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Here's why NAR wants to raise Realtor dues by \$30 next year

Dues would also rise every year under new proposal to fund political spending, zipLogix software and more

BY **ANDREA V. BRAMBILA**
APR 4

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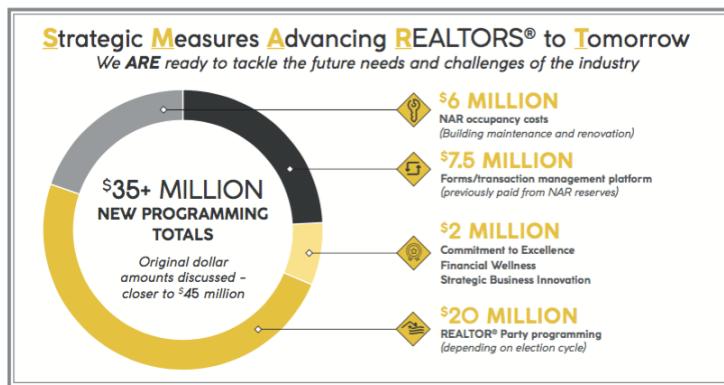
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The National Association of Realtors (NAR) seeks to raise dues for its 1.3 million members by \$30 next year, with additional built-in increases of 2.5 percent per year beginning in 2020.

NAR's 2019 budget proposal, approved by its budget review and finance committees two weeks ago, calls for a \$35.5 million jump in annual spending. NAR says it will devote \$17 of the increase to boost [its political advocacy spending](#) and the remaining \$13 will cover a Realtor-owned transaction management platform for members, building maintenance and renovation, and programs devoted to professionalism, financial wellness, and strategic business innovation.

NAR has dubbed the changes as [Strategic Measures Advancing Realtors to Tomorrow \(S.M.A.R.T.\) Initiatives](#). The trade group's dues currently stand at \$120, so the requested increase is a 25 percent jump to \$150. NAR members must also pay a \$35 assessment annually for the trade group's consumer advertising campaign, which has been approved through 2019 and therefore remains unchanged in this budget proposal.



Source: NAR

that would allow NAR to increase dues by 2.5 percent every year starting in 2020.

In a statement emailed to Inman, NAR Treasurer Tom Riley said the proposed funding increases and initiatives will have “a tremendous impact” on the trade group’s long-term priorities and ambitions.



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“The onslaught of new technologies and shifting consumer dynamics demands that NAR invest in and lead the association, its members and our profession into the future,” he said.



Thomas Riley

“NAR’s leadership recognizes that there is never a good time to implement a membership dues increase; however, for NAR to continue to respond to the increased levels of service and advocacy that our members demand and also provide the support and tools needed to ensure Realtors and our industry thrive, there requires a continued commitment from the entire Realtor family.”

He encouraged all NAR members to educate themselves on the proposed changes.

NAR invited members to share their feedback through NAR’s social media channels, including its [closed Facebook group](#), or to reach out directly to Realtor leaders and staff on NAR’s password-protected community platform, [The Hub](#).

NAR will hold a Facebook Live event on April 5 at 2 p.m. Central (3 p.m. ET/12 p.m. PT) and a webinar in early May to discuss the budget changes.



NAR's budget communications timeline

\$20M more for lobbying

A third of current dues go to NAR’s lobbying arm, the Realtor Party. NAR created the Realtor Party six years ago, the last time the trade group raised dues. The NAR board approved a [\\$40 dues hike](#) in 2011 despite polls showing members overwhelmingly opposed it.

The trade group first floated the idea of another possible dues increase at its annual conference in November 2017. At the time, NAR said it was considering [increasing its political advocacy spending by \\$30 million](#) annually, i.e., \$25 per member, to fund 33 new or enhanced Realtor Party programs. The budget review and finance committees did not approve all of the programs, so the proposed budget asks for an additional \$17 per member for the Realtor Party instead, NAR spokesperson Sara Wiskerchen said via email.

If approved, the new Realtor Party funds would go toward “new/enhanced activities, issues mobilization, state/local independent expenditures, campaign services, RPAC direct fundraising, consumer advocacy outreach, federal public issues advocacy, and federal independent expenditures,” NAR said in an [FAQ posted on its website](#). Three-quarters of the proposed dues increase would go toward local and state political efforts while the remaining 25 percent would go toward federal efforts.

