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Companies grow and prosper by delivering value to people with money. In real estate, those who give consumers what they want will succeed. Organized real estate (ORE) is a complicated mess that is not serving buyers and sellers. It's not nimble—it wasn't built to be. And it's no surprise that the value and innovation are coming from outside.

Large brokerages represent one segment of ORE that will likely prosper. They have the necessary capital, scale, intelligence, and relevancy. They will not be alone as some small niche brokerages and solid high-production agents will navigate this as well. Savvy brokerages are cutting their deals now, while many others are constantly complaining about the wrong things and trying to protect their cheese. The key to survival and success is the delivery of value

to the consumer. Large brokerages are well positioned to move the chains down the field. However, they must harness their collective voice and influence to execute on their plans.

At the greatest risk in ORE are the 83 percent of local Realtor® Associations, with less than 1,000 members each. These 1,173 associations (out of 1,400) won't exist in 2018. This is because the vast majority of the members and brokerage decision-makers don't get sufficient value from the locals, other than MLS. Most members don't support the three-way agreement, so the NAR and the state associations are at risk as well. When Realtor® membership is no longer tied to MLS; the pace of change will greatly accelerate.

MLS is valued. There are four legs to the MLS stool: data, technology, an organized marketplace, and a means of getting paid. Data and technology are not local and they never were. And 900 MLSs are simply unsustainable. If 80 percent of the associations go away, the smallest MLSs will either merge or disappear. The smart ones are making their moves right now. Consolidation is slowly taking place—three new regional MLSs were formed in 2013 (26 MLSs working together resulting in 3 regionals). Brokers will continue to demand more of this, resulting in greater efficiency and eventually, less than 200 well-run MLS providers will remain. In three years, brokers will own a bigger market share of the remaining MLSs and most will be broker controlled.

In conclusion, large brokerages are the ones who will lead this substantial shift. We call it the OREO Movement (organized real estate opportunity). These brokerages, along with their allies already know they don't need 1,400 local association chapters or 900 different and separate data and technology providers (MLSs). The current infrastructure can't deliver what consumers and brokers need. The OREO Movement is upon us now, and it will be an exciting ride with a lot of consolidation over the next three to five years.

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