GCAAR, Real Estate, and the Inevitability of Change

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2nd Edition: June 2010

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I. INTRODUCTION

Entering its second decade is a logical moment for the Greater Capital Area Association of REALTORS® (GCAAR) to take stock and examine what it has accomplished, and to contemplate the challenges it will face in the future. Inherent in marking the tenth anniversary is a wish to make sense of how GCAAR came about. History can be seen as a flow of events. To use history to anticipate future developments requires an understanding of this flow, the dynamism of the past that carried us to the present and will move us into the future. The past is a way to contemplate how the future might unfold and help GCAAR prepare for it.

What developments brought about GCAAR? In the years before 1998, what were the characteristics of the real estate industry in the nation's capital and Montgomery County, Maryland that led to its creation? With its two predecessor organizations in Washington, DC and Montgomery County, Maryland, GCAAR is in fact the end product of almost a century of development in the real estate industry nationally as well as in the Washington area.

Over the decades, the growth of a national industry committed to professionalizing the real estate business influenced developments in the Washington area. Essential to creating this industry were organizations of real estate practitioners at the federal, state, and local levels. Indeed, without such organizations – real estate exchanges, boards, and associations – there would be no real estate industry as we know it today.   Member organizations were pivotal in the history of real estate in the United States.

II. BUILDING ASSOCIATIONS FROM THE GROUND UP (1912 – 1929)

GCAAR's current set-up owes very much to a rich history. Over the last century, real estate organizations formed a coherent industry out of a large number of individual business owners.

Exchange of real estate had gone on since the first English settlers arrived in North America in the early 1600s.[1] But real estate transactions increased in complexity as the United States grew and became a more unified country in the decades after the Civil War. Railroads and the telegraph created a nationwide market between 1870 and 1900. The urban population tripled as immigrants from overseas and internal migrants from rural areas swelled towns and cities. In 1900, there were three cities with over one million inhabitants – New York had 3.4 million; Chicago 1.6; and Philadelphia 1.2 – and 38 cities with populations of more than 100,000, including the District, with a population of 278,700. In addition, there was a movement west to the Great Plains, which led to a doubling of the farm population between 1870 and 1900. Farm acreage went from 408 to 841 million acres; the numbers of farms from 2.6 to 5.7 million.

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1 Marc A.Weiss, *The Rise of the Community Builders* (New York: Columbia University Press, 1987), p.20-22.

Entirely new communities were created throughout rural America, as the country was also becoming more urban.[2] The vast demographic, economic, and social changes brought about by this growth led to the professionalizing of the real estate business. Real estate brokers in cities and towns across the country banded into organizations to cope with the vast changes that they encountered in their businesses. In the years after 1900, brokers increasingly came to see themselves as professional fiduciaries. They identified more and more with lawyers who had a professional responsibility to protect clients. This view overcame the older notion that brokers were entrepreneurs who dealt in real estate for their own speculative gain. Brokers accepted that the bulk of their income would be derived from the commissions earned in selling real estate owned by others, and paid agents they hired to assist in selling.

Brokers shaped a profession and an industry in the real estate exchanges, boards, and associations they founded. Prompting such organization building was the need to establish standard practices to protect buyers and provide guidance to those who aspired to a career in real estate. Burgeoning cities in the mid west and west attracted many new entrants, many of whom lacked the experience to successfully serve the needs of their clients.

It was understandable that brokers would wish to band together in mutual interest, to set up local real estate organizations and eventually a national association. Most of the organization builders were leaders in their communities. The men who succeeded as brokers – and they were almost always men during the early history of the industry – were often as wealthy as local physicians, lawyers, and bankers. As "men of substance" they were involved in the community through philanthropy and public service. As such, leading brokers aspired to the status accorded doctors, lawyers, and bankers, professions marked by strong associations to advance the interests of their members.[3]

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2 These data are drawn from Susan B. Carter, *et al.* (eds.), *Historical Statistics of the United States* (New York: Cambridge University Press, 2006).

3 Weiss, pp. 21-24.

In fact, the professionalizing of medicine and law was part of an organizational revolution in the decades immediately before and after 1900. Real estate practitioners who created exchanges, boards, and associations were part of a great wave of seeking order by many businesses at the end of the nineteenth and the beginning of the twentieth centuries.[4] Specialists as varied as architects, engineers, teachers, nurses, accountants, personnel managers, and many others joined together into local, regional, and national associations to define and promote their interests. Those with political agendas also formed associations to promote a variety of causes from temperance to high tariffs.

Behind the wave of organization building was a simple insight. The vast economic, social, and demographic upheavals of the late nineteenth century created problems that were not unique to a particular locality. Instead, problems were often national in scope. The world was getting smaller. Eventually, the builders of local organizations realized that they needed to enlarge their activities to the state and national level to effectively deal with the challenges they faced.

Ironically, once national organizations were founded, their leaders discovered that to be effective – often to increase their clout with Congress – they needed to promote strong local associations. Local organizations led by the leading members of a community were the natural "opinion leaders" to whom members of Congress would listen. As a result, national groups had to continue to improve the workings of already functioning local organizations and at the same time establish local organizations in places where they did not exist. The latter was the experience in the District of Columbia.

WASHINGTON DC REAL ESTATE INDUSTRY

The Real Estate Brokers Association of the District of Columbia was founded in 1912. It reorganized itself into a more professional entity in May 1921, becoming the Real Estate Board of Washington, DC. The Montgomery County Association of REALTORS® was a later

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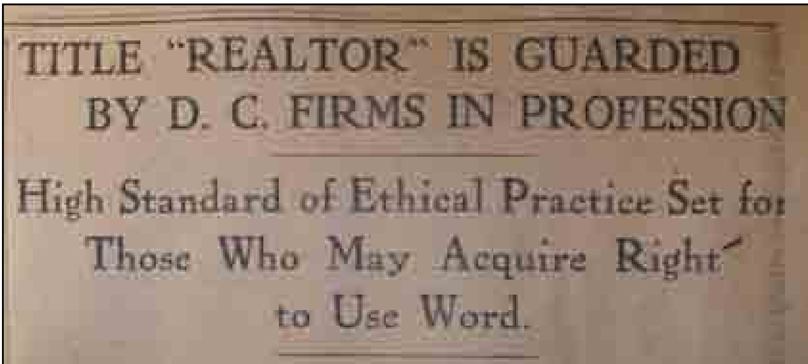
4 Pearl Janet Davies, "WORK SHEET for History of Real Estate," Historian, NAREB, August 1951, GCAAR Archives.


TITLE "REALTOR" IS GUARDED BY D. C. FIRMS IN PROFESSION

High Standard of Ethical Practice Set for Those Who May Acquire Right to Use Word.

