

**Santa Clara County Association of
REALTORS®**

2010 Annual Report

By Gene Binsbacher, CEO

The Santa Clara County Association of REALTORS® achieved outstanding accomplishments in 2010, despite continued challenges in the real estate industry.

Our membership continues to be strong, and we have kept improving and adding member benefits through innovation and hard work. We enhanced our traditional services and we broke new grounds. We held free events for the second year in a row, which attracted unprecedented numbers of members. We contacted every current and recent member by phone for membership renewal, and we developed groundbreaking broker outreach events.

On the solid foundation we have been laying out, we are building a bright future for our Association and our membership. We have been following the visionary Strategic Plan created in 2009 and we are becoming a leader in the industry, the media and the larger community – regionally and nationally.

We are proud that our Association is stronger than ever. The following is a summary of what we have achieved in every SCCAOR department.

Broker Outreach

Broker Outreach has been a valuable, unique resource for brokers and managers. In a changing economy that poses ongoing challenges to business owners, the Broker Outreach Committee worked diligently to develop new programs to better service brokers/owners and managers.

Using SCCAOR's Strategic Plan as a guideline, Broker Outreach developed "Broker Boot Camp" to be launched in 2011. This six-day intensive training program delivers knowledge, skills, and tools in strategic planning, legal issues, risk management and other vital training components to existing brokers and new brokers.

The National Association of REALTORS® has awarded Broker Outreach with a \$4,000 Grant for Diversity Outreach in 2011. A large part of reaching out to the diverse membership is to retool the Cultural Diversity Program. Active recruitment among minority real estate professionals and partnership with real estate organizations and lenders will be critical components to the success of the retooled Cultural Diversity Program. Broker Outreach is honored to announce our joint efforts with Bank of America on a variety of programs that will address the needs of our diverse membership. In addition, Bank of America has committed to \$1,000 to support our efforts in 2011.

Broker Outreach hosted “Legal Greet & Meet” with attorneys, Roger Wintle, Dave Hamerslough, and Tony Ventura. The event was successful with attendees requesting similar opportunities in the future.

In order to better serve the membership community at large, Broker Outreach will merge with Membership and Cultural Diversity for 2011, as the Broker Member Relations Committee. The newly structured committee will continue to be dedicated to bringing **VALUE** to brokers and general members.

Education

SCCAOR University proudly adds to the professionalism of the real estate industry by delivering superior educational opportunities to our members.

2010 started off on a high note with the immensely popular CDPE (Certified Distressed Property Expert) Certification. Throughout the year more than 300 students attended and became certified in the field of short sales, foreclosures and REO properties.

With the growing demand for agents not only to be visible but to be interactive in social media, SCCAOR University offered members numerous opportunities to learn to market themselves on the ever changing social web. It was exciting to see SCCAOR members accepting the social media challenge by learning and using social media to enhance their careers.

New agents were nurtured and trained to face the sometimes harsh and often confusing world of real estate. After attending the S.T.E.P. training series, SCCAOR members were able to set and achieve goals, access their sphere of influence, understand commonly used contracts, and feel confident that they had a strong foundation and had the tools to start building their business.

Throughout the year, SCCAOR members had many occasions to fulfill their DRE license renewal requirements, gain various nationally recognized designations, become a specialist in popular niche markets such as the “senior” market or the “green” market, learn about commercial real estate, and attend hot topic seminars.

SCCAOR University was able to bring in some of the industry’s most dynamic and popular local instructors thereby enhancing members’ careers and increasing SCCAOR’s bottom line.

Finance

SCCAOR continues to have the financial ability to develop innovative and valuable resources that help our members thrive in any business climate.

IT

Under the direction of the Business Technology Committee, SCCAOR established a partnership with REBS to record, produce and host SCCAOR's online classes. SCCAOR also worked with C.A.R. and secured an exclusive offer on zipLogix Digital Ink for SCCAOR members.

