



2019 ANNUAL REPORT

A review of the core services
Minnesota Realtors® provides.

Uniting for a Stronger Industry

LETTER FROM CHRIS GALLER, CEO

2019 was a year of growth, change, and challenge for all of us in the real estate industry. In times like these, our best resource is each other. When we come together, united in common cause, we can achieve amazing things. These are a few achievements that Realtors® in Minnesota accomplished last year.

In March, 375 real estate professionals gathered in St. Paul for Housing Day at the Capitol (HDAC). By talking with legislators, they raised awareness and paved the way for our Government Affairs team's legislative wins.

What better way to unite than by attending UNITE? In October, Realtors® and brokers came together for our annual convention. With its stellar lineup of speakers, continuing ed, symposiums, and entertainment, the event was a huge success.

We also united in the classroom. Record numbers of real estate professionals pursued their Graduate, Realtor® Institute (GRI) designations. And with NAR's new Commitment to Excellence (C2EX) endorsement program, Realtors® honed their knowledge in a wide range of areas.

Keeping us all connected is the mission of Marketing Communications. Our new cleaner, leaner newsletter delivers news you can use while on the move! And that's just the beginning. Expect more email campaigns, videos, press releases, a redesigned website, and an association rebrand.

Our Risk Management team fielded scores of complaints, held hearings, and answered tons of questions on the Legal Hotline. In the end, they saved members a fortune in legal fees, cleared the air, and brought people back together.

Uniting an association with more than 20,000 members takes a lot of brain power. That's why we added some of the best minds in Minnesota to our team. The Government Affairs team welcomed Megan Rossbach as Minnesota RPAC Coordinator. Laurie Ganz, our new Director of Professional Development, joined to oversee education and training. Finally in November, we hired Heather Boschke as Vice President of Marketing & Communications. With her diverse background, she is already making a big impact.

We look forward to partnering with you and all our members in 2020 and achieving a whole lot more.



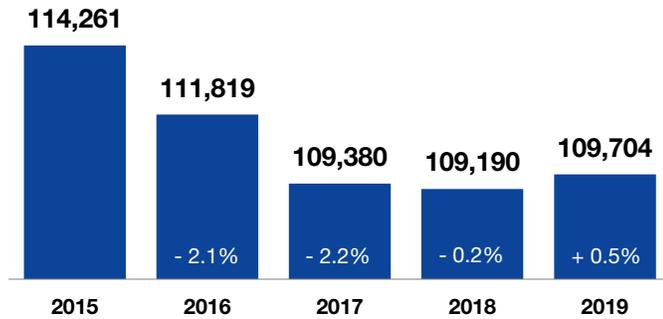
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Chris Galler,
CEO



HOUSING REPORT QUICK FACTS

New Listings



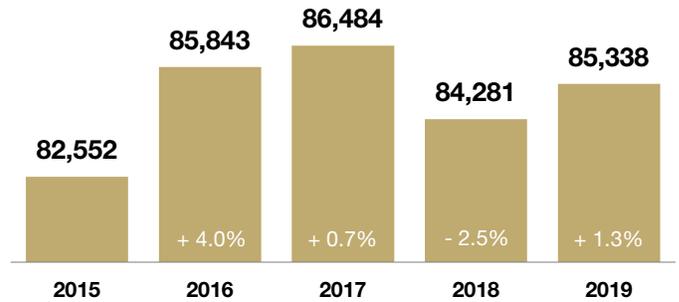
Top 5 Areas: Change in New Listings from 2018

Mahnomen County	+ 230.0%
Norman County	+ 157.1%
Traverse County	+ 133.3%
Wilkin County	+ 87.5%
Kittson County	+ 84.6%

Bottom 5 Areas: Change in New Listings from 2018

Isanti County	- 12.7%
Lake of the Woods County	- 15.5%
Rock County	- 16.7%
Koochiching County	- 19.5%
Steele County	- 28.4%

