

Annual Report

Austin Board of REALTORS®

2003



Providing Tools and Technology...

Then and Now



MESSAGE FROM THE CHAIRMAN OF THE BOARD

Being a REALTOR® means more than just selling homes. Our business is about helping people make a major investment. What a year 2003 was for the real estate profession! REALTORS® were more willing than ever to give of themselves for the betterment of the community, and almost every goal that was set by ABoR was surpassed.

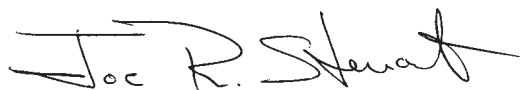
Each time there is a call to action, REALTORS® come running; this past year was a prime example of this. REALTORS® reached out to help fellow REALTORS® through the ABoR Foundation, which grants monies to professionals in the real estate business who are in need because they have fallen on hard times. The generosity exuded by our members was truly heartwarming and showed what REALTORS® are all about: helping the REALTOR® community as well as the community at large.

This year, ABoR has taken many strides to benefit its members and the community. Several changes initiated in 2003 will help members enhance their careers. However, none of these decisions were made hastily. The lives of our members are central to our organization, and ABoR strives to bring you premium business resources.

Through much research, including member surveys, ABoR opted to introduce a new MLS system which will be fully implemented in March 2004. The new system is sure to offer enhanced functionality. By the end of the year, more than 70% of all MLS participants had registered for a TEMPO training course.

We must learn to welcome new advancements. As REALTORS®, we must embrace the changes that are happening in the industry and anticipate the positive outcomes that these changes are sure to bring. With all of the advancements being made at ABoR, 2004 promises to be an exciting year, and I look forward to seeing our industry prosper.

Sincerely,



Joe Stewart, ABR, CRS, GRI



*Joe Stewart
2003 Chairman
of the Board*

MESSAGE FROM THE PRESIDENT AND CEO

A focus towards the future is one of the qualities I think members expect from us here at the Austin Board of REALTORS®. I'm proud, too, that we maintain the core values that tells everyone what we're about while bringing Central Texas real estate professionals the most advanced services in the industry.

At the Austin Board of REALTORS®, we make our members' need to stay at the forefront of their businesses a vital part of everything we do. In 2003, ABoR volunteer leadership and my staff led Austin area real estate professionals toward new and efficient business tools.

Recently, we introduced TEMPO, a Web-based MLS product that is accessible to REALTOR® at any time from any computer. Our professional development programs, notably locally-taught MCE and GRI, flourish because of a continuous commitment to high instructor standards and course development. In March, we were honored by the National Association of REALTORS® as one of the top three REALTOR® Association Web sites in the country. Our Government and Community Affairs efforts reached the largest-ever fundraising goal.

A committed Board of Directors and association staff has allowed us to reach great heights. As we look ahead, we will continue to nurture the strengths of these professionals to develop new strategies that enable us to better meet the needs of our nearly 6,000 members.

Sincerely,



David M. Foster, CAE, RCE



David M. Foster,
President and CEO

UNITING REAL ESTATE PROFESSIONALS AND THE COMMUNITY MORE THAN EVER

Record Breaking Year for Realty Round Up

Realty Round Up 2003 was a huge success, breaking attendance records with over 4,000 attendees and exhibitors. REALTORS® mingled with business associates, visited 190 Mardi Gras-themed exhibit booths, viewed presentations about the new MLS system and participated in a dKey exchange and iBox debut.

Members Selected for NAR Honorary Fraternity

Six ABoR members were inducted into the National Association of REALTORS® honorary fraternity, Omega Tau Rho (OTR). The six inductees were **Marty Halseth** of Marty Halseth; **Mary Joseph** of Amelia Bullock, REALTORS®; **Diane Kennedy** of Coldwell Banker United; **Kirby Parsons** of Coldwell Banker United; **Tom Polk** of Stanberry and Associates; and **Joe Stewart** of Realty World-John Horton. Membership is represented by the Medallion of Service, given to inductees for their dedicated service to the REALTOR® organization.