Star, June 4, 1921

development, begun in 1946, a spin off from the Washington group. MCAR organized as a separate entity during the post-World War II era, as communities expanded in the Maryland suburbs close to DC.[5]

GCAAR's predecessor organizations were in many ways typical of the real estate boards in other cities in the early twentieth century. The first DC association was the product of the organization building of the national association, which had been founded in 1908 in Chicago as the National Association of Real Estate Exchanges. Attending that first national meeting were 120 founding members, 19 local boards and one state association (that of California). In 1916, the association changed its name to the National Association of Real Estate Boards (NAREB). That name was used until 1972, when the organization became the National Association of REALTORS®.[6]

The organizers in 1908 set about defining real estate brokerage as a fiduciary agency, not a business focused primarily on buying and selling real estate on one's own account. Brokers could then form additional separate entities to provide appraisal, mortgage, and insurance services.

Once the new mindset was accepted, the national association began to turn real estate brokerage into a profession. To further the goal of professionalizing the business was the NAREB's effort began in 1916

5 Oral History Interview, Harold Huggins, May 21, 2009, pp. 1-2, GCAAR Archives

6 "Field Guide to the History of the National Association of REALTORS®." pp. 1-2.

to distinguish members of the association by the brand identification of "REALTOR®." The term was to bespeak professionalism and ethical behavior, and was only to be used by members of the NAREB.[7]

To achieve many of these objectives required strong local real estate associations. As a result, from its earliest days the national's leaders worked to create new local real estate associations. In fact, it is out of these efforts that the District of Columbia organized its own real estate board.

"REALTOR" IS TITLE OF BOARD MEMBERS

Adopted by the National Association as Part of Its Code of Ethics.

BASED UPON "GOLDEN RULE"

Means Protection of Property Buyers—Washington Body Active in Enforcing Idea.

Washington Post, June 5, 1921

In March 1912, the head of the National Association of Real Estate Exchanges, Samuel Thorpe, paid an unannounced visited to prominent Washington real estate broker Herbert T. Shannon. He was there, he told the surprised Shannon, to encourage the establishment of a real estate association in the city. Unethical agents who were not educated in the practice of real estate were damaging the reputation of the entire industry. At that first meeting, Thorpe pitched the local value of having an association.

According to a reminiscence of Shannon in 1941, Thorpe included in a list of advantages that "you experience many pains, aches, and hurts in competitive business. At times you are abused by the other fellow and possibly either consciously or unconsciously you may have abused someone in the business yourself. Now, how in the world can you iron out these things except by contact and cooperation with your fellow brokers. And it is this way alone that there can be

7 Weiss, p.22-23; according to the website of the NAR, "the collective marks REALTORS®® and REALTOR® were registered with the United States Patent and Trademark Office" in 1949-1950. "Since then the Association has maintained a vigilant defense of the trademarks, prevailing in numerous cases, [m]ost recently, in Zimmerman v. NAR (2004). http://www.REALTOR.org/library/library/fg002


Advantages of Home Ownership

By JOHN A. PETTY,
Executive Secretary
Washington Real Estate Board.

Buying a home is cheaper than paying rent.
Home ownership is often the basis for credit.
The home owner does not receive an unexpected notice to vacate.
Buying a home teaches thrift and develops character.
Home ownership gives stability and standing in the community.
Home ownership insures the real home atmosphere.
Home ownership provides a shelter for old age.
Home ownership induces respect for organized authority.
Home ownership makes good citizens and loyal Americans.
Home ownership cements family ties.

Times-Herald, April 30, 1922

developed in time a spirit among you which strives to find what is best for the whole business." [8]

Shannon liked Thorpe's suggestion. He turned to other prominent and successful Washington brokers at the time, men whom he had known for years through business, community, and personal contacts. The day after Thorpe's visit, they gathered "in one of the Red Parlors of the Ebbitt House, then at Fourteenth and F Streets." Together they quickly agreed to form a local organization "and invited all licensed real estate brokers, firms and corporations" to a meeting in early April at the rooms of the Chamber of Commerce. Also taking part in the organization meeting, and becoming members of the association that emerged, were businesses affiliated with the real estate industry, most notably mortgage companies such as B. F. Saul and Washington Loan & Trust Co. The new Washington real estate group affiliated with the National Association and paid dues to that group for 42 members.[9]

Shannon, president of Shannon and Luchs, was elected secretary of the new Real Estate Brokers Association of the District of Columbia. Others at the Ebbitt House meeting in March 1912 were William H. Saunders (the association's first president), George Y. Worthington[10]

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8 *The Washington Post,* 5/22/1941, p.1&8 "REALTOR® Urges Home Builders Keep Control of Defense Needs"

9 *The Washington Post,* 5/22/1941, p.1&8 "REALTOR® Urges Home Builders Keep Control of Defense Needs"; *The Washington Post*, 5/25/1941 p.R1 "Real Estate Men Observe Anniversary"

10 His great grand daughter, Holly Worthington, was the 2006 President of GCAAR.

(the first elected vice president), John L. Weaver, J. P. Story, Charles W. Fairfax, A. S. Gardiner, Sr, Lee D. Latimer, Harry K. Boss, John C. Weedon, and Morton J. Luchs. Most of the organizers subsequently served as a president of the organization.[11]

In its early years, the association relied on standing committees, and the volunteer efforts of its members. But the association was founded right before major changes came to the city of Washington. Within two years of its founding, World War I convulsed Europe. Eventually in April 1917, the United States entered the conflict, a decision with momentous consequences for the United States and its role in the world. At the end of the war, the United States had emerged as a preeminent international power. Washington, DC changed profoundly as a result. But this was not an easy transition. Between 1914 and 1920 consumer prices doubled. Real estate prices likewise spiked in Washington and elsewhere in the country. Once the war ended, the federal government cancelled numerous procurement contracts, which led to a short, but sharp depression in 1920-21.

Once the depression ended, rapid postwar growth of the city exacerbated problems already obvious to those who had founded the local Real Estate Brokers Association of the District of Columbia. As real estate transactions increased in number, the prospect of a good living again attracted new interest in the industry, including some who were not committed to the professional standards outlined by the Association, threatening to lower the public's opinion of the industry. Such developments concerned the brokers who had founded the local association. But the city was destined to grow, and so among the association leaders there was a heightened interest in ensuring professional conduct of the newcomers.[12]

Taking the lead in encouraging the real estate association to cope with the problems of the post-World War I era was John A. Petty.