Pending Sales



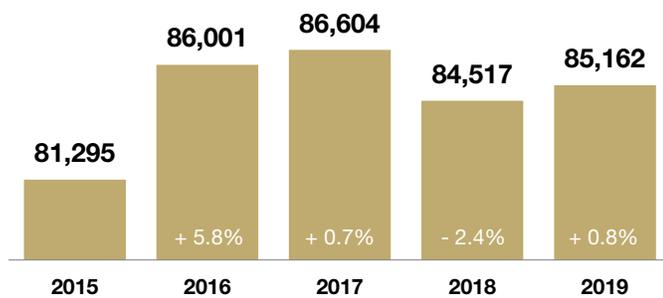
Top 5 Areas: Change in Pending Sales from 2018

Norman County	+ 266.7%
Wilkin County	+ 200.0%
Traverse County	+ 144.4%
Marshall County	+ 95.5%
Otter Tail County	+ 62.4%

Bottom 5 Areas: Change in Pending Sales from 2018

Pope County	- 12.1%
Lincoln County	- 16.0%
Steele County	- 19.1%
Chippewa County	- 19.4%
Koochiching County	- 26.6%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2018

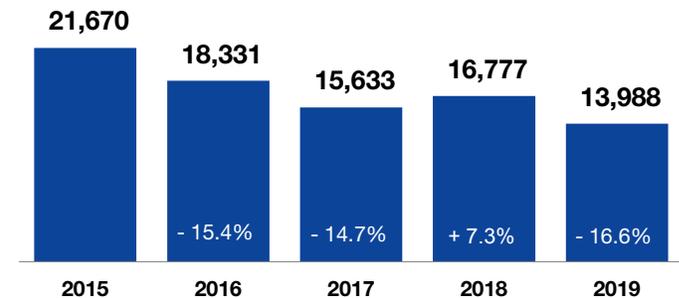
Norman County	+ 200.0%
Wilkin County	+ 200.0%
Traverse County	+ 187.5%
Marshall County	+ 82.6%
Otter Tail County	+ 63.0%

Bottom 5 Areas: Change in Closed Sales from 2018

Pope County	- 16.1%
Steele County	- 18.9%
Lincoln County	- 20.0%
Koochiching County	- 26.5%
Red Lake County	- 29.4%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2018

Rock County	+ 177.8%
Watsonwan County	+ 150.0%
Clay County	+ 100.0%
Wilkin County	+ 100.0%
Murray County	+ 64.0%

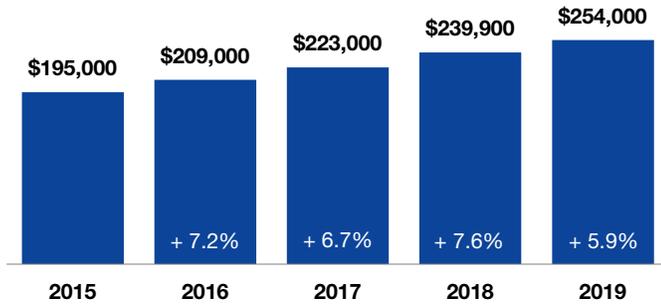
Bottom 5 Areas: Change in Homes for Sale from 2018

Grant County	- 32.1%
Norman County	- 33.3%
Todd County	- 33.9%
Pennington County	- 35.9%
Mahnomen County	- 76.9%



HOUSING REPORT QUICK FACTS

Median Sales Price



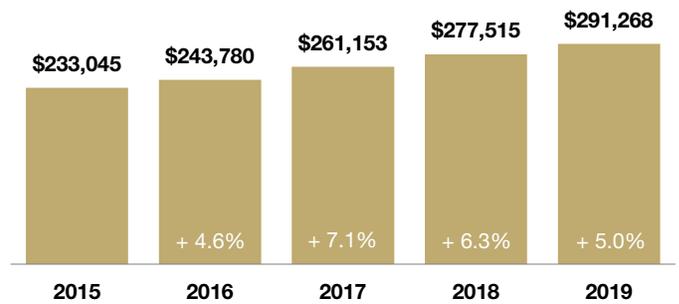
Top 5 Areas: Change in Median Sales Price from 2018

Traverse County	+ 95.6%
Mahnomen County	+ 92.8%
Lake of the Woods County	+ 74.7%
Rock County	+ 51.0%
Swift County	+ 44.7%

Bottom 5 Areas: Change in Median Sales Price from 2018

Houston County	- 13.2%
Marshall County	- 13.7%
Jackson County	- 16.0%
Big Stone County	- 16.7%
Norman County	- 22.6%