Asked why NAR collects the funds for state and local efforts, Wiskerchen said implementing the funds at the national level “allows for greater efficiencies and for NAR to work with organizations and vendors that extend resources at substantially discounted rates than could be achieved individually in each market.”

“NAR can also centralize processes and collectively manage its staff and resources to achieve program goals more efficiently than associations can do on an ad-hoc basis,” she added. “The tertiary agreement with state and local associations allows for NAR (which is unique) to share and replicate its federal advocacy and programs at the grassroots and state level, so members across the country benefit even more.”

\$7.5M more for zipLogix

In November 2015, the [NAR board approved a deal](#) to provide its members with transaction management software from tech firm zipLogix at no additional cost to members.

ZipLogix is a joint venture between the National Association of Realtors and California Association of Realtors subsidiary Real Estate Business Services Inc. (REBS). According to zipLogix, REBS owns 57.4 percent of zipLogix and NAR owns 30.2 percent. ZipLogix itself

Starting in first-quarter 2016, Realtor agents and brokers got free access to the firm's zipForm Plus software, transaction forms specific to their area, document storage through zipVault, and zipLogix' transaction management system, zipTMS (formerly known as relay). The deal did not include the broker version of zipForm Plus, zipForm Mobile, zipFormMLSConnect, e-signatures from zipLogix Digital Ink or any other products zipLogix has since launched, such as [zipCRM](#).

Under NAR's original three-year agreement with zipLogix, the trade group would pay \$10 per Realtor per year from its reserves toward the joint-venture for all NAR members — regardless of how many actually used ZipLogix's products. The deal also tied an increase in the third year to the federal Consumer Price Index, as then-NAR CEO Dale Stinton explained in November 2015. At the time, Stinton said NAR was prepared to fund the zipLogix offering "in perpetuity" from NAR's reserves.

But over three years, the zipLogix deal has cost more than \$38 million, NAR said in a [budget information sheet](#) posted on its website last week. That expenditure, plus the [\\$12 million shelled out for real estate data projects Upstream and Advanced Multilist Platform \(AMP\)](#), have depleted NAR's reserves by 45 percent. [NAR suspended the AMP program](#) in February, resulting in a headcount reduction of 20 at NAR subsidiary Realtors Property Resource (RPR) and about \$7 million in savings through 2019.

However, now that the original zipLogix agreement is up for renewal at the end of 2018, NAR is asking its members to cover the cost to avoid depleting its reserves further.

NAR's Finance Committee expects the cost will be \$7.5 million per year. When asked why the annual cost had declined and if that meant the price per member had changed, Wiskerchen said, "We won't discuss the specifics of contract negotiations. [T]his was the cost the Finance Committee felt best reflected future program costs." ZipLogix CEO Scott Strong also declined to comment, citing ongoing negotiations.

At the time NAR struck the 2015 deal, [about 500,000 Realtors were already using zipLogix](#)' cloud-based transaction forms software, and NAR expected to add 100,000 more to that figure as a result of the deal. When asked how many had actually been added, Wickerchen said "nearly 100,000" had, which would bring the total number of Realtor users to nearly 600,000.

NAR members who don't use the zipLogix products they're paying for won't be able to opt-out of that portion of the dues increase because "the way that dues are assessed doesn't allow for members to opt-in or out of certain portions of programming," Wiskerchen said.

Asked how much the 2019 budget proposal would allocate to RPR, NAR directed that question to RPR. RPR did not respond.

\$6M more for buildings

NAR also says it needs \$6 million for deferred building maintenance and renovations, including upgrades to the electrical, plumbing and mechanical systems, particularly in its Chicago headquarters on 430 N. Michigan Avenue. The building has housed NAR [since 1963](#) and is also the home of the Chicago Association of Realtors. [NAR's Washington D.C. office](#) is newer, completed in 2004.

