



Keller Williams Ceo John Davis Shares The Impact That Today'S Real Estate Market Is Having On The Industry As A Whole

ESTATENVY spoke with Davis to learn how current real estate trends will shape the future of the industry.

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In today's real estate industry, there's no shortage of influencers changing the game. From the latest home hunting apps to major real estate brands that have been around for years, buyers and sellers have more resources at their disposal than ever before. But even as the industry continues to evolve and change, there are some brands and people who play a more significant and active role. One of those individuals is John Davis, CEO of [Keller Williams](#).

Davis grew up in the Vail Valley of Colorado, and was always fascinated by real estate. But he didn't officially move into the real estate sales business until after he had the opportunity to be

trained by Gary Keller while working at a mortgage company he owned. Davis was tasked with serving as the Team Leader of an underperforming market center, which he helped turn into one of the most profitable market centers for Keller Williams. That then led to a position turning around a struggling region. In 2011, Davis was moved up to the executive leadership team, when he was asked to launch a company-wide growth initiative. Following that initiative's success—that doubled Keller Williams' agent count and increased profits by 454 percent in just five years—he started working as the company's president. And earlier this year, Davis was named CEO of Keller Williams.

Wit Davis' extensive experience in the real estate industry and success with Keller Williams, it's no surprise that he's been recognized by both Inman and Swanepoel as someone who is driving change. That's why ESTATENVY spoke with him to learn more about what makes Keller Williams stand out, the trends currently shaping the real estate environment and what the industry can expect to see down the line.

What is it that makes Keller Williams unique within both the franchising and real estate industries?

Our training and culture. Gary Keller used to joke that we're a training company that just happens to sell real estate. Education is at the core of everything we do. In fact, earlier this year, Training Magazine named Keller Williams the world's #1 training organization across all industries. Yet even more important than our training is our culture. It's who we are. Our Big Why as a company is helping people fund their lives so they can create opportunities. That includes taking care of our people and giving back to the communities we serve. This ranges from our charitable 501(c)(3), which each year donates millions of dollars to agents and family members experiencing unexpected hardships, to volunteering hundreds of thousands of hours on RED Day, to helping people build big businesses that allow them to make a difference in other people's lives. All this generosity—all the legacies our people are leaving—stem from our culture of abundance.

What makes an ideal franchisee or employee? How do you know that someone is going to be a great fit for the Keller Williams brand? Are there specific abilities that you look for when teaming up with franchisees and employees?

We're passionate about getting into business with the right talent. Through Gary's leadership, we've developed a proprietary personality assessment that measures a prospective candidate's thinking and behavior. At every level of our organization, we commit to a thorough Career Visioning process to make sure it's a win-win opportunity for both parties. We've also developed job fit guides for the different roles within our company. Because we're so large (with 160,000 global associates and growing!), we have a very large sample size to learn from. There are no right or wrong answers on the assessment, but it generates a lot of data, which provides us insights into the types of behavioral profiles that are most likely to succeed in specific roles. And as soon as someone's on board, we leverage coaching and accountability to help people grow in their roles and follow a career path they're passionate about and that

complements the business's goals.

Since you've been involved in the real estate industry, what have been the biggest changes that you've seen?

What's most remarkable to me is what hasn't changed! Agents are still at the center of the transaction. In fact, according to the National Association of Realtors, 90 percent of buyers and 89 percent of sellers used an agent last year. Both of those figures are actually higher than they were a decade ago. Plus, our own research shows that agents still generate the bulk of their gross commission income (GCI) from referrals and their sphere of influence. Clearly, technology has enhanced the search process, but consumers still want and need the skills and expertise of a trusted real estate professional. People want to do business with a person, not a franchise brand. And that's why Keller Williams is so adamant about standing with our agents and not in front of them.

What trends in the real estate industry are currently having the most impact?

With respect to market conditions, we continue to see really tight inventory – especially at lower price points. Luxury sales are returning to a more balanced market, but at the more affordably priced end of the spectrum, it continues to be a strong sellers' market in most markets. A broader trend we're seeing– and one we're really excited about–is agents running their businesses as businesses. From licensees to the most successful agents in the country, we're seeing more and more emphasis on using business fundamentals and empirical evidence to guide business decisions. Last year, we launched the Career Growth Initiative, or "CGI," and had more than 100,000 agents enter their profit goals. Using our CGI Calculator, we helped them identify the daily activities (like listing appointments) that they need to accomplish to achieve their goals. They're modeling the behavior of mega agents. And speaking of mega agents, surely one of the most disruptive developments in real estate in the past few years has been the growth and success of agents who are expanding into additional markets. Keller Williams is thrilled to be the leader in Mega Agent Expansion.

What are the biggest challenges facing the real estate industry—and the professionals working in the business—today?

An agent's biggest "challenge" today is the same as it was the first day I entered this business: lead generation and conversion. You can't close transactions without buyers or sellers. So it's absolutely critical to any agent's business that they have a robust lead generation system that can produce predictable results. And once you have the lead, you have to have the skills and expertise to convert that lead into a client. The key to achieving your goals is focusing on your most leveraged activities. As for the industry, I think our biggest challenge is communicating and delivering value. We're collaborating with a lot of franchise companies and independent brokerages on major industry initiatives that will help all agents and consumers.

Do you anticipate any other trends coming to the forefront of the industry in the months and years ahead?

The trend that's likely to have the most impact in the months and years ahead is the investment in technology and innovation. As a company, we're investing \$41.1 million in technology this year to help agents expand market share while creating more meaningful experiences for consumers. And venture capital firms are pouring in literally billions more. We're especially bullish on the opportunities in the real estate space for augmented reality, virtual reality, smart homes, and home improvement technology. We're transitioning into a technology company, and we have some amazing platforms and tools we're rolling out to add real value to agents and their clients. It's an exciting time to be in real estate!