Average Sales Price



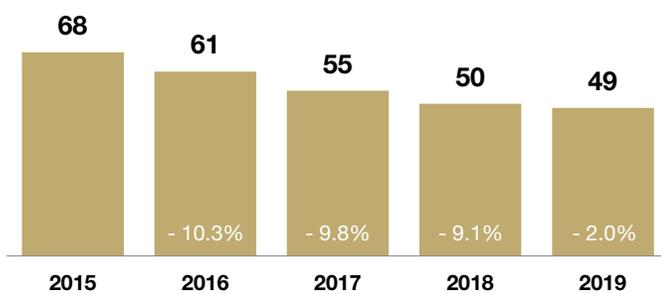
Top 5 Areas: Change in Avg. Sales Price from 2018

Wilkin County	+ 71.9%
Traverse County	+ 71.5%
Mahnomen County	+ 63.1%
Lac Qui Parle County	+ 50.3%
Pipestone County	+ 35.3%

Bottom 5 Areas: Change in Avg. Sales Price from 2018

Cook County	- 10.2%
Murray County	- 11.4%
Jackson County	- 15.8%
Norman County	- 18.8%
Lincoln County	- 22.2%

Days on Market Until Sale



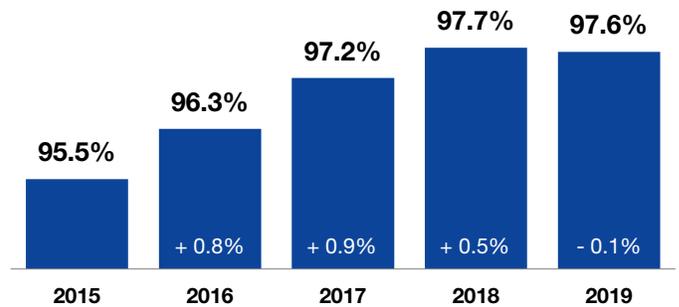
Top 5 Areas: Change in Days on Market from 2018

Red Lake County	+ 38.5%
Wabasha County	+ 30.4%
Wilkin County	+ 28.2%
Pipestone County	+ 23.9%
Lyon County	+ 21.1%

Bottom 5 Areas: Change in Days on Market from 2018

Todd County	- 26.4%
Becker County	- 28.6%
Norman County	- 29.0%
Traverse County	- 38.0%
Cottonwood County	- 43.1%

Percent of Original List Price Received



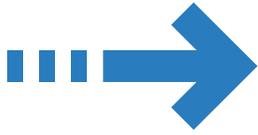
Top 5 Areas: Change in Pct. of Orig. Price Received from 2018

Wilkin County	+ 8.0%
Jackson County	+ 4.6%
Mahnomen County	+ 4.2%
Pipestone County	+ 4.0%
Kittson County	+ 3.6%

Bottom 5 Areas: Change in Pct. of Orig. Price Received from 2018

Houston County	- 3.4%
Sibley County	- 3.4%
Red Lake County	- 4.9%
Lincoln County	- 4.9%
Norman County	- 8.5%

STRATEGIC PLAN



ADVANCE PROFESSIONALISM OF MEMBERS

Educate members on their responsibilities under the Realtor® Code of Ethics and provide consistent enforcement



ADVOCATE FOR REALTORS® AND REAL PROPERTY

Influence government, communicate Realtor® positions, and enhance Realtor® relevancy at the Capitol



ENABLE MEMBERS TO BE RELEVANT NOW AND AS BUSINESS EVOLVES

Provide resources, leadership, and facilitate education for maintenance of licenses and accreditations



INCREASE MEMBER UNDERSTANDING OF AND ENGAGEMENT WITH OUR SERVICES

Communicate the value Minnesota Realtors® brings to members through dynamic content