The 2019 budget proposal sets aside \$8.4 million for office expenses, \$6 million for information technology, and \$11 million for domestic and international travel for Realtor leaders, staff and thousands of committee members and liaisons involved in NAR's governance, according to Wiskerchen. Office expenses include maintenance, workstations, computers and equipment while information technology includes software, network and infrastructure hardware and security programs, she said.

"[L]ike any business, NAR has overhead costs for material, labor, buildings, equipment, etc. and those costs can only be cut and reduced so much before it puts the organization at risk of not being able to achieve its goals or implement member-centric programming," Wiskerchen said.

\$2M more for professionalism, wellness and innovation

The proposed dues increase would cover three new programs:

- the Commitment to Excellence program, which would cost \$800,000 in 2019
- the Financial Wellness program, which would also cost \$800,000 in 2019
- the Strategic Business, Innovation and Technology group, which would cost \$400,000 in 2019

The NAR board approved the [Commitment to Excellence program](#) in concept in 2016, subject to costs. The program will be voluntary and focus on measuring and increasing professionalism. As part of the program, NAR will invite Realtors to complete a skills assessment measuring their proficiency in areas such as ethics, advocacy, technology, data privacy and customer service. The program then generates individualized recommendations for activities and tools Realtors can use to boost their knowledge and skill.

"These recommendations are aimed to benefit a Realtor's business and to enhance client relationships, while also rewarding a Realtor's voluntary commitment to improving themselves and the industry. The program tracks a member's level of proficiency as they progress year after year, creating valuable metrics highlighting increases in professionalism," Wiskerchen said.

This fall, NAR will launch financial wellness resources, including an online assessment to help Realtors identify their financial strengths and explore ways to increase their financial literacy. NAR subsidiary The Center For Specialized Realtor Education will invest \$1.1 million

to develop new education and resources for wealth building, business planning and investing in real estate so that Realtors can take charge of their financial lives," she said.

According to NAR, the Strategic Business, Innovation and Technology group will:

- Expand NAR's technology initiatives to [create relationships with larger technology companies](#) that may innovate in and around the real estate industry
- Create a strategic think tank of leading business and technology executives
- Host a real estate innovation summit to showcase NAR's leadership in technology and technology partners

The funding for the group will supplement efforts to improve the management of real estate data by focusing on three main areas: consolidation and collaboration (data sharing) resources for MLSs, enhanced technology and governance resources, and data and data licensing agreement standards.

The funds devoted to the group and to the Commitment to Excellence program will help Realtors show how essential they are to consumers' real estate success, according to NAR.

"Given the direction our industry is moving, it is also imperative that NAR help its members justify their commission and structures and be seen as more professional for consumers to better understand their value," Wiskerchen said.

In a [blog post](#), industry consultant Rob Hahn noted NAR's disproportionate planned spending on building maintenance, office expenses, IT, and travel as compared to the proposed spending on the Commitment to Excellence program.

"[T]he larger question is what your members and interested observers are to make of your stated goal of 'professionalism' when you're spending a fraction of \$2 million for it, while spending somewhere in the neighborhood of \$18 million on office expenses and travel — and boasting of cutting 1/80th of the travel budget," he wrote.

In response, NAR's Wiskerchen said, "NAR like any other business or corporation incurs costs for maintenance, technology and travel, particularly in a member-driven organization, but we are confident that those expenditures are in line with other similar sized and focused organizations.

"Also, the Commitment to Excellence program is being created and rolled out in cooperation with the Center for Specialized Realtors Education, NAR's education-centric subsidiary, so some of the costs are offset by their support."

For those interested in NAR's latest (2016) Form 990, click [here](#).

Realtors interested in NAR's approved budgets for 2016 and 2017 can find them on NAR's website in [NAR's Board of Directors meeting minutes](#) as exhibits to the Finance Committee reports, according to Wiskerchen.

Email Andrea V. Brambila.

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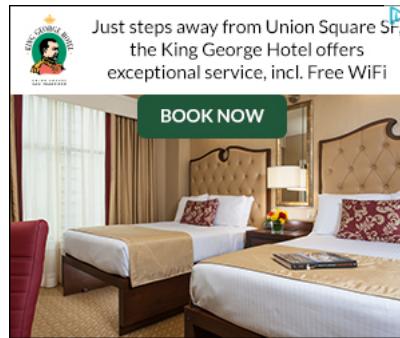
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**Roland Estrada** · Real Estate Agent/Broker at Bennion Deville Homes Laguna Niguel, Cal BRE 01899271

It's difficult to read this with a straight face, or write it I suppose.