REALTORS® Volunteer in the Rosedale Ride

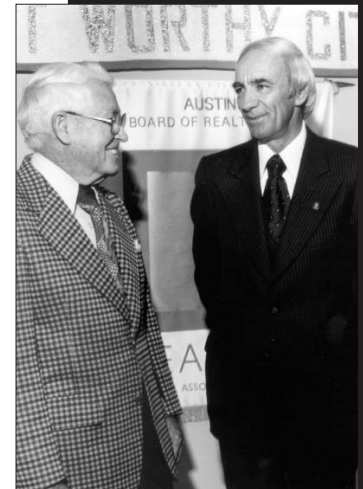
The community knows that it can count on our members to help out whenever possible, and this year eight of our members and their families were out in full force showing their volunteer spirit at the 2003 Rosedale Ride. The annual bicycle ride is aimed at raising funds for Rosedale Elementary, an AISD school specializing in educating children with learning challenges and special needs. This year, our member volunteers manned a rest stop providing beverages and power snacks to cyclists who were riding for a great cause.

Most Worthy Citizen Honored

Since 1949, ABoR has acknowledged a local citizen each year who improves the quality of life in Austin through volunteer efforts. **Neal Kocurek** received the 2002 Most Worthy Citizen Award. For over three decades, Mr. Kocurek has been involved in several different aspects of the Austin community, including education, energy, health, leadership, economic development and transportation.



*Hub Bechtol,
Tom Wiley and
Tim O'Neil*



*Moe Terrell
congratulates the
1977 Most Worthy
Citizen, Jay M.
Owens.*

UNITING REAL ESTATE PROFESSIONALS AND THE COMMUNITY MORE THAN EVER, CONTD.

Installation and Awards Party Drew Hundreds

Approximately 400 real estate professionals honored 2004 chairman **Carol Medley Parker** at the annual Installation Party themed “Cruising to the Magical Island of TEMPO.” The festivities included a reception, dinner and entertainment by The University of Texas Steel Drum Band and the magic of Master Magician Kent Cummins. During the event, new officers and directors of the ABoR Board of Directors were installed and outstanding members' accomplishments were recognized.



Coats for Kids Surpasses Goal

REALTORS® once again went above and beyond their call of duty in helping the community by contributing 533 coats to the annual Coats for Kids drive in 2003. The number of coats contributed by ABoR surpassed last year's contributions and the Community Service Committee's goal of 500 coats.

National Night Out Sponsorship Supports Community Involvement

Along with the Austin Police Department and Austin Energy, National Night Out (NNO) heightens crime prevention efforts and generates a spirit of community among homeowners. ABoR once again sponsored the highly successful NNO, encouraging REALTORS® to take an active role in fostering a sense of community with the citizens of Austin.

Sid S. Smith, Arthur Pihlgren, Forest Cherico and John D. Barton at the 1958 President's Ball.

SERVING AS ADVOCATES FOR THE REALTOR® COMMUNITY

Foundation Supports REALTORS® in Need

The ABoR Foundation supported several REALTORS® and their families over the year during catastrophic times. Throughout its inception, the Foundation has also brought hope to high school students with its popular scholarship program. As a 501(c)(3) charitable organization, the Foundation depends on donations from persons who share its goals and visions. All contributions to the Foundation are fully deductible as charitable contributions on federal income tax returns.

REALTOR® Safety at Focus

September 14-20 was named REALTOR® Safety Week by NAR. During that week, ABoR took time to remind REALTORS® of some valuable safety tips. Important pointers to keep members out of danger include carrying a cellular phone, taking your own car for showings and letting someone in your office know where you are at all times.

Surveys and Task Forces Gather Member Insight

ABoR surveyed members to acquire input on the quality of service provided by the Association. Nearly 25 percent of members participated in the study, which showed a vast improvement when compared to a similar survey conducted in 1997. Members' satisfaction with knowledgeable staff rose to 3.38 from 2.94 on a four-point scale, where four is "Clearly Exceeded Expectations." The survey highlighted various issues important to members and opportunities that ABoR used to further develop delivery of service. For instance, ABoR implemented changes in its telephone system soon after receiving survey results.

Member feedback was also gathered in the selection of the new MLS system which will be fully implemented during the first quarter of 2004. ABoR organized REALTOR® task forces and user groups to evaluate the Web-based system, TEMPO, in addition to developing system reports and screen formats. The Association also gathered approximately 200 suggestions from members regarding MLS functionality and data enhancements.

The REALTOR® Association in the Media

Throughout the year, ABoR's media relations efforts work to bring REALTORS® and the real estate market positive coverage. ABoR generated an average of 7 press clippings each month. The dollar value for this coverage using an advertising/public relations comparison total was \$182,000. Constant communication with the media and consumers using press releases and partnerships keeps ABoR at the forefront of the Austin community when it comes to the local real estate industry.