TRANSFORM MINNESOTA REALTORS® TO BEST SERVE MEMBERS IN THE FUTURE

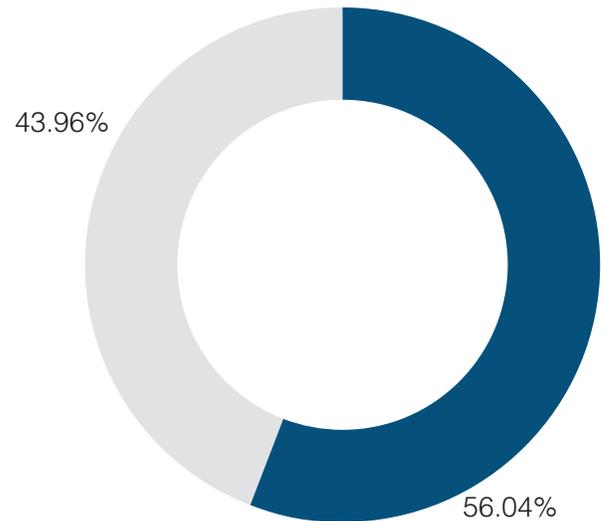
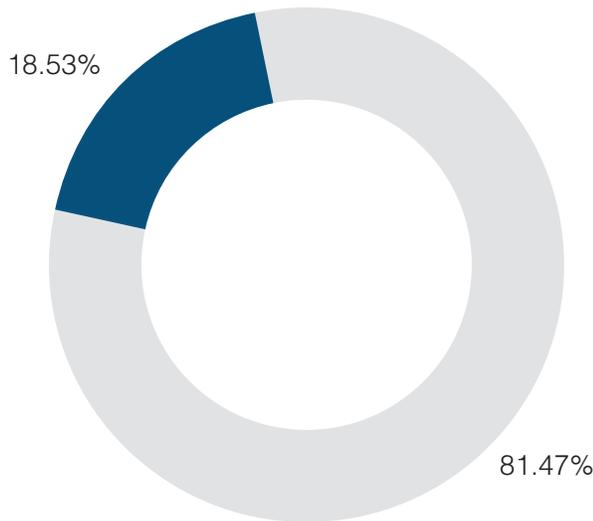
Maximize value to members and explore alternative revenue streams

ORGANIZATIONAL EXCELLENCE

2019 FINANCIALS

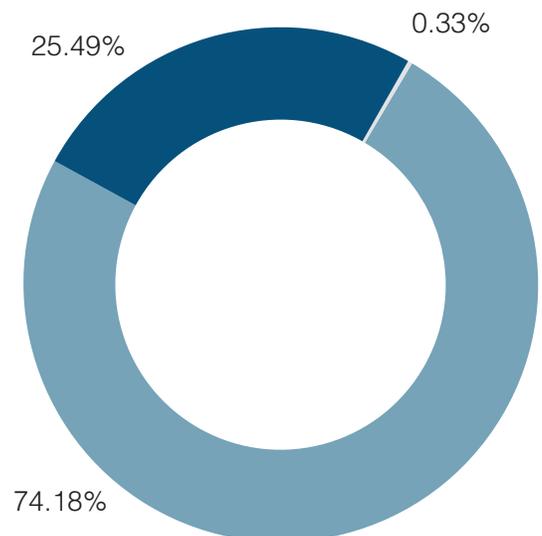
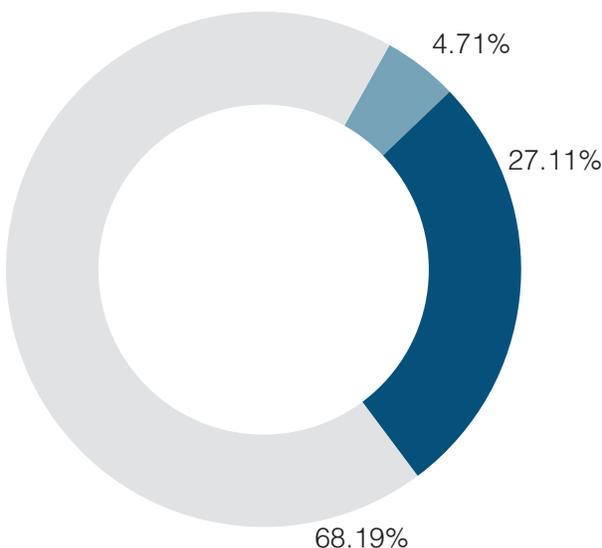
INCOME STATEMENT (JANUARY 1-DECEMBER 31, 2019)

