value of properties?

Every property in Washington State is listed on a database with the local county in order to assess taxes, for utilities and to record information regarding building permits and legal descriptions. But, that information is not the same in every county and it is not always accurate. A county listing might only list 2 bedrooms and 1 bath when, in fact, the homeowner may have added many bedrooms and baths to the home.

None of this information is centrally located on one database. The taxes and the power bill are not on the same database.

Do you picture a statewide database on each property including all the information?

When you get a real estate license you have to take an exam at a remote location after taking required classes. If you were getting your law degree, the Washington state portion of the bar exam is available on a laptop at home from the internet. We are to be fingerprinted every 6 years as agents using paper cards and ink. To renew your license, you have to take classes. When you renew your license in WA state, you just check a box that you verify that you have taken clockhours. You do not send certificates or make a list of the classes you have taken when you renew. But, if you are audited, you must be able to respond asap with that information. To take classes, now, you have the choice of a variety of live and distance learning programs. It is beginning to be required to provide the Dept of Licensing with an email for communication.

How do you picture the whole process of getting licensed and renewing a license changing in the future.

Do you enjoy online interactive courses... waiting for the time to pass and for the class to progress?

Technology and its Impact on the Real Estate Industry

If we were to go back in time 15 years and have a discussion with our family, friends and people in our industry about the changes that would occur affecting all of us in the year 2015, can you imagine the look on their faces? Technology and innovation has changed the way we have run our lives. A smart phone in our pocket can run our entire business. Our cars are often powered by batteries. We know what dozens and even hundreds of our friends are doing at this moment using Facebook. We can find out the answer to almost every question we can imagine within seconds using Google. The technology has changed our lives. It will continue to do so in ways we cannot even imagine.

“Keyboxes” have come a long way from the small round key we used 30 years ago. At one point in our MLS a key got into the hands of someone stealing from homes and so everyone in the MLS had to turn in the keys and for two weeks we had no keyboxes or access to other agents listings. It felt like our business had stopped. Today you can access homes listed in the MLS with a smart phone in many areas. As the listing agent, you have access to information about showings. Today, you can track runners in a marathon because of the little red plastic tag they put on their shoe. *What kind of information might a key box in the future hold for listing agents? How could the key boxes be more secure in the future?*

We are blessed and burdened by so much information today. In the past we listed a home and typed up the information card with all we knew at the time about the house. Now we have to know more about the house than ever, we put the information out on the internet, we gather it from all different sources. *What if there was a central database with all the information on the property available?*

The forms we use to create a transaction are so lengthy that a pile is heavier than our laptop. So much of them is boilerplate disclosure and disclaimers. Now that we are putting together transactions with almost no paper and electronic signatures, the idea of even reading the forms seems too difficult. *How could the transaction and its forms be simplified in the future?*

There are apps for smart phones and tablets that will let us control certain items in our house from the door locks, the garage door, the temperature, and the lights. In the future, it could be that every updated home will have its own app so that when you list a home, you will include the app and its operating system or whether it is running updated software. *Could you imagine an app for each listing? How could it be listed on the listing for the buyers? How could it affect the showing of the property?*

Virtual Reality could replace basic videos. Slide your mobile phone in to some cardboard goggles and see a property in 3D. Drones will change the way that we see the house from a distance. In addition, drones could be used inside to take videos. 3D modeling can show the inside of the house in an entirely different way. *What kind of photography technology do you think will be used commonly in the future?*

Real Estate Firms

Go into almost any real estate office in town in the middle of the week and it will be virtually empty. There may be staff coordinating transactions, but there will not be crowds of real estate agents. Large real estate offices with dozens of full desks, computer rooms, and conference rooms are a thing of the past. Real estate agents now work from their home offices, carry their own computers and meet clients anywhere that is convenient.

Transactions will become virtually paperless.. as most are already. There will be no file cabinets or copy machines that must be accessed by an agent. A smart phone can easily take photo copies of documents and email them in seconds.

Most real estate offices don't even have office meetings on a weekly basis as was the case in the past. In fact, there are offices that have no meetings at all.

It is difficult to get information to real estate brokers in an office. They seldom come to meetings, often don't read office emails and they don't see other agents. There are new laws, rules, regulations, and practices that should be discussed with brokers. That line of communication is not strong now that seldom do the brokers attend meetings

How will the paperless transaction, the listings online, and the lack of office expense affect future commissions?

How will communication be effective between Designated brokers and the brokers that they hire?

Banking and Mortgage Lending

A new study by consulting firm Accenture reveals that a large number of Americans would be willing to do their banking with non-financial technology institutions if the companies offered such services as revealed in REALTOR.com in June 2014. If given the opportunity, about 40 percent of consumers aged 18 to 34 say they'd consider banking with Google; 37 percent would consider Amazon; and 34 percent would consider Apple. In 2016 Amazon started offering private financing for student loans.

Do you picture money that your buyers earn being in locations other than a brick and mortar bank?