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11 *The Washington Post,* 5/22/1941, p.1&8 "REALTOR® Urges Home Builders Keep Control of Defense Needs"

12 *Washington Star* 7/21/1921"Ethics Declared Realty 'backbone'"; *The Washington Post* 11/20/1921 "Tells Realty Men of City's Growth"; *Washington Star* 8/11/1921 "Subways for District Declared Early Need" Clippings File GCAAR Archives

Before World War I, he had been treasurer of the B. F. Saul Company. Following war-time service in the Army, he set up a broker's business in the District and joined the local brokers' association. He quickly gained prominence in the association as he pressed its members to turn it into a more substantial organization. In an era of organization building, men like Petty were found in many organizations. Herbert Hoover's success as Food Administrator during the war and as Secretary of Commerce in the 1920s made the public appreciate the attributes of the "can-do" organizer. Petty fit the image.[13]

John Petty
Star, May 27, 1921

The reorganization of the local District association took effect in May 1921. One consequence of the reconstituted organization – known as the Washington Real Estate Board – was that it hired Petty as its full-time secretary, with two staff assistants, ensconced in an office at 1819 F Street, dedicated to the regular, continuous work of the board. Dues were increased to pay for this administrative structure.[14]

During the 1920s, Petty worked energetically to turn the Washington Board into a self-sustaining organization dedicated to professionalizing the practice of the real estate business in the District.

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13 Joan Hoff Wilson, *Herbert Hoover: Forgotten Progressive* (New York: Waverly Press, 1992). This biography covers well Hoover's role as an organizational innovator and the influence he had on his time.

14 *Washington Star* 5/20/1921 "Reorganization of Real Estate Board Promises Prosperity"; *Washington Star* 10/16/1921 "Real Estate Men Have Active Year Report

In addition, he became an important member of the National Association of Real Estate Brokers by organizing a committee of executive directors, men like himself whose job it was to run the daily business of local boards. Petty also joined the association's educational committee, which promoted local teaching about the real estate business.[15]

The objectives of the reorganized Washington Board were more specific than the generalized principles of the earlier association in the District. To be sure, the new Board included in its objectives vague commitments to the "advancement of the city's interest in general and the real estate business in particular." Becoming more specific, the group promised to "maintain among brokers of Washington a high standard of business methods and integrity; foster a spirit of cooperation, fair and honorable competition; [and] assure the public[,] services of responsible and trustworthy agents and brokers."[16]

To achieve these laudatory, but general objectives, it continued to refine its code of ethics as a guide to those in the business, and develop procedures to discipline those who violated its precepts. The NAREB acted as a guide in these efforts. Beginning in 1913, it issued a code of ethics to serve as a model for local organizations, a code that continues to be refined and reissued.[17]

In addition, the Board in the 1920s set out to standardize contracts and other documents. Board members also began a systematic effort to collect statistics about local conditions, an effort designed to give members a better sense of where development might be headed in the District.[18] Petty, with the Board's support, pioneered educational efforts for aspiring REALTORS® and to ensure that those already

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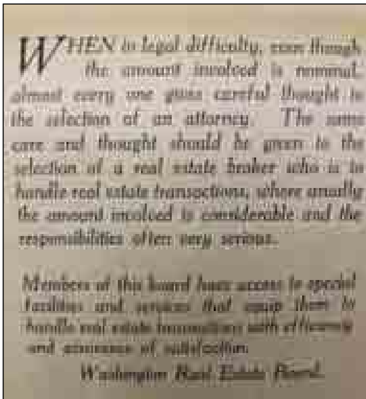
15 *The Washington Post* 8/10/1951 p.B2 "Obituary: John Petty, D.C. REALTOR®, Dies at 66"

16 *The Washington Post*, 5/25/941, p. R8 "Real Estate Men Observe Anniversary"

17 Weiss, pp.22-23

18 *The Washington Post*, 10/16/1921 "Real Estate Board To Enlarge Work"; *Herald*, 10/16/1921. "Membership Body of REALTORS® to Plan Big Drive" Clippings Files, GCAAR Archives



WHEN in legal difficulty, even though the amount involved is nominal, almost every one gives careful thought to the selection of an attorney. The same care and thought should be given to the selection of a real estate broker who is to handle real estate transactions, where usually the amount involved is considerable and the responsibilities often very serious.

Members of this board have access to special facilities and services that equip them to handle real estate [illegible] with [illegible] and [illegible] of satisfaction.

Washington Real Estate Board.

Washington Post,
June 29, 1930

engaged understood new developments. For many years, Petty gave lectures on real estate at the YMCA.[19] Under his direction, the Board also engaged in public relations initiatives to convince the public of the value, indeed the necessity, of utilizing REALTORS® affiliated with the local and national association.[20]

Part of its professionalization was directed to regulation – the Board began efforts to strengthen the District's licensing law. Originally, those engaged in any business in the District had to have a license, a requirement that proved difficult to enforce. Both the earlier association and the board founded in 1921 pressed the city to enforce that law. During the 1920s, the board supported a specific real estate licensing law, setting up rules for those engaging in the business, a goal finally achieved in 1937.[21]

19 *Washington Star,* 2/11/1922 "Value of Realty Courses in Education Emphasized", Clippings Files, CGAAR Archives; *The Washington Post* 8/10/1951 p.B2 "Obituary: John Petty, D.C. REALTOR®, Dies at 66"

20 *Washington Times*, 8/13/1921 "Realty Broker Essential for Home Buyers" Clippings Files, GCAAR Archives

21 *The Washington Post*, 5/25/1941 p.R1 "Real Estate Men Observe Anniversary"

III. MANAGING THROUGH THE DEPRESSION (1930 – 1939)

Following the stock market collapse in October 1929, the District slipped deeper into a depression as economic conditions went from bad to worse between late 1929 and early 1933. Because Washington was the center of the Roosevelt administration's effort to cope with the economic crisis, however, the local real estate business revived during the 1930s, as government workers flocked to the city.

During this time, the Washington Board faced a new landscape that called for different skills and tools. They were not alone in facing a changed terrain as the country responded to the challenges of the Great Depression. The crash of the financial markets had made financing property sales extremely tough. Mortgage lending in the private sector had almost halted, with liquidity for banks coming from the 1933 Federal Home Owners' Loan Corporation. The issue for Washington, DC was that housing starts were practically non-existent given the lack of private lending, as the Board itself underscored in 1933. "Absorptions of new homes erected in the last two and one-half years point to a housing shortage in the near future unless home building starts in the District, according to H Clifford Bangs, President of the Washington Real Estate Board."[22]

22 *The Washington Post*, 9/13/1933, pR2 "More Houses DC Needs Soon Says REALTORS®"

Washington, DC was in an unusual position: "Due to the activities of the Federal Government … and the District public works program, the employment situation is gradually being relieved here."[23] People were coming to DC to work for New Deal agencies and they needed homes.