Providing Tools and Technology. . . Then and Now



ABoR scholarship recipients in 1980. The Foundation continues to support graduating high school seniors in the greater Austin area. In 2003, 10 scholarships were awarded to deserving area graduates.

INTRODUCING NEW RESOURCES THROUGH EDUCATIONAL OFFERINGS

Cultural Diversity Promoted through Education

The Cultural Diversity Committee held a panel discussion in May including representatives from local businesses and associations who discussed communication strategies and etiquette tips in relation to various cultures. ABoR also joined NAR and the U.S. Department of Housing and Urban Development (HUD) to bring REALTORS® the At Home with Diversity course. This innovative course helps every member of the real estate industry understand the smart business strategy involved in being sensitive to and aggressive in meeting the homeownership needs of diverse cultures.

Virtual University Brings Convenient MCE

ABoR officially launched a virtual university, allowing members to take approved Mandatory Continuing Education (MCE) courses anywhere, anytime. The online courses feature engaging multimedia animations with guided audio to allow the student the convenience of course instruction with only the need of an Internet connection.

Course Offerings Continue to Expand

To keep pace with the changing market, ABoR continues to bring members new course offerings. In 2003, ABoR provided approximately 500 hours of MCE-accredited education to 2,703 students.

New courses included the Advanced Accredited Buyer Representation Course “Successful Buyer Representation in New Home Sales”. This course was introduced to educate members on how to address the new home sales market. ABoR also established the first local offering of the Real Estate Professional Assistant (REPA) course, which provides an intensive introduction to the real estate business and outlines how support staff can become valuable assets to their employers. Merging Markets: Seize the Opportunities, a special course offered in partnership with the Texas Association of REALTORS® (TAR) and Fannie Mae, provided students with information on the new financing options for buyers with past credit problems or those who lack cash for a down payment.



An instructor teaches a class to ABoR members during the 1970's.

IMPACTING LEGISLATION THAT AFFECTS THE REAL ESTATE INDUSTRY

Members Lobby to Influence Legislation

Thirty members of ABoR gathered at the State Capitol in a statewide REALTOR® lobbying effort coordinated by TAR. Our members met with state senators and representatives to discuss the 2003 State Legislative issues, including insurance, taxation, mortgage financing, private property rights and the Texas Real Estate Commission. The visit concentrated on securing support from state lawmakers on specific house and senate bills.

REALTORS® Converge on Capitol Hill

Several ABoR members joined over 7,000 REALTORS® from across the nation at the 108th Congress during the 2003 NAR Mid-Year Conference in Washington D.C. in May. REALTORS® met with their respective 535 congressional representatives during a two-day period to brief legislators about several public policies concerning REALTORS®, such as the Community Choice in Real Estate Act, the American Dream Down Payment Act, the Affordable Housing Production Tax Credit and the Natural Disaster Insurance Act.

Events Raise Funds and Promote Legislative Involvement

ABoR's Texas Real Estate Political Action Committee (TREPAC) events were a huge success. The annual golf tournament, held at Avery Ranch, generated more than \$12,000 toward the TREPAC investment goal. More than 100 members gathered for the ABoR-TREPAC Wine Tasting Social, producing over \$3,000 for TREPAC. Throughout the year, TREPAC investment teams also visited local member offices to inform members about the role of the Political Action Committee (PAC). By the end of 2003, 1,900 ABoR members had invested in TREPAC, raising a total of \$128,250.

REALTORS® Encouraged to Vote, Provide Testimony

ABoR supported the enactment of all 22 amendments proposed to the state constitution and asked members to vote in favor of them. All 22 amendments were passed, including two which were of special interest to the real estate community. ABoR also urged REALTORS® to provide testimony regarding problems they may have encountered with municipalities that enforce off-premise sign ordinances. Since then, a state-wide investigation has been implemented on the impact of such ordinances that forbid off premise signs on private property.



Past community involvement efforts by the Association's Government Affairs Department included voter registration drives like the one pictured above.

LEAPING AHEAD WITH THE HELP OF TECHNOLOGY

Abor.com Receives National Recognition

Our new member Web site features convenient, time-saving tools for Austin area REALTORS®. An average of 1,175 unique visitors use **Abor.com** each business day to pay account balances, update information, read the latest news and register for courses. **Abor.com** was honored as one of the top three member Web sites in the national Best of the Web competition sponsored by NAR's *REALTOR® Association Executive Magazine*. Judges praised **Abor.com** for its professional design that reflects well on Austin REALTORS® and found the “timely news features on each page very engaging.”