An SCCAOR mirror website was created as a development environment and as a backup to the live production site. SCCAOR undertook a major update to the Typo3 content management software used for the website to address various issues and to add back-end functionality. A new web page, *C.A.R. At Your Fingertips*, was developed to highlight and provide direct links to the extensive free C.A.R. benefits available online to members.

As an added benefit for non-primary members, tech support is now offered at a substantially discounted fee.

Government Affairs

Government Relations Committee

2010 was an election year, and the Government Relations Committee (GRC) worked on a number of ballot initiatives. Beyond election-related issues, GRC also expanded SCCAOR's partnership with a variety of organizations, and through supporting or opposing certain policies/ordinances, defended property rights and took a stand on issues important to our members.

Silicon Valley Collaborative California faced a series of ballot initiatives with the intention of dramatically changing the way the state is governed. One example was the implementation of an open primary system where voters, regardless of party affiliations, could vote for the primary candidate of either party. The Collaborative engaged SCCAOR to help educate our members. It is important to note that the intention of the Collaborative was never to influence but to educate the public in a non-biased manner, which is why SCCAOR chose to participate. From this partnership, SCCAOR was able to pass on information to our members on what was on the ballot.

Santa Clara Valley Water District This was the first time the Water District came before the committee to solicit the Association's support on an issue. Rick Callendar, of the SCVWD, spoke to the committee regarding the groundwater production fee. As a result of a lawsuit, every fiscal year the fee is reset to zero unless well owners agree to the new fee SCVWD sets. The loss of the fee revenue would constrain the district's ability to retrieve water. SCVWD was successful in persuading well owners not to protest the fee increase.

Housing Trust of Santa Clara County SCCAOR has re-established and strengthened the relationship with the Housing Trust. This began with our support of the Annual Investor Briefing Lunch where SCCAOR was a table sponsor. Later in the year, members of SCCAOR Leadership and senior staff held a meeting with Housing Trust's senior staff to discuss areas of further collaboration. The discussion to have a member of SCCAOR placed on the Housing Trust's Board of Directors was well received, and further progress is expected in 2011.

Measures V & W Measure V was a ballot initiative to mandate outside arbitrators to settle labor disputes only by taking into account San Jose's ability to pay the judgment. Measure W would allow the City of San Jose to adjust the pension contribution for public safety employees hired after the initiative's effective date. The two measures were pushed by the Mayor of San Jose, Chuck Reed, and received the support of seven of the 10 city council members. The intention of the two measures is to curb future spending. SCCAOR endorsed both initiatives and contributed \$75,000. Both measures were passed by wide margins. This action has definitely portrayed SCCAOR as a serious force in the Valley and has dramatically strengthened our position with the Mayor's office.

Election 2010 Beyond Measures V & W, SCCAOR opposed all of the parcel tax measures on the ballot. Since parcel taxes are defined as special use taxes, they require a two-thirds majority to pass. None of the parcel tax measures met that threshold and therefore none passed.

Assessment Appeals Board The Santa Clara County Counsel, in an effort to bring a "higher level of expertise" to the Assessment Appeals Board (AAB), wrote a memo that called for a desired set of qualifications for potential AAB members. The minimum qualifications, set by the state, included residential real estate experience as a qualification. The proposed desired qualifications only requested real estate agents with a CCIM designation. After meeting with the County Assessor, who was strongly in favor of not including residential real estate expertise as desired qualifications, it became apparent that SCCAOR would have to take the issue up directly with the County Supervisors. In a 3-2 vote, the Supervisors agreed to add a list of real estate designations as desired qualifications, including residential real estate expertise. SCCAOR's success reinforced the central and critical role that residential real estate agents play in the AAB and in general civic involvement.

