Realogy Innovates for Diversity and Inclusion

Few would argue that 2020 was not a tumultuous year across the board but it was a watershed moment for the way business is done and how companies are comprised.

At the heels of the instant shift to remote work due to COVID-19, institutions and industries have taken a hard look at bias and where it may lie in long-established systems. Corporations ramped up diversity and inclusion initiatives -- often referred to as D&I -- to address internal needs and the ways companies interacted with their consumers and communities.

One organization already leading the charge is Madison, New Jersey-based Realogy, the leading holding company for real estate services in the United States. It already had its Inclusive Ownership Program that was piloted through Coldwell Banker in 2020 and is now expanding to its other brands. The industry-first initiative was created to invest in the success of diverse brokerage owners who can then extend their expertise and availability to their communities.



Jason Riviero

The holding company for the six largest real estate brands expands its Inclusive Ownership Program.

Realogy is the holding company for six of the largest real estate brands with four business units. Similar to McDonald's, Realogy has company-owned stores and company-owned operations under the banner of Coldwell Banker, Sotheby's International Realty and the Corcoran Group. They also have the Realogy Franchise Group, which are the three brands plus three others that are purely franchised -- Century 21, ERA Real Estate and Better Homes and Gardens Real Estate.

The Inclusive Ownership Program identifies diverse populations as women, veterans, self-identified LGBTQ+, and self-identified ethnic and racial groups including Hispanic, Black, and Asian American and Pacific Islander.

When Realogy was crafting its diversity and inclusion initiatives, taking a holistic approach



Realogy CEO Ryan Schneider

was the priority. "It was about attracting diverse talent, and also marketing, community outreach, and bringing in affiliates, in what is a B2B program that extends to B2C benefits," says Jason Riveiro, senior director of Global Growth Markets for Realogy.

"The word 'holistic' is a perfect example of how we think of diversity and inclusion," he adds. "Companies tend to focus primarily on their employees and how they're recruiting talent, empowering their people, and developing leadership. That is certainly the case for us, but we also believe in extending to further as well. Our approach goes from our employees to our agents, brokers and ultimately, our communities, to form an ecosystem of diversity, equity, and inclusion."

Realogy's leadership team determined it required resources to make sure all affiliates and partners were modeling and actively innovating to achieve the company's overarching goals.

"We work with all our brands to come up with strategies to promote inclusive homeownership, so they all have the same opportunities," Riveiro says. "We are already committed to seeking out minority brokerages to affiliate with over the past few years. This effort culminated with the addition of 45 diverse brokerages in 2020."

The Inclusive Ownership Program pilot involved recruiting independent brokerages owned by women, veterans, and minorities to become affiliates of Coldwell Banker. The benefits included a waived initial franchise fee, financial incentives, exclusive education and mentorship opportunities, and assistance to attain a National Minority Supplier Diversity Certification (NMSDC).