NAR purports to have the backs of Realtors. One thing that has ticked me off to no end is that NAR as part of RPR offers an AVM widget for brokers to use on their websites, but not to agents. HELLO!!!! There are 1.3 million agents and they only offer it to brokers! This was a big WTF when I discovered it a few years back while wading through the RPR site.

If NAR wants to "enhance client relationships" why not start with the most basic of concepts in marketing these days, home valuation. It worked for Zillow. Let agent... See More

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**Charles Stallions** · Broker at Charles Stallions Real Estate Services Inc

They also sold Realtor.com to a third party rather that manage it themselves that is how Zillow got it's legs and actually it started with Homes.com and Realtor.com colluding together to take advantage of us. Let Realtor.com fall and Zillow become the MLS.

Like · Reply · 3 · 39m · Edited

**Charles Mader, Broker**

Charles Stallions Yep. They so bothched the roll-out of Realtor.com that Zillow was able to sue their way into our MLS.

Like · Reply · 17m

**Maureen Green**

How about reducing the political advocacy spending, since we can't all agree on which political candidates actually help our industry versus hurt it, and we'll keep our dues the same.

Like · Reply · 10 · 13h

ever seen anything for members to vote on when it comes to what tools we want or might use. Me for one, have never used ziplogic, don't plan on using it, and don't know anyone who does. I would be all for a "cafeteria" plan, so that we can choose what we want and what we will use and have our dues based on that.

Like · Reply · 3 · 12h

Amy Frazier Deaton

 Transaction management, seriously?? Zillow, CINC, Top Producer, Google Folio, Authentisign (for God's sake) and how many more platforms are there? Thanks NAR but, no thanks. I have plenty.

Forms, seriously?? Many state associations already provide this as a "benefit", so pay for it twice?! Thanks!

RPR/Upstream? Seriously, can't we bid adieu already? A painful and colossal waste of money, time, energy and effort; known by many, for years now. Zillow, Redfin, Compass, you name it... they are all at least 10 chess moves ahead of NAR in regards to a national MLS (oops - sorry, didn't ... See More

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Greg Hague · CEO at Real Estate Mavericks

 It sold Realtor.com, acts like Zillow is our friend, failed to stop the interest tax deduction rollback, and dumped millions into projects that didn't have a chance. Would you pay \$185/yr if MLS participation wasn't tied to NAR membership?

Like · Reply · 2 · 11h

Ivan Danziger

 In my 25 years as a Realtor, the NAR is a totally CORRUPT organization that tells its members that 'political donations' are VOLUNTARY, but Then they raise the dues to cover guess what.....POLITICAL DONATIONS to 'bribe' politicians!

My personal experience has been that if you don't make a 'VOLUNTARY' RPAC donation, they won't let you serve on you're local Board of Directors here in South Florida.

Here's my suggestion to eliminate dues increases: CUT the 'pork' out of the salaries of all the OVERPAID corporate loafers at NAR and their bloated board of directors!

If we really are the biggest trade group in the Country we shouldn't have to bribe already crooked politicians with the hardworking members dues money!

Like · Reply · 3 · 3h

Frank Consulting Group - 1 Great Idea LLC

 Wondering what happens if/when 1.5 million licensed real estate agents decide they no longer want to be forced into this unholy union. The zip line of products is anemic. If it wasn't a cash cow for NAR it would be out of business. If Upstream is smart, it will attempt to gather 1.5 million agents and compete with NAR to provide a more value-based association of professionals.

Like · Reply · 1 · 3h

Hank Miller Team/Harry Norman Realtors

 Wow. SMART? Which means we the captives are DOPES. Keep gouging and keep the bloated bureaucracy alive.

NAR does NOTHING for the agent in the trenches. ZIP. Save the "ethics" argument for some rookie or some idealogue. With the possible exception of lobbying and greasing palms, NAR is useless to the agent in the field. I don't know a single agent that uses any of the NAR material - as opposed to that on Zillow, Trulia, Corelogic, ESRI, ATTOM...