Local Candidate Recommendation Committee (LCRC – formerly known as BORPAC)

The LCRC had a fairly successful year in selecting winning candidates for office. With only a few exceptions, the candidates that SCCAOR backed won, which will create a more manageable political climate for the issues that will confront SCCAOR in the next two-year election cycle. 2010 brought an interesting and challenging dynamic to the interview process with an unusually large number of candidates running. In several cities there were over eight candidates running, sometimes for just one seat. This spread the votes really thin among the pool and, in many cases, candidates squeezed out a victory by a 2 or 3 digit margin. Of the 19 races that SCCAOR made an endorsement in, 14 candidates SCCAOR supported won. In addition to the election victories, LCRC’s recommendation that up to five alternates to be appointed to LCRC was approved by the SCCAOR Board of Directors.

Election Wins

Chuck Reed (San Jose – Mayor)	Pete Constant (San Jose - Council)	Armando Gomez (Milpitas - Council)	Mike Wasserman (Santa Clara County – Supervisor)	Evan Low (Campbell - Council)
Richard Waterman (Campbell)	Jamie Matthews (Santa Clara – Council)	Pat Kolstad (Santa Clara – Council)	Pat Mahan (Santa Clara – Council)	Peter Leroe-Munoz (Gilroy – Council)
Dion Bracco (Gilroy – Council)	Steve Tate (Morgan Hill – Mayor)	Nora Campos (Assembly 23)	Rich Gordon (Assembly 21)	

Housing Opportunities Committee

The Housing Opportunities Committee conducted its normal course of events in 2010. Two of the three scheduled housing fairs were held, but with limited to little success. The HELP seminars have also diminished slightly in 2010. The essay contest received a lower number of submissions that in past years. As of 2011, the committee has been suspended. The programs and events that were under the committee have been reassigned to other committees.

Going Forward – Housing Fair The housing fairs have also been suspended. The dwindling interest by the exhibitors and the dwindling attendance by the public were the driving forces behind the decision to place this program on hold.

Going Forward – HELP Seminar The HELP seminar is a valuable resource for the membership and while the attendance numbers have slipped, stronger promotion will help boost those numbers. The Education Committee will take over the management of the program.

Going Forward – Essay Contest The Essay Contest will continue to exist. The administration will be shifted to the SCCR Foundation.

Membership

Throughout the year, the Membership Department embarks on various projects, such as recruitment and retention, Broker Audit, New Member Orientation, and continuous communications campaigns with current and past members.

New members were added to our Association in 2010: 582 REALTOR® members, 50 secondary REALTOR® members, and 100 affiliates. As a result, SCCAOR continues to have four NAR Directors. As of December 31, 2010, we had 5,899 REALTOR® members, 224 secondary REALTOR® members, and 314 affiliates, including 50 appraisers.

With four membership coordinators servicing 6,353 members, each coordinator services more than 1,590 members! Membership coordinators answer members' questions on billing, benefits, MLS, Suprakey and other real estate-related issues – quickly and efficiently – or they refer members to experts in the specific fields. (The department has managed to eliminate paper storage by saving member's correspondences in their document files.)

The department made extraordinary efforts to reach out to current and recent members during the dues renewal period – membership coordinators made phone calls to every one of them.

To conform with NAR, MLSListings Inc. and Supra and to better serve members, membership coordinators are constantly updating the member database and streamlining the day-to-day operations at the department.

The department helps at other departments' events, such as Broker Outreach seminars, with registration and other duties; the department continues to assist with Computer Tech Support for all members. Membership manager and coordinators regularly attend marketing meetings and other industry events to promote SCCAOR services.

Membership coordinators work hard to stay current on industry changes – such as the developments at MLSListings, C.A.R. or NAR – and hone their sales and

customer service skills. We love what we do – that is, serving our members – and we look forward to our future endeavors!

Professional Standards

This report reflects the achievements of the Ombudsman Committee, the Grievance Committee, the Professional Standards and Arbitration Committee, and the Mediation and Ethics Advocate Group. SCCAOR members have a valuable benefit at their disposal in the form of service from the Professional Standards Team.

The Ombudsman Committee increased its members to 24. When training from Pepperdine Law School became unavailable, a training program was developed at SCCAOR for those who wish to join the committee, thanks to the combined efforts of Wanda, Mindy and Ellen.