The answer lay in the Federal Housing Administration (FHA) established by Congress in 1934 as part of a National Housing Act. FHA virtually eliminated risks for lenders through its mutual mortgage insurance plan. Government assumption of lending risk jump started mortgage finance, new housing construction, and sales of existing properties. Prospective homebuyers were able to borrow necessary funds to purchase a home and repay their loans with regular, affordable monthly payments. To protect against excessive loss for the government, the Administration created a rigorous system of standardized appraisal procedures.[24] In this way they justified insuring 80% loans for 20 years, which later was increased to 90% for 25 years. The previous banking norm had been 50% loans for three years.[25]

The National Board of REALTORS® also embraced the FHA because its policies would strengthen the extremely weak property development market. The FHA had within its ranks many prominent members of the real estate and banking industries. The state director of the California Real Estate Association, for example, became Assistant Director of the FHA's Underwriting Division.[26] Indeed, the Washington Real Estate Board was itself involved with the FHA – President John A. Petty later became an FHA valuator.[27]

Another New Deal program started in the 1930s to boost housing sales was the Federal National Mortgage Association, known as Fannie Mae. Congress created Fannie Mae in 1938 with one billion

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23 *The Washington Post*, 9/13/1933, pR2 "More Houses DC Needs Soon Says REALTORS®"

24 Weiss, p.145.

25 Weiss, p.145.

26 Weiss, p.146

27 *The Washington Post,* 9/1/1937 p.18 "Wardell, Petty and Doyle get Realty Posts"

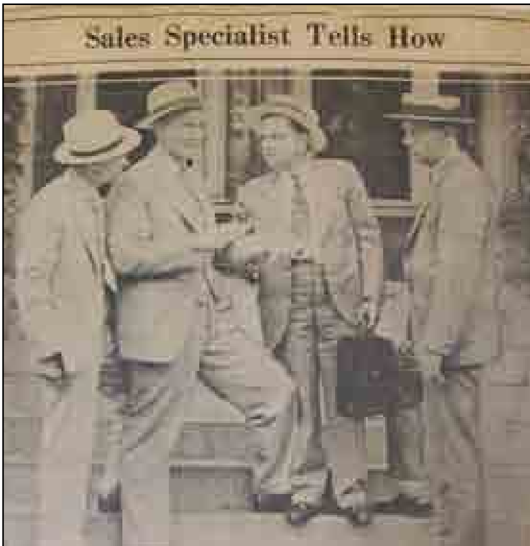
Newly Elected Directors of the Washington Real Estate Board (Washington Post, October 30, 1932)

dollars in capital, funds that were to be used to purchase existing mortgages from banks. Fannie Mae's mission was to free up capital so that banks could lend money for new mortgages. Fannie Mae created what is called a secondary market for mortgages, which during the 1930s and for many decades after helped stimulate housing sales.[28]

In the early 1930s before FHA and Fannie Mae were up and running, the housing situation in DC was stark and complicated by Congressional oversight. In December 1932 "A six months moratorium on mortgage foreclosures in the District and local rent regulation by the Public Utilities Commission to meet 'a condition of emergency as to housing' was recommended to the Senate District rent investigation subcommittee yesterday by Oscar H. Brinkman, investigator for the subcommittee."[29] The Committee accused the Board of rent fixing. The Board's Council Roger J.

28 A standard study of Fannie Mae is Peter Wallison, "Nationalizing Mortgage Risk: The Growth of Fannie Mae and Freddie Mac" (AEI Studies on Financial Market Deregulation; Washington: American Enterprise Institute, 2000)

29 *The Washington Post*, 12/28/1932 p.1 "6-Month Mortgage Moratorium Asked"



R.C. Borden, professor of sales psychology of New York University, tells John A. Petty, executive secretary of the Washington Real Estate Board, about the "six fundamentals of salesmanship" which he demonstrated at a special meeting of the Washington Real Estate Board held last Thursday at the Willard Hotel. In the group are (left to right) Gerald Griffin, real estate editor of The Washington Herald; Prof. R.C. Borden, Mr. Petty and Alfred H. Lawson, president of the Real Estate Board. (Herald, June 29, 1930)

Whiteford and former President J. F. M. Bowie vehemently denied the charge, pointing out that the Department of Justice had been through their files and found nothing untoward. Whiteford went further, arguing that far from being untrustworthy the Board was making every effort to professionalize the industry. He pointed to a bill that the Washington Real Estate Board had been promoting for the previous six years designed to institute local licensing for REALTORS®.[30]

Still, the Board took seriously Congress' concern and in March 1933 organized a special committee to look into rental complaints.[31]

The Board had spent many years sponsoring bills in Congress to establish a Real Estate Commission and licensing in DC[32] but it was not until August 1937 that legislation passed.[33] The Board's championship of the Commission paid off – one of the members, Harold E. Doyle, was a past president of the Board as was John A.

30 *The Washington Post*, 12/30/1932 p.1 "Realty Body Denies Rent Fixing Charge"

31 *The Washington Post,* 3/30/1933 p.1 "REALTORS® to Probe High Rent Charges"

32 *The Washington Post,* 5/23/1937 p.R1 "House Action Nears on Realty Board Measure"

33 *The Washington Post,* 8/27/1937 p.24 "Roosevelt Signs Act Authorizing Realty Board"

STEADY HOME BUILDING IS SHOWN IN D. C. IN 1931

Progress Is Revealed in Survey by Realtors' Secretary for Year to February 1—1,270 Permits for Houses Costing Under $10,000.

Star, February 5, 1932

SPEAKER

A. JOHN BERGE, sales counselor, National Association of Real Estate Boards.

Washington Post, November 2, 1932

Petty, who became Commission Secretary. The Commission's work started immediately: the Act stated that all Brokers and Agents in Washington should be licensed within 90 days. The fee was $50 for Brokers and $10 for Agents.[34] By June 1938 the Commission had issued 1,419 licenses and DC became part of a trend as states instituted the licensing of real estate practitioners. (The first state to have licensed agents and brokers was California in 1917.[35]) Thus, the Washington Real Estate Board played a pivotal role in professionalizing the industry in DC.