Online Payment Brings Convenience to REALTORS®

Members have found the online payment function on **Abor.com** extremely convenient and hassle-free. By the fourth quarter of 2003, approximately one third of all members had paid invoices on **Abor.com**. The feature allows members to pay their fees online and enables them to easily avoid any late fees or risk terminating their memberships.

Austinhomesearch.com Spawns New Ad Campaign

ABoR's consumer Web site, **Austinhomesearch.com**, was the target of a new ad campaign directing consumers to the Web site for realty information. The Web site markets the value of REALTORS® to consumers and delivers information on thousands of property listings. The campaign included print, radio, outdoor and online mediums, and succeeded in increasing the number of unique visits to the site by 30 percent compared to those in 2002.



This ad promoting the use of Austin's MLS service through a REALTOR® ran in 1954 in the Austin-American Statesman.

MAKING ADVANCEMENTS IN MLS PRODUCTS AND SERVICES

MLS Transition Campaign Launched

Upon the expiration of a contract with Interealty and a phase-out the Stellar and Altaira systems, ABoR examined several Multiple Listing Service (MLS) vendors to bring you the most exceptional MLS system available. Once a vendor was approved, members began preparing for the exciting transition to TEMPO. An extensive communications campaign which included monthly e-mail broadcasts, online articles, press releases, postcards, advertisements and newsletter articles was implemented to educate all MLS participants about the conversion.

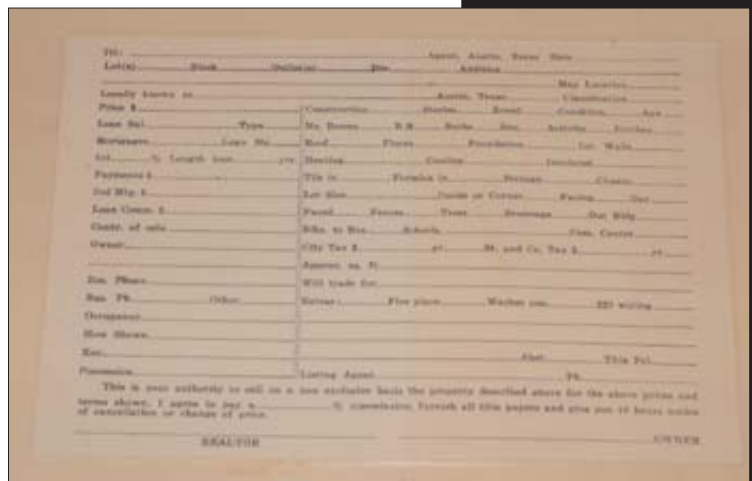
The new Web-based MLS system is used by more than 190,000 agents in more than 25 markets including Atlanta, Dallas and Houston. The system promises time-saving features and superb functionality and allows REALTORS® to access the MLS anytime and anywhere. Training began months in advance to give members ample time to learn the system.

Electronic Photo Submissions Reach Record Level

More than 160,000 electronic photograph submissions were made via PhotoLink in 2003. Averaging 13,000 submissions each month, the increase in photographs brings consumers and REALTORS® a database rich with visual content.

ABoR Introduces the iBox

Last year, the Supra iBox was introduced to the Austin area real estate community. The iBoxes are used in 30 REALTOR® associations across the nation and have been hailed as time-saving devices that feature added security. The lockboxes use infrared technology to allow users to store more information electronically. During the week of its debut, ABoR held a dKey exchange and offered iBoxes for sale to members at a discounted rate.



Prior to the use of a computerized system, ABoR members exchanged property listings on forms such as this one from 1956.

MAKING ADVANCEMENTS IN MLS PRODUCTS AND SERVICES, CONTD.

WyldFyre Replaces Altaira

Although the retirement of Altaira and Passport is on the horizon, a desktop MLS product will continue to be supported by ABoR. Using member survey results that showed MLS participants' preference for a desktop product, ABoR introduced WyldFyre Listings in October. WyldFyre Listings is an upgraded version of Altaira that allows property information to be downloaded onto personal computers from the MLS. WyldFyre presentations were featured at Realty Round Up and several training opportunities on the product were offered at ABoR.

Members Urged to Maintain Accurate Database

ABoR strives to provide members with accurate property information, and we encourage members to do their part. In May, ABoR reminded members that sold properties must be reported as sold, not withdrawn by implementing a fine and requiring that accurate information to be submitted. Complete Rules and Regulations were made available to all MLS participants to ensure that the integrity of MLS data is upheld. A campaign to remind members about the purpose of the "Sold Comments" field was also initiated.