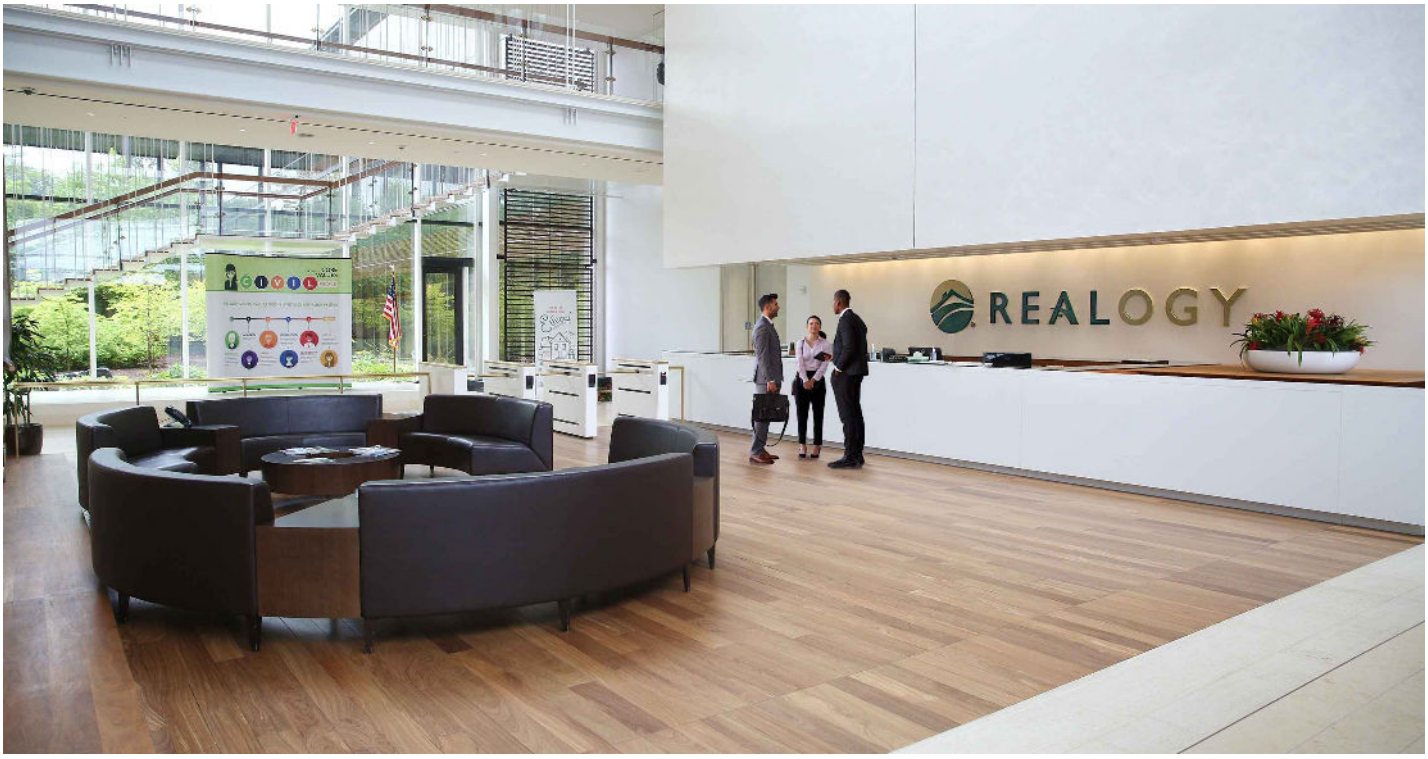
Additionally, owners can receive a tuition discount for Realogy's Ascend: The Leadership Experience – a 48-week program that's "similar to a real estate MBA," Riveiro says. Future benefits vary, brand to brand.

Owners in the program also receive a complimentary membership and conference registration to an industry partner organization of choice. These include the National Association of Real Estate Brokers (NAREB), the National Association of Hispanic Real Estate Professionals (NAHREP) and the Asian Real Estate Association of America (AREAA).

"To put in perspective how extensive this is in terms of affiliating new companies, there are many brands out there in the marketplace that don't even have 45 companies on their own, much less diverse brokerages," Riveiro says.

"And we added 45 diverse companies just last year. It's a big part of what we're doing, and it grows every year. Now that we've expanded to all the brands, I can see this will help us double down and grow these numbers exponentially."

Riveiro also shared Realogy's stats for the number of diverse brokerages that affiliated with Coldwell Banker during the past three years.



"By the end of 2018, we had 13 diverse companies that affiliated with us, and in 2019, it was 27, while in 2020, it was 45. In fact, all the companies that affiliated with us last year were diverse."

Diversity and inclusion aren't just social objectives but should bring business opportunity too. For instance, Hispanic households are outpacing all other household formations right now, according to this Urban.org summary of the NAHREP 2020 State of Hispanic Homeownership Report:

"Hispanics are the fastest-growing United States demographic, accounting for 57.6 percent of total population growth in 2018 and 40.4 percent of growth in household formation over the past decade. In fact, during that same time span, Hispanic homebuyers accounted for 51.6 percent of total U.S. net homeownership growth. In 2018, the U.S. Hispanic population contributed $371 billion to the housing share of gross domestic product, or 10.9 percent, compared with $100 billion, or 6.5 percent, in 2000."

"The Hispanic community will continue to be the drivers of growth in household formations and homeownership," Riveiro says. "If you're not set up to capture this market, you're missing out. We want to make sure our affiliates understand these trends and know how to extend themselves to these markets as Hispanic, African American, and Asian Pacific Islanders continue to drive household formations."

How does Realogy ensure success once a company joins the family?

"We asked each of our brands to come up with a specific onboarding and mentorship program above and beyond what they normally do," Riveiro says. "Now many of our diverse owners are getting extensive mentorship, often with executives of their respective brands, including the opportunity to network with other like-minded individuals and top brokers as a part of that onboarding."

Realogy itself has multiple employee resource groups (ERGs), a Diversity and Inclusion Council and hosts a series of conferences annually to help educate and empower team members while connecting them with those in the industry.

Riveiro concludes: "Membership in the various housing industry partner organizations, such as NAREB and NAHREP, is highly encouraged to fully understand the needs and challenges of the groups represented." — By Susan Belknapp, California Business Journal

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