Hand in glove with licensing came education. The Board recognized that an important

34 *The Washington Post,* 9/1/1937 p.18 "Wardell, Petty and Doyle get Realty Posts"

35 Weiss, p. 18.

Washington Post, May 24, 1936

part of professionalizing the industry was facilitating classes for REALTORS®. It was important that courses were readily available. The Board began a long practice of seeking relationships with local Colleges and, with Southeastern University, offered a course in Real Estate Practice. Starting in October 1936 this was an eight week lecture series given by prominent members of the real estate community. These were comprehensive courses covering a wide range of issues involved in all aspects of real estate, from building management to sales and appraisals, from financing to settlement and the law.[36]

36 Washington Real Estate Board Executive Committee Minutes 9/2/1936; *Washington Post,* 9/13/1936 p.R7 "Realty Board Offers Course at University"

IV. HOUSING FOR NATIONAL DEFENSE (1940 – 1945)

During World War II defense workers flooded Washington, DC building on the demand for housing instigated by the New Deal agencies. Much of the wartime growth was suburban. Between 1935 and 1940, the Washington metropolitan area saw more than $150 million invested in the construction of single-family dwellings by private financing. This compares to the $64,500 that financed multi-family dwellings.[37]

In part, the FHA drove this push to the suburbs. FHA financing during the depression was overtly designed to revive homebuilding, not cities. Even in the nation's capital, FHA commitments at the beginning of 1937 were heavily concentrated on the edges of the city: between the US Soldiers Home and Walter Reed Hospital as well as between Rock Creek Park and Connecticut Avenue. There were far fewer FHA mortgage guarantees in the more built-up areas of DC. In fact, most metropolitan FHA commitments were in the suburbs themselves, especially Chevy Chase, Takoma Park and Silver Spring in Maryland and Arlington and Alexandria in Virginia.[38]

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37 *The Washington Post,* 1/19/1941 p.R1 "DC Area gets $150,000, in Single Family Homes in Five Years"

38 Jackson, Kenneth T., *Crabgrass Frontier: The Suburbanization of the United States* p.212-213


'Hotels' Up Here Sept. 1 for 6200 Defense Clerks

Times-Herald, May 6, 1941

As Board President, Weverly Taylor wrote in *The Washington Post*, "One of the greatest factors in private industry's notable success in meeting this rapid increase is the availability of adequate mortgage money and the extremely favorable terms upon which it can be borrowed."[39] The trend to the suburbs was here to stay.

Wartime building in the DC area was also a harbinger of the boon in post-war model and prefab houses made famous in Levittowns. This was a quick and cheap way to meet defense demand, with a headline in *The Washington Post* proclaiming "Maryland to get Defense 'Belt Line' homes – 650 to be erected in Indian Head as US tests prefabricated, mass production methods of providing housing for workers."[40] Meeting demand was particularly challenging with wartime restrictions on construction materials and area homeowners were encouraged to rent out rooms to defense workers.[41]

Increasing rentals to wartime workers created fears that rents would skyrocket. The Washington Board had concerns about two bills that were introduced in Congress to set up rent control with Board President Smith actually writing a column on the subject in *The Washington Post*.[42] In the end, the Board took the same approach as they had to starting real estate licensing in the District – they worked

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39 *The Washington Post,* 12/29/1940 p.41 "REALTORS® Find 1940 a Year to Boast of"

40 *The Washington Post,* 12/17/1940 p.8; Jackson, Kenneth T., *Crabgrass Frontier: The Suburbanization of the United States* p.34-38

41 *The Washington Post,* 1/2/1943 p.C13 "REALTORS® Here Feel War Grip"; *Washington Post,* 1/10/1942 p.X1 "Home Owners Urged to Rent Good Rooms to War Workers"

42 *The Washington Post,* 7/27/1941 p.1 "Rent Control Bill Will Hinder Solving DC Housing Problem"

out their own bill with Rep. Jennings Randolph of the House District Committee. The final Act held rents at 1941 levels until the end of 1945.[43]

During the War, Washington, DC accommodated defense workers by a mixture of managing rentals and building new homes. This new construction accelerated the suburban trend for post-war America.

At the annual Christmas party of the Washington Real Estate Board, staged at the Hotel Mayflower last Tuesday, defense of America was the theme, and it was reported that members are nearing the $100,000 mark in subscribing for defense bonds. In the picture (left to right) Charles C. Koones, realty board president, signing for more bonds for the organization; H.L. Rust jr., citywide bond sale chairman, and Charles H. Hillegeist, toastmaster.

43 *The Washington Post,* 9/18/1941 p.21 "Realty Men Urge 1940 Rent Ceiling"; *The Washington Post,* 12/3/1941 p.4 "How Rent Control Bill Will Affect Landlord and Tenant; Law Becomes Effective January 1"; *The Washington Post,* 11/24/1945 p.1 "Congress Passes Bill Continuing Rent Control"

V. BABY BOOM & SUBURBS SOAR (1946 – 1960)

In the metropolitan DC area, like the rest of the country, returning veterans sought housing. Within a year of the war ending, Board Secretary Charles J. Rush noted, "There is no slowdown here. One has only to check the number of deeds recorded to recognize the large demand for homes." Washington, DC was unusual as a 1946 *Washington Post* headline pointed out: "Real Estate Booming here Despite Drop in Other Cities." By 1948 *The Washington Post* proclaimed, "It looks like the saw and hammer crowd is whittling down the desperate need for housing." As predicted, the bulk of construction was in the suburbs. "Luchs noted an increasing trend towards construction moving out of the District into the suburbs. During the first five months of 1948 he reported only 542 new houses were started in the District, while 3282 were begun in nearby Virginia and Maryland."[44]

Montgomery County had begun suburban development in the mid-1930s. Farms were severely hurt during the Great Depression, which was a serious blow to the county's economy. Countering the downward trend in agriculture were growing numbers of federal

44 *The Washington Post,* 9/25/1946 p.13 "Real Estate Booming here Despite Drop in Other Cities"; *The Washington Post,* 7/4/1948 p.R1 "New Homes Rising at Record Pace"

Montgomery County Board First Annual Banquet, Kenwood Country Club (May 26, 1947)

workers who streamed to the Washington area during the New Deal and World War II. Increasing numbers of the new government workers made their homes in Montgomery County.[45] In a four year period, 1946-1950, the population doubled, and then doubled again in the 1950s. This influx was accompanied by a further decline in farming. Between 1949 and 1959 the acreage in the county devoted to farming dropped roughly from two-thirds to one half. New home building put a premium on land, and farmers sold their farms to developers. Within the 10 years between 1949 and 1959, the average price per acre of farm land increased from $228 to $680.[46]

These fast-moving developments prompted changes in the Washington area real estate industry. In November 1946 the Montgomery County Real Estate Board was approved for membership in the National Association. The Montgomery County Board and the Washington Board agreed to co-operate in matters of policy and services. The Montgomery County Board hit the ground

45 Montgomery County, Maryland, *Our History and Government* (Rockville: Montgomery County Government, 1999), p. 13. This short history was a joint project of Montgomery County, Maryland and the Montgomery County Historical Society.