Do you keep money in anything other than a bank?

Mortgage lenders originate loans and then sell them to investors along FNMA guidelines. But, when the regulations get too strict limiting the number of buyers, lenders get creative and other investors step in. That is exactly what happened when the market came to a grinding halt. There was too much creative and risky financing.

What is the future of the banks and mortgage companies?

What will be involved in underwriting a loan?

Will loans continue to be 30 year time frames?

When we go to work and bring home a paycheck, we often go to the bank and deposit it. People today, though, don't all use the traditional banking system. It is not flexible to their needs, it does not give them enough interest or security, and it is not accessible. People today take their paycheck and put it in their PayPal account, Bitcoin, credit unions and more.

Do you see a difference in the way people collect and save money in the future?

According to the Wall Street Journal, "Amazon tiptoes into banking business through student loans." Amazon is now offering discounted rates for "private" student loans through Wells Fargo.

Do you see major companies like Amazon going into banking? Lending?

Property Condition, Disclosure and Inspection

The largest source of lawsuits is most often some issue with disclosure. The buyer moved into the property and found that there was something wrong or not as they expected when they purchased the property.

When a house is sold, under Washington State Law, the seller must fill out the Property Information Disclosure form unless exempt. When the seller does this, there are basic questions about the property. The lawsuits in the past decade have leaned toward a “buyer beware” attitude making it difficult, if not impossible for a buyer to sue a seller for an error on the disclosure form.

Do you think inspection forms will become recorded in the cloud for the new buyer to read?

When an inspector does a thorough inspection of the property there are no real standardized guidelines. The tools that inspectors use are not very technical. They are only liable for problems that they see. The technology is being developed to see beyond the paint on the walls, to test for water purity, to check for air quality, to find water issues, and to evaluate energy consumption.

Do you see that the tools the inspector relies upon will be more sophisticated?

How do you picture home inspections in the future?

Sustainability and Green Building and Environmental issues

Energy and resources will become one of the hottest issues in the real estate industry in the next 15 years. The cost of power and the reliance on fossil fuels

When we list a house or a builder builds one, we casually might identify some issues surrounding the power consumption, insulation and the sustainability.

How do you imagine the issue of Green Building may grow in the future?

People regularly drink water out of plastic bottles which could actually have some harmful chemicals. Often people choose them over tap water.

Do you think testing water will be required in the future when purchasing a home?

Exercise

As a group exercise we are going to imagine how a real estate transaction would occur in the future.

Imagine that we are in the future approximately the year 2030. You are 15 years older than you are today. You have survived all the changes over the past 15 years that have revolutionized the real estate industry in ways that you could barely predict back in the year 2015. You are a full time real estate agent in the greater Puget Sound region. You have a prospective buyer for a residential home. Be creative and imagine this transaction in a world as far fetched as the one that George Jetson inhabited.

How did the buyer find you?

How does the buyer qualify for a loan?

How much would the property cost?

Where did the down payment come from?

Where /how do you search for properties?

What do you see when you search? Photo.. video... etc?

What tool are you using to search with?

How do you communicate with the buyer?

How do you show properties? Do you show properties?

How do you get to the properties?

What are the 5 major things the buyer wants in the house that they choose?

Was the house "green"

What kind of license do you need? How do you renew it? What are the requirements?

How do you do a contract?

What are the sellers doing?

What about the appliances? The internet connection? Solar panels?

What is needed to qualify?

Do the buyers keep their money in the bank? Bitcoin? PayPal? Credit Union? Their Employer account? In the cloud on their phone?

How did the sellers disclose about the property?

Was there an inspection? What tools were used?

Is there a national or state database on the house itself with repairs, taxes, condition, ownership, etc.

What information can you access regarding the power usage and insulation for the property?

Preparing for the Future

Now that we have identified some ways that the future may change, we can better imagine what the future might bring. It is important to be ready and open for change in our industry as we keep moving forward. There are real estate agents that don't have smart phones or lap top computers!

What are three ways you are looking toward getting more savvy and open for change in our industry?.

Given the ideas we have presented today, are there some outlandish ideas that you imagine might happen in the future.

What is one piece of technology that you think is the most important to keep updated and current?

Conclusion

In order to stay current in the real estate industry it is important to be well versed in the newest technology and trends. Often, saving money by using old technology can negatively impact your income!

If you have any questions, don't hesitate to contact Natalie Danielson by email at clockhours@gmail.com



Imagining the Future

Complete answers on this form. Mail or scan with evaluation to Professional Direction. It is important to make sure the agent participated in the course material for clockhours.

1. What was an example of a fear that people had when the calendar turned over to the year 2000? _____
2. What was the year that listings were on the internet for the first time? _____

Make a list of 3 things that happened in about 2007.

3. _____
4. _____
5. _____

What are two things you thought as a little kid might happen in the future.

6. _____
7. _____

8. Do you think the trend is for real estate offices to become part of large national/ international franchises or small boutique offices?