Revenue		Expenses	
■ Dues and Fees	\$3,915,321.53	■ Program Expenses	\$2,287,136.55
■ Activities and Other	\$890,303.18	■ Management & General	\$1,872,930.79
Total Revenues	\$4,805,624.71	Total Expenses	\$4,260,067.34



STATEMENT OF FINANCIAL POSITION (JANUARY 1-DECEMBER 31, 2019)

Assets		Liabilities	
■ Current Assets	\$2,359,975.74	■ Current Liabilities	\$2,219,674.11
■ Long Term Assets	\$5,936,593.13	■ Long Term Liabilities	\$28,365.00
■ Property & Equipment	\$409,755.17	■ Net Assets	\$6,458,284.93
Total Assets	\$8,706,324.04	Total Liabilities	\$8,706,324.04



ORGANIZATIONAL EXCELLENCE

2019 LEADERSHIP TEAM



Matt Loskota
President



Bob Clark
President-Elect



TJ Simon
Treasurer



Tracie Fogelson
Immediate
Past President

COMMITTEES

Our committees provide valuable feedback and recommendations to our Board of Directors so that they can make the best policy decisions on behalf of our members.

Board of Directors

Diversity

Finance

Governmental Affairs

Nominating

Professional Standards

Public Advocacy

Strategic Issues

Communications

Executive

Forms

Member Engagement

Professional Development

Professional Standards Policy

Risk Management

RPAC Trustees

2019 AWARD WINNERS



Todd Shipman
Minnesota Realtor®
of the Year

Todd has held positions in many Realtor® committees, is a Major Investor, and is very active regarding sustainability initiatives.



Michael Hunstad
Ed Anderson Political
Achievement Award

Michael has served as chair of the MN-RPAC Trustees, is a Major Investor, and a leader in the Broker Involvement Program.

EVENTS BY THE NUMBERS

REALTORS®
UNITE!

 **597**
ATTENDEES

{31% were first timers}

 **49**
EXHIBITORS

58%
of attendees
were from the
METRO

42%
of attendees
were from
**GREATER
MINNESOTA**



HOUSING
DAY AT THE CAPITOL

 **375**
ATTENDEES



MET WITH
78% of the
LEGISLATURE



RISK MANAGEMENT REPORT

PROFESSIONAL STANDARDS

ETHICS COMPLAINTS

18

Ombuds Requests



101

Complaints Received



49

Hearings Held



38

Violations Found



15

Citations Issued



4

Appeal Hearings



ARBITRATION REQUESTS

1

Mediation



18

Arbitrations Filed



7

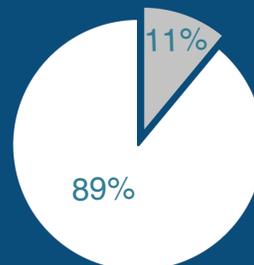
Hearings Held



LEGAL HOTLINE

Top 5 Topics:

- Contracts/Forms
- Disclosures
- Agency
- Arbitration/Commissions
- Contingencies