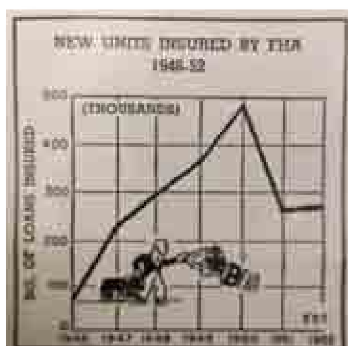
46 *Our History and Government*, pp. 15-17. National Agricultural Statistics Service, "Farm Characteristics, Montgomery County, 1949-2007" (Washington: U.S. Department of Agriculture, 2007).

running, taking immediate steps to understand the problems and prospects of the fast-growing area by surveying housing needs.[47]

Montgomery County expected wide growth and looked around for tools to help facilitate selling all these new houses. The answer was to centralize listings through the MLS, an innovation that proved attractive to REALTORS® and their customers in the decades to follow. The Montgomery County Board set up a committee in August 1948 to investigate creating a Multiple Listing Service (MLS) with the system up and running by October! Members would submit exclusive listings to the Board, which then printed these out in a daily bulletin for the entire membership. As Executive Secretary Ellis M. Jones said "This system is the 'stock exchange' of local real estate. It makes values more stable and liquid by facilitating the movement of property.

… Nearly every property buyer in this area passes through one or more of our member's offices. An owner's property is there before them. When a REALTOR® discusses the buyer's housing needs, the listing is therefore exposed for sale to nearly every potential buyer in the market."[48]

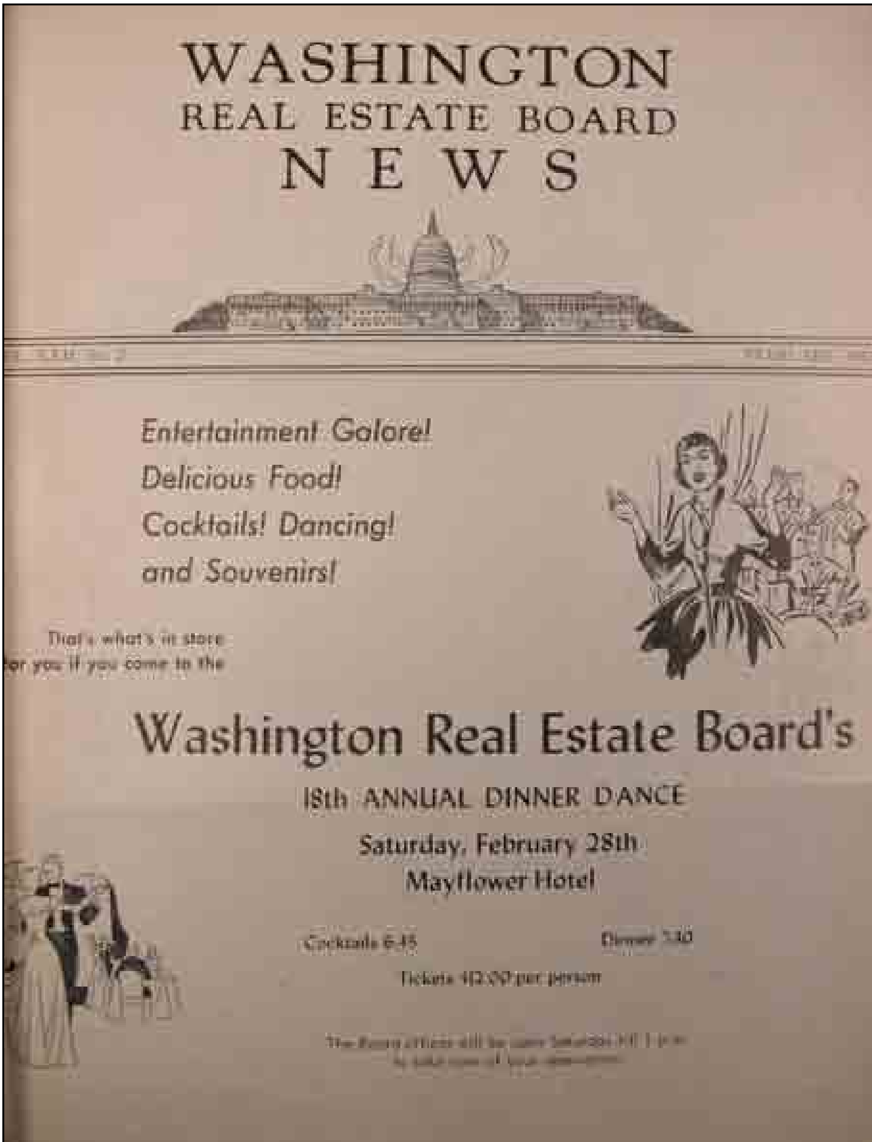
VA Loans 1946 – 1952 (newsletter)



FHA Loans 1946 – 1952 (newsletter)

47 *The Washington Post,* 6/22/1947 p.R2 "Montgomery Realty Board Opens Office"; Washington Real Estate Board Minutes 9/16/1946; *The Washington Post,* 9/26/1947 p.R7 "Board Surveys Housing needs in Montgomery"

48 *The Washington Post,* 8/29/1948 p.R7 "Realty Roundup"; *The Washington Post,* 10/24/1948 "REALTORS® Adopt New System to Sell Homes"


WASHINGTON
REAL ESTATE BOARD
NEWS

Entertainment Galore!
Delicious Food!
Cocktails! Dancing!
and Souvenirs!

That's what's in store
for you if you come to the

Washington Real Estate Board's

18th ANNUAL DINNER DANCE

Saturday, February 28th
Mayflower Hotel

Cocktails 6:45
Dinner 7:30

Tickets $12.00 per person

Washington Board's 18th Annual Dinner Dance (Newsletter cover Feb. 1953)

With movement to the suburbs, the landscape of real estate in the US was changing. Americans came to rely increasingly on the car, which was facilitated by the growth of highways in the fifties. At the same time, new family formation was increasing and demand for single family homes with land around them was more and more in demand. Homes and the infrastructure of daily life – education, shopping, and places of businesses – were moving out of the cities. Middle class life was becoming more decentralized.[49]

WOMEN IN REAL ESTATE

Decentralization had a major impact on the real estate industry in suburban areas. More and more women entered the industry as agents and brokers. It was middle class women who generally did not work outside of the home who came to know the dispersed neighborhoods that characterized the suburbs. Their husbands commuting to jobs in a city center were absent from the daily life of the communities where they lived. It was women who became active in the schools, the churches, community organizations, and local politics. They were the ones in charge of shopping for the family and likely handled their families' finances.[50]

The trend of women into the business was first observable in the District, which went through a boom in construction in the post-World War II era. A growing market opened up opportunities for women, many of whom had entered the workforce during World War II. A *Washington Post* article about the increasing number of women REALTORS® pointed to the future. By 1949 there were 54 female members of the Washington Board. Many were brokers. The article mentions Frances Powell Hill who headed an office with six women and two men on her staff.[51]

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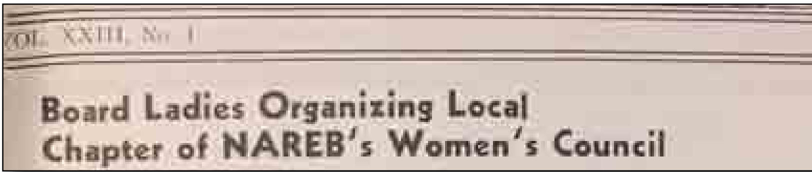
49 Jackson, pp. 238-45.