9. How do you think transactions will become more paperless and virtual in the future? _____

10. What do you think about one stop shopping in the real estate industry? _____

11. Do you see the NWMLS becoming the only MLS in the state? ? _____

12. How do you think real estate offices will change in the next 5 years in WA? Will they disappear? Get smaller? Get larger?

13. Do you think that real estate agents should have a separate license for commercial and/ or property management? _____
14. How do you think traffic, public transportation, parking and tolls will affect the future homeowners and value of properties?

15. Do you think there will ever be a state database on every house with tax information, power bills, inspections, and MLS information? _____
16. How do you picture continuing education for agent to change in the next 5 years? _____
17. Do you know that you do not send course information on continuing ed when you renew... only if you are audited? _____
18. Do you think live education will become a rare event for real estate agents? _____

What are three types of technology that you use daily that you could not even imagine back in the year 2000?

19. _____
20. _____
21. _____
22. Today, you can track marathon runners with a plastic tag on their shoe. Do you think there is some way that technology might be used in real estate and how? You can be creative. _____
23. When "simplify you life" is like a motto or common saying, what do you think about the mountain of forms (if printed out) that are required for a real estate transaction? _____
24. We used to think Apps for our phone were the hottest thing. It seems that we rarely download new apps today. What app do you think the buyers will use in the future? _____
25. In a survey of consumers from Realtor.com about 37% of the consumers aged 18-34 would consider banking with Amazon. Now, in 2016, Amazon is providing private financing for college loans. Do you see mortgage financing in their future? _____
26. Do you think the time to underwrite a loan will shorten in the next 5 years? Why? _____
27. Do you think loans will continue to be the common standard with 30 year amortization? _____
28. When do you picture the writing of checks to disappear? _____

29. Millennial's rarely walk in to a brick and mortar bank. Do you imagine banks, as we know them today, disappearing? _____
30. Today, BitCoin is one alternative currency. Do you imagine other types of currency? _____
31. PayPal and Square have changed the way we buy. Have you considered using a payment method like that? _____
32. Do you think inspections should be uploaded into a cloud for each home so that become a permanent record? _____
33. What is one tool that inspectors use that they did not have 10 years ago? _____
34. What is one tool you think all inspectors will eventually have? _____
35. Do you think inspections will focus on environmental issues in the future like power consumption, insulation, green materials? _____
36. What do you think about inspections and issues like indoor air quality and water safety? Many people will not drink tap water yet few homeowners ever get the water tested. What do you think about that? _____
37. We have "walk scores" today for homes. Do you think we will have ratings for green buildings in the future? _____
38. Do you think buyers will pay more in the future if the house is built green? _____

In the next 15 years there will be changes to our industry. What do you picture in the next 15 years?

39. How will the buyer prospect find you? _____
40. Where would the buyer get their mortgage? _____
41. How did the buyer access the listings? _____
42. How did you communicate with the buyer? _____
43. How will you write up the contract? _____
44. What kind of technology will be built into the appliances? _____

What are 5 major things a buyer will want in the house in the future?

- 45. _____
- 46. _____
- 47. _____
- 48. _____
- 49. _____

What are 5 ways that you will have to adapt to new technology in the future

- 50. _____
- 51. _____
- 52. _____
- 53. _____
- 54. _____

55. What is your biggest fear about the future of real estate? _____

Name _____ Signature _____

Date Completed _____

You must attach to the Evaluation along with tuition to get clockhours.

Professional Direction 13148 Holmes Pt Dr NE, Kirkland, WA 98034 email: clockhours@gmail.com

Thanks, Natalie Danielson, Professional Direction



Mandatory Evaluation

Did you read the material in the booklet on this date? YES / NO
 Did you complete the quiz and attach answer sheet? YES / NO
 Did you enclose Tuition (\$30 for 3 clockhours) YES / NO
 Did you fill out and sign this form? YES / NO

Paid Visa/MC PayPal processes credit cards avail on website.

Why did you choose to take this course? Topic? Time? Cost? Ease? Other?

A "clock hour" is 50 minutes. This 3 hour class should take about 2 hrs 30 min. How long did it take to complete the course? _____

	No	Yes
Will the material you learned improve your performance?	<input type="checkbox"/>	<input type="checkbox"/>
Were the course materials easy to follow?	<input type="checkbox"/>	<input type="checkbox"/>
Were the course materials relevant to your profession?	<input type="checkbox"/>	<input type="checkbox"/>
Were your objectives met by attending the class?	<input type="checkbox"/>	<input type="checkbox"/>

What are 3 things that you learned from the course?

1. _____ 2. _____ 3. _____

Imagining the Future

Print Name CLEARLY	Signature	Company
Address	City Zip Code	Phone
	Email	
License Renewal Date		Date class taken

Thanks for taking this class! I really appreciate the agents that take clockhours from my school! I am always working on my classes and writing new ones!

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