The “Conflict Resolution” class is 100 percent real estate focused. The 18 attendees say it is more applicable than the Pepperdine class. A new committee member orientation was also created on the process and techniques to handle cases.

The committee has become the model for several REALTOR® associations around the state that are creating similar programs.

The committee assisted with 99 conflicts, a 33 percent decrease from last year. Of these cases, 66 were resolved, 25 are closed as unresolved for lack of action on the part of the complainant, and eight are still being worked on. This committee is an asset to staff, REALTOR® members and members of the public. The Community Resource List continues to be updated with current dispute resolution resources and is available under the “Dispute Center” tab on the SCCAOR website along with other Professional Standard forms and information.

The Mediation group stayed at five members this year. 13 requests were received for mediation, a 15 percent decrease from 2009. Of these cases, three went to mediation, two were settled prior to mediation, and eight were unable to proceed because of no response from the respondent. SCCAOR is one of the few associations that still handles buyer deposit dispute, because we consider serving members the highest goal.

The Grievance Committee held steady with 12 members. Objectives were identified and achieved in 2010: 1) confidentiality within the committee when handling complaints; 2) increased awareness of the committee through presentations at marketing meetings and adding information on how to file Code of Ethics complaints to flyers.

Twenty-three cases were received at the Grievance Committee, a 45 percent increase from 2009. Of these cases, seven were adjudicated by a hearing panel, three were dismissed by the committee, six were withdrawn or settled before a hearing, one is being held in abeyance until the DRE complaint moves forward, and six are being processed.

The most common Code of Ethics articles that REALTORS® are found in violation of are Article 1, on fiduciary duties and agency, and Article 2, on disclosure issues and exaggeration, misrepresentation or concealment of pertinent information.

The Professional Standards and Arbitration Committee added two new members, making the total number 24.

Evaluation forms, filled out by panel members who hear cases, continue to provide valuable information for the Professional Standards Committee chair.

Volunteers of the Ethics Advocate Group were called upon several times in 2010, supporting either the complainant or the respondent.

Professional Standards members were encouraged to take the C.A.R. online Professional Standards training since live training wasn't offered within SCCAOR's vicinity. Members are required to be trained every two years to stay current on changes. Eleven PS members took the online training in 2010 and four directors took the online class. All SCCAOR directors were encouraged to take the training, so that the pool of directors that are trained for director's reviews (DR) is increased beyond the Executive Committee.

Two Arbitration complaints were received in 2010, a 50 percent drop from the year before. One was adjudicated and the other was resolved prior to the hearing. The Professional Standards Manager assisted with the processing at SCCAOR of two C.A.R. Inter-Board complaints.

As of December 31, 2010, SCCAOR has collected \$950.00 in disciplinary fines, arbitration filing fees and mediation filing fees.

Public Relations/Marketing

The Public Relations/Marketing Department reached new milestones in 2010 in the following aspects: unprecedented successes in using social media to connect with our members and in expanding our media influence to the national level.

Social Networking

The department is keenly aware that social media are shaping up to be a key part of organizational communication. As a result of effective strategy and hard work, the department has turned SCCAOR's social media presence into an online magnet that engages members and attracts prospective members.

SCCAOR has more than 1,300 followers on Facebook and more than 1,200 followers on Twitter, and the numbers are continuing to go up. On these social media platforms, the department publishes daily SCCAOR updates, announces classes and events, and links to industry articles, C.A.R. and NAR resources.

With social media, the department has turned the traditional one-way communication model into a two-way dialogue with members and other industry professionals, stimulating fan participation and providing compelling, member-centered content in real time. The department has created a distinctive, consistent SCCAOR voice that made the Association easily recognizable on the social media platform.

Media Influence

SCCAOR has become not only the go-to source for regional media, but a trusted source for national media.

SCCAOR 2010 President Karl Lee's interview on mortgage interest deduction was broadcast live nationwide on Fox Business Network in November. Karl and other members of the 2010 Leadership are interviewed frequently by other national media, such as the Wall Street Journal, USA Today, AOL Online, and Housing Wire.