50 Jackson, pp. 243-245. Lizabeth Cohen, A Consumers' Republic: The Politics of Mass Consumption in Postwar America (New York: Knopf, 2003).

51 The Washington Post, 12/11/1949 p. R1 "'Gentler Sex' Chalks Up Good Record in Local Realty Sales"



OL. XXIII, No. 1

Board Ladies Organizing Local
Chapter of NAREB's Women's Council

Women's Council (Newsletter, January 1954)

Throughout the 1950s, Montgomery County continued to take the lead locally by refining its services to REALTORS® in the fast growing county. In January 1953 Barbara Moss traveled cross country from the Long Beach, CA Board to address the Montgomery County Board – she was an authority on the MLS. It did not take the Montgomery County Board long to become a leader on the national level. Naomi M. Laughlin of the Montgomery County Board served on the 1956 Multiple Listings Committee of the Secretaries Council of the National Association.[52]

A woman being an expert in MLS was indicative of the trend in real estate during the 1950s. Women were increasingly found in the workforce, especially in government jobs, but also in real estate. The National Association had anticipated such coming changes when it organized a Women's Council in 1939 and it grew through the Fifties, having a membership of about 2,100 by 1960. This was because, thought one head of the Women's Council, "Women have a natural knack [sic] for selling … they are better homemakers, they better understand what other women want in a house." In fact, as one of the first women members of the DC Board agreed, "They know the practical end of the house – the running of it. They are acquainted with the practical features like closets, and those who are really successful know not only that part but the construction end too." Locally, Mrs. Dorothy Bell ran an all-women Agency in Washington, DC. In 1954, while regional vice president of the National's Women's Council, Mrs. Bell was instrumental in starting the Washington Board's Women's Council, which was affiliated with the National Council.

52 The Washington Post, 1/25/1953 p.R3 "The State of Real Estate"; Washington Post, 1/15/1956 p.G5 "The State of Real Estate"

Women were also rising to the top in Montgomery County. In 1951, Mrs. Margaret Dunkley became President of the State Women's Council for the National Association. In 1954, Mrs. Dunkley was elected the first female president of the Montgomery County Real Estate Board. Two years later, both Mrs. Bell and Mrs. Dunkley were named to the executive council of the REALTORS® Washington Committee of the National Association.[53]

Realtor logo 1952

PROFESSIONALISM STILL REIGNS

Despite the changes in the makeup of the profession, important trends continued from the past. In the 1950s education remained a priority for the Washington Board. It continued to cultivate relationships with local Universities. The Board's Education Committee teamed up with American University to develop two sixteen-week courses, one on Real Estate Appraising and the other on Real Estate Practice in February 1950. These were so popular that people had to be turned away. More courses were planned for the spring and the following fall. The 1951 lineup was impressive: Real Estate Practice, Real Estate Law, Mortgage Financing and Home building. Their cooperation cemented AU and the Board's relationship. In fact, in 1957 the Washington Board established two scholarships per

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53 The Washington Post, 1/24/1960 p. F18 "They're sold on Real Estate"; The Washington Post, 2/25/1951 p.R2 "Here and There in the Realty World"; The Washington Post, 1/31/1954 p. R5 "Women's Council to be Formed" The Washington Post, 11/11/1954; The Washington Post, 4/15/1951 p.R5 "2 Women REALTORs Named to Md Realty Posts"; The Washington Post, 1/0/14/1954 p.16 "Women Heads Realty Board in Montgomery"; The Washington Post, 1/15/1956 p.G5 "The State of Real Estate"

54 The Washington Post, 1/22/1950 p.R5 "2 Real Estate Courses Open Next Month at American U"; The Washington Post, 10/29/1950 p.R4 "This Week in Real Estate"; The Washington Post 8/12/1951 p.R3 "AU Will Offer Fall Studies in Home Building"; The Washington Post 9/16/1951 p.R15 "American U Realty Classes to Start Oct. 1"; The Washington Post, 12/28/1957 pD3 "REALTOR Scholarship Set"

Masthead Jan. 1954

semester at AU. They would be handled by the Board's Education Committee in "recognition of the Washington Real Estate Board's leadership in raising standards in the real estate profession and in recognition of the needs for university education if real estate is to become truly professional."[54]

The Washington Boards' commitment to education and professional standards also resulted in the 1957 introduction of an exam to become a member of the Washington Real Estate Board. As Board President Charles L. Norris, Sr. said "This marks another forward step in our efforts to assure the public that members of the Washington Real Estate Board possess the proper qualifications to render professional service."[55]

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55 The Washington Post, 4/6/1957 p.C1 "REALTORs to Require Exam"

VI. NATION IN FLUX: FAIR HOUSING, RENT CONTROL, AND STAGFLATION (1961 – 1980)

FAIR HOUSING

During the 1960s the civil right's movement gained momentum and swept the country. It was a time of turbulence. Old norms were evolving into new ways and what was acceptable changed. The Real Estate profession was swept up in these changes as communities around the country desegregated. At the federal level President Kennedy's Executive Order 11063, November 20, 1962 instructed federal agencies to prohibit discrimination in the sale or rental of residential property and related facilities owned or assisted by the federal government. Included were loans guaranteed or insured by the FHA or the Veterans Administration. Also included was a prohibition on discrimination by lending institutions relating to loans guaranteed or insured by the federal government. This executive order, while related only to housing built after the order was issued, nevertheless represented an important turning point in the real estate industry. It was followed by federal legislation that further changed the industry.[56]

56 "Fair Housing Policy and the Federal Housing Administration: Policy Responsiveness and Administrative Implementation," Charles M. Lamb and Adam W. Nye Department of Political Science University at Buffalo, SUNY Prepared for delivery at the 2009 Annual Meeting of the Midwest Political Science Association, Chicago, Illinois, April 3-5, 2009 p.7 http://www.allacademic.com/one/www/www/index.