Wait, they're also good at creating pretend check book designations designed to further confuse the public and allow members to misrepresent themselves. 75% of them are literally headscratchers...BPOR? PSA? RENE? Really?

Just to test all of this nonsense, we created our own appraisal "designation" back many years ago - it was a massive hit - Certified Residential Appraisal Professional. Maybe NAR can bring that on board.

Like · Reply · 1 · 2h

Charles Stallions · Broker at Charles Stallions Real Estate Services Inc

 My next question would be can you be a member of a local board without being a member of NAR really would matter to me it would just give me the reason I have needed to drop the R cause here you can still be a member of MLS and not be a Realtor that is what RPAC got us

Like · Reply · 2h

Wendy Wolf · Realtor/Agent at McGrew Home Team

 NAR was somewhat successful in its lobbying efforts in regard to the Tax Reform Act at the end of 2017 (i.e. 1031 exchanges, 2/5 yrs instead of 5/8 for cap gains, etc.), so I'll give them that. However, I firmly believe our government is for its PEOPLE. And while it can certainly be argued that organizations and associations are merely groups of people, I for one, don't want to participate in the dirty business of lobbying, PACs, and the like that have so screwed (corrupted) the system already. One person, one vote. Far better to show up on election day than feel you've 'participated' by simply writing a check.

As for the other \$13 AND 2.5% planned increases? I can accept the \$13, but not a 2.5% annual increase, and I'll be communicating that to NAR.

Like · Reply · 2 · 2h

Rob Myers · Owner/Broker/Consultant at McCallister & Myers - Real Estate Services

 Sold out time and time again by a group that claims to be looking out for us. I question as the industry changes that maybe local, state and national associations are no longer needed.

Some dinosaurs need to be observed in a museum and the history books.

This may be my last year being a member of them all.

Like · Reply · 1 · 2h · Edited

been rising ever since. I also wonder if some women and others can be included in that strategic think tank of leading business and technology executives. I think we do better when we get some women involved instead of going with the typical older male executive. Bottom line . . NAR isn't a democracy commenting on this is a waste of 1's and 0's... but at least I am a dues paying member.

Like · Reply · 2h · Edited



Mary Derrick · University of South Carolina - Columbia

Is there any oversight on the travel part of the budget to assure that all of the travel is for professional reasons only? I'm all about supporting our Realtor organization, but transparency in all spending makes for confidence building among membership. I've been a Realtor for over 40 years.

Like · Reply · 2 · 1h



Dino Yeonas

Am I wrong if I say RPR is a failure and financial disaster?

Like · Reply · 1 · 1h



Kevin Hanley · Realtor at Keller Williams Realty, Inc.

Probably time to do away with NAR, or just leave.

Like · Reply · 1 · 1h



Bob Garaglano · REALTOR®; Licensed in Virginia (703) 851-6155 at Long and Foster Realtors

So NAR wants to move to baseline budgeting, baking in yearly dues increases whether needed or not? Really? Also, can someone explain why NAR needs two headquarters buildings? Move out of the Chicago location and move everything to D.C. Not only will you save on the maintenance of the Chicago building, but you will probably save on travel expenses by having all full-time NAR personnel in one place. I don't know for sure but I can imagine a lot of travel expenses going toward back-and-forth visits to each location.

While I am at it, the Commitment to Excellence program sounds like a waste that successful agents probably don't need. Would it not be better to institute better mandatory training for new members, to give them the basics of what is expected of them in terms of ethics and behavior?

Like · Reply · 1 · 1h · Edited



Diane Osowiecki · East Granby High School

How can you say no additional cost when you are uping the dues with no end in sight? What about healthcare?

Like · Reply · 2 · 1h



Mara Gillott · Real Estate Operations Manager at Collective House Realty

I'm not sure why anyone is really surprised by this. NAR has a history of providing "free" things to their members, eating the bill for a couple years, and then turning around and raising fees to cover said costs. Nothing is really "free" with NAR. You will pay for it eventually.

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Charles Mader, Broker

how about few less board junkets?

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