Each of our weekly press releases is picked up by about 160 news websites, such as Yahoo! News, CNN Money, Forbes, AOL, Reuters, Arizona Republic, Atlanta Business Chronicle, Baltimore Business Journal, Business Journal of Phoenix, Denton Record-Chronicle, Houston Business Journal, Pacific Business News, Sacramento Business Journal, KCAU ABC-9 (Sioux City, IA), KFJX-TV Fox-14 (Pittsburg, KS), KMTU-TV CBS-3 (Omaha, NE).

At the regional level, the SCCAOR President and President-Elect are routinely quoted in both the broadcast and print media, such as ABC 7, KRON 4, KTVU, the San Jose Mercury News, the San Jose Business Journal, the Milpitas Patch, and the Milpitas Post.

Highly Effective E-Newsletters

Despite a busy schedule with four member e-Newsletters, the department leads associations around the country in newsletter open rates. While the national

average stands around 14 percent, the open rate for SCCAOR e-Newsletters hovers around 20 percent.

The department achieves such a high open rate with compelling, to-the-point content and careful scheduling.

Providing Vital Support to Other Departments

The department provides crucial support to other departments in designing, creating, and editing communications. In all, the department is estimated to have completed about 200 writing/editing and/or graphic design projects in 2010, saving the Association \$150,000.

Here's a partial list of what the department completed in 2010:

- Created, edited, proofed critical communications to members that support the functions of other departments and the SCCR Foundation;
- Projects include letters/notifications to membership, eblasts to brokers and members, bylaw revisions, broker audit communications, dues billing communications, member benefit brochure;
- Created graphics, flyers, brochures, announcements to promote, association news and events, Foundation events, and Store sales.

Monthly Articles in the Mercury News

We ran articles in the Mercury News every month. These articles educated consumers on timely housing topics, such as the federal homebuyer tax credit and the C.A.R. homebuyer insurance program. This was a \$169,000 value at zero cost.

Events

The Events Department thrived in 2010 despite one of the worst market conditions in history. We not only conducted all our traditional events successfully, but managed to put on three events that were FREE to members. A large number of members attended the FREE REALTOR® Baseball Night in May, the FREE Membership Barbecue in July and the FREE Music in the Park event in August, enjoying wonderful food and camaraderie.

The department succeeds by negotiating best deals with vendors and innovatively saving expenses. These events break attendance records and have become signature events for SCCAOR. They serve to boost SCCAOR's image among the general public and members of the industry, provide tangible business opportunities to members, cultivate members' political awareness, and offer them opportunities to network and have fun.

SCCAOR Store

In 2010, SCCAOR Store kept expenses under control and stayed focused on our vision and strategic, operational, and financial goals. We were prudent in spending money at a time when many others had to make major adjustments, but we were also making wise, good investments.

The Store continued to aid members in their pursuit of the latest technology. Early 2010, the Store was at the forefront of the campaign to promote TextMyMLS, providing marketing materials, offering technical and customer support, and processing all the orders.

The Store enjoyed higher visibility and made a bigger impact by making an appearance at SCCAOR University classes and Association events, including Music in the Park and Second Harvest Food Drive. The Store displayed merchandise in a fun way at the Membership Appreciation BBQ and had great success in sales and publicity. The Store assisted the Membership Department during the busy months of dues billing and translated for Spanish-speaking members whenever called upon by other departments.

The Store carried out a number of initiatives to foster customer loyalty, increasing the breadth and depth of our product offerings, creating platforms to engage with customers, and delivering quality services and solutions. The Store increased the number of customized products, including A-frames, car magnets, and yard signs. The innovative Early Bird Promotion for the magnet calendars, which gave members exclusive discounts and offered to attach their business cards on the calendars, received positive feedback from members and staff. The promotion for the popular Boss Pro-Series Planners was also well received.

The Store is striving for more consistency, better customer service, and increased transparency. The Store is also building a more effective online store.