1,752 Total Submissions

- phone
- online

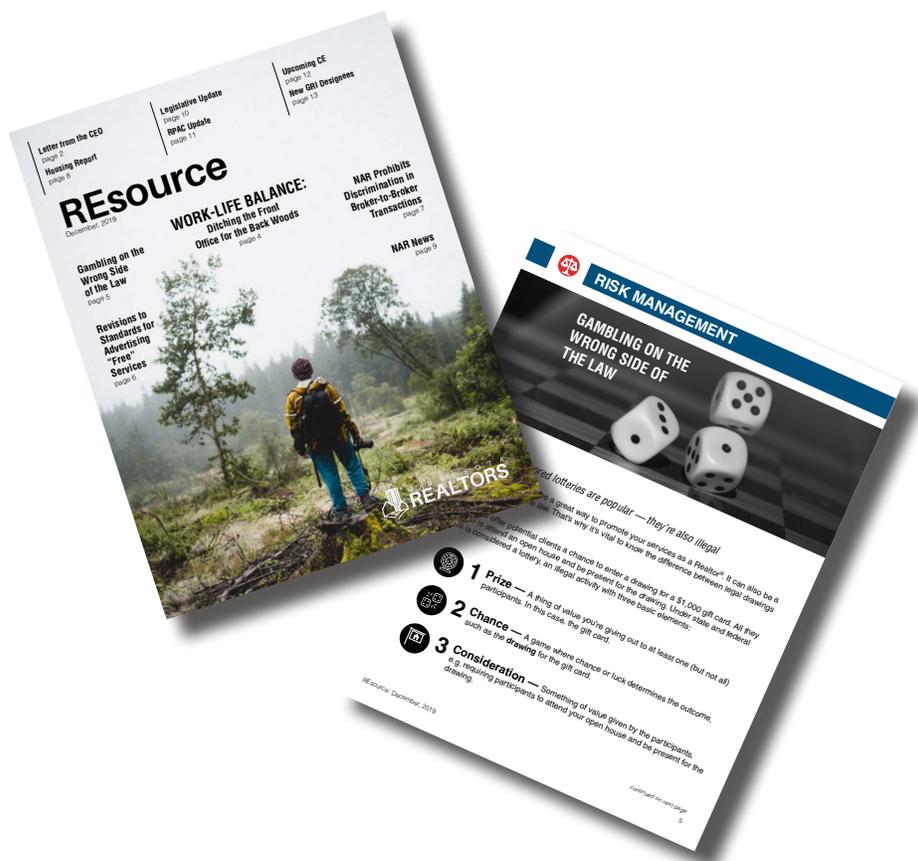


COMMUNICATIONS UPDATE

Simple, Professional, Valuable

- Design Led
- Less is More
- Metrics Measuring
- LinkedIn Presence
- Infographics

OCTOBER 2019 HOUSING REPORT 	7,802 CLOSED SALES ↑ <small>+ 1.3% vs. Oct. 2018</small>	\$250,000 STATEWIDE MEDIAN SALES PRICE <small>+ 4.6% vs. Oct. 2018</small>
	20,796 HOMES FOR SALE ↓ <small>- 5.3% vs. Oct. 2018</small>	\$286,000 7-COUNTY METRO MEDIAN SALES PRICE <small>+ 5.9% vs. Oct. 2018</small>
	48 DAYS ON MARKET ↓ <small>- 9.4% vs. Oct. 2018</small>	



81 EMAIL CAMPAIGNS



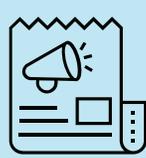
5,389 FOLLOWERS



45 VIDEOS



1,422 FOLLOWERS



60 PRESS RELEASES

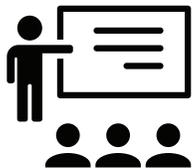
PROFESSIONAL DEVELOPMENT UPDATE



GRADUATE,
REALTOR®
INSTITUTE



90 GRADUATES



36 CLASSES
OFFERED



995
REGISTRATIONS

5 MOST POPULAR COURSES:

- Code of Ethics: Case Studies II
- Negotiate with Confidence and Power
- Guide to Navigating Real Estate Transactions
- The Role of Diversity Marketing in Your Real Estate Practice
- Proper Pricing and Secrets of the CMA



127
REGISTRATIONS



216
PARTICIPANTS

185
STARTED

31
COMPLETED

ADVOCACY UPDATE

2019 Legislative Wins

Your lobbying team advocates for your business rights, private property rights, homeownership, and housing affordability.



Supported legislation to simplify advertising requirements for real estate licensees



Supported adding designated agency as a relationship option



Supported the creation of a legislative commission on housing affordability



Worked to defeat a home seller requirement to disclose chronic wasting disease on the property

Fighting for You

The Realtor® Party speaks with one voice to advance candidates and public policies that build strong communities and promote a vibrant business environment.

2018 Mid-Year Election Wins

17 Candidates Endorsed

12 Endorsed Candidates Won



Gov. Tim Walz



Sen. Jeff Howe



Rep. Duane Sauke
former Realtor®



Rep. Eric Lucero
Realtor®



Rep. Jon Koznick
former Realtor®



Rep. Nels Pierson
Realtor®



Rep. Tama Theis
Builder



Rep. Tim O'Driscoll



Rep. Greg Davids



Rep. Melissa Hortman



Rep. Jim Nash



Rep. Laurie Halvorson

2019 MN-RPAC Update



Dollars Raised



\$465,246

Total Investors



4,569

Major Investors



133