Supra Worked to Improve Quality of Lockbox System

Users of the Supra lockbox system experienced issues throughout the nation. In an effort to reduce end-user frustrations, Supra installed a new telephone system to improve service to users of its network. The new system was implemented after several local associations, including ABoR, voiced the challenges REALTORS® faced in updating keys and accessing Supra technical support.



This last non-electronic lockbox system was used by ABoR members until 1995. Today, members enjoy the improved technology, safety and monitoring with the iBox system.

FINANCIALS

REALTOR® Store

Generated income from sale of contracts, signs, stakes, maps and other marketing supplies
\$32,763.87
2.5%

Other

Includes income generated from rent, licensing fees and rebates
\$179,944.89
13.5%

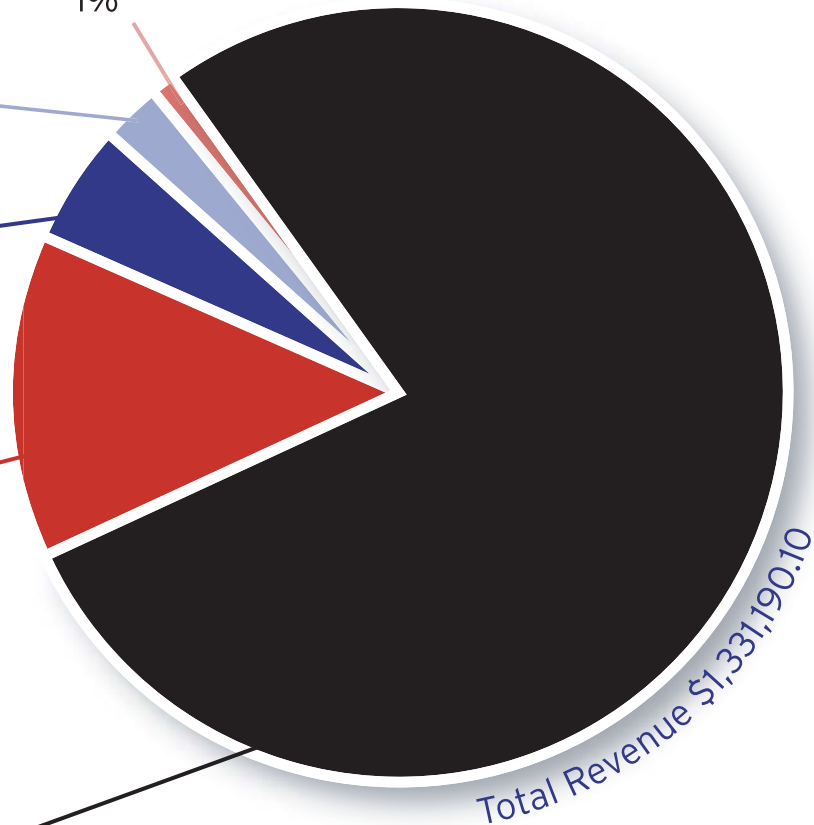
Education

Includes income from MCE, GRI, CRS and ABR courses
\$68,473.00
5%

Annual Dues
\$1,035,959.02
78%

Investment Income

Includes income generated from interest earned on accumulated reserves
\$14,049.32
1%



*Figures are Based on Percentage of Total Revenue

2003 BOARD OF DIRECTORS

Chairman of the Board

Joe Stewart, Realty World

Chairman-Elect

Carol Medley Parker, Coldwell Banker

Secretary/Treasurer

Roger Sturgell, RE/MAX

Immediate Past Chairman

David M. Pruitt, David M. Pruitt,
REALTORS®

President and CEO

David Foster, CAE, RCE

Directors

Sherry Browne, Sherry Browne, REALTORS®

Janice Campbell, Top Realty Services, LLC

Socar Chatmon-Thomas, RE/MAX

Carol Dochen, Carol Dochen, REALTORS®

Debbie Espe, Keller Williams Realty

Maryam Gharbi, Century 21 Capital Team

Jay Gohil, Jay Gohil Realty

Debi Leavitt, Stanberry and Associates

Warren Marshall, Realty World

John Patton, Capital Properties GMAC

Charles Porter, Bryker Properties

John Rosshirt, Stanberry and Associates

Phyllis Woodham, Guardian 2000, Inc.



*The 1974 ABoR
Board of Directors.*