Former Washington Board President Frank Luchs was vocal about the inherent difficulties posed by excluding existing housing from the Executive Order. He wrote in *The Washington Post* "Before President Kennedy issued his order banning discrimination in housing built with Federal mortgage guarantees, … some housing industry people had hoped it would be wide enough to be a tool 'for easier cooperation'. However, the Presidential order applied only to housing built with new FHA financing. In the District, where little such housing is being built, it had little effect."[57] Even before Kennedy's Executive Order, Congress was considering two Bills for fair housing in the District.[58] In the end, it was the city Commissioners who first passed a fair housing Ordinance, saying that "There has been ample opportunity for Congress to preempt this area for legislation if it so desired but there is no indication of any such desire. … Under these circumstances, action now is not an affront to the Congress nor a rude race for power." All were in agreement that the moment was ripe for change. Change would now be well received by the community. "My predication is that this order will hardly make a ripple in the community," said Chairman Tilford E. Dudley, because the time had come for fair housing.[59]

The new DC ordinance went into effect January 20, 1964. It was comprehensive, banning discrimination based on religion, nationality and race. The regulations included prohibitions against discriminatory advertising, restrictive covenants in deeds, "block-busting" tactics and discrimination by lending institutions. Violations of these prohibitions would be enforceable through loss of license. The ordinance gave the Commission the authority to revoke or suspend the licenses of brokers or agents who violated the ordinance. The Council on Human Relations was to receive, investigate and mediate any complaints of discrimination.[60] Luchs

57 The Washington Post, 1/15/1964 p.B1 "City's Fair Housing Law Held Workable by Luchs"

58 The Washington Post, 4/20/1962 p.A1 "Congress Gets District Housing Bill"

59 The Washington Post, 11/28/1963 p.D1 "Adoption Now of a Fair Housing Ordinance Urged on City"

60 The Washington Post, 1/1/1964 p.A1 "Fair Housing Law Adopted for Capital"

was impressed – he thought it a strong Order and "a step in the right direction in the interests of the city." He also felt it was workable because "a 'large proportion' of the city's real estate agents and brokers were willing to go along with the ban against discrimination in selling or renting."[61] Indeed, this attitude was in the vanguard. A month later the National Association's Executive Council "called upon its members throughout the country to cooperate with civil rights groups to help 'intensify' the drive for fair housing laws." They made this announcement while meeting in DC and also adopted a resolution reaffirming "every citizen's right to equal opportunity and freedom of choice in housing."[62]

The culmination of this movement was the Federal Fair Housing Act of 1968 – Title VIII of the Civil Rights Act of 1968 signed by President on President Johnson on April 11, 1968. This Act expanded on previous legislation and prohibited discrimination in the sale, rental, and financing of housing based on race, religion, national origin, and gender (the Act was later amended to include handicap and family status).[63]

ADVANCING TECHNOLOGY

To keep pace with these profound social and political changes REALTORS® had to continue to ensure professional behavior and standards. As real estate evolved and was becoming increasingly complex, local real estate boards had to ensure that their members had the information and tools necessary to be successful in a fast-changing environment. In 1963 the Washington Board began a campaign to endow a Chair of Real Estate at American University.[64] At the same time, the Montgomery County Board continued to take the lead with the MLS, computerizing its system in 1968. A telephone line was used to feed in buyers'

61 The Washington Post, 1/15/1964 p.B1 "City's Fair Housing Law Held Workable by Luchs'

62 The Washington Post, 2/231964 p.A7 'REALTOR Hits Segregation in Housing"

63 http://www.hud.gov/offices/fheo/aboutfheo/history.cfm - History of Fair Housing

64 The Washington Post, 10/26/1963 p.D6 "Realty Chair Drive Launched"


LIBRARY

The Board has a library of books relating to Real Estate; it also has cassettes, films, projectors and records which members may use for their own improvement. The library was dedicated in memory of Glen J. Koepenick of the Board.

Dedication ceremony of the Glen J. Koepenick Memorial Library.

Montgomery County Board Library Dedication (1972)

criteria so that the listings could be searched. The next year, they introduced four computer programs to help refine the system: 1. A property retrieval program that could be used nationwide, 2. A program making it easy for REALTORS® to adhere to the law as they drafted their listings, 3. A program focused on commercial listings, 4. A market data service – so that REALTORS® could have an understanding of property for sale in a given area.

The Washington Board had delayed having an MLS system because of antitrust concerns, and set up their first system in 1973. This meant they went straight to a computer based MLS system and were the first in the nation to use a buyer qualification estimator. The REALTOR® could use the system to feed in clients' financial information to get an estimate of the monthly payments they could afford.[65]

RENT CONTROL

For much of the 1970s, tough industry issues had to be addressed. The Washington Board and the Montgomery County Board found themselves grappling with rent control and condo conversions. There had been no rent control in DC since 1966, but in 1973

65 The Washington Post, 09/21/1968 p.D13 "It's Happening in Real Estate"; Washington Post, 09/27/1969 p.D22 "New Computer Programs Set in Montgomery"; Washington Board of REALTORs Board Minutes 2/25/1978; The Washington Post, 2/25/1978 p.D22 "Multiple Listing Service Begun by DC REALTORs"

Congress authorized the City Council to introduce controls for a year if it believed they were necessary. In July 1974 the City Council again approved a rent control bill. The Washington Board was concerned about its fairness as the bill did not have provisions for landlords to recoup increases in operating costs. In the end, this concern was acknowledged. Along with the Apartment and Office Building Association the Board filed suit. The DC Superior Court agreed that a failure to allow owners to recoup operating expenses was unfair, ruling that landlords were entitled to pass on to tenants such increased operating costs as utilites. The Court also said that landlords have a "right to a reasonable rate or return." The Washington Board kept a keen interest in rent control – in February 1979, Ray Howar, the new Washington Board President, became Chair of the National Association's rent control Committee.[66]

Montgomery County was also grappling with the issue of rent control. In 1973 the County government passed comprehensive rent control legislation allowing a 4% rise in November 1973 and from January 1974 "no more than a 7% increase in the next two years", that is, until the end of 1975. Rent control was re-introduced in 1979, and finally ended in 1981.[67]

CONDO CONVERSIONS

Unsurprisingly, given rent control, more and more buildings were going condo. In 1973, *The Washington Post* observed that "Washington and its suburbs were well on their way to becoming the eastern champions of this relatively new type of real estate transaction." Between September 1976 and March 1977 there were 1,952 buildings approved for conversion. In May 1979 the DC City

66 The Washington Post, 9/8/1973 p.B1 "Senate Votes to Allow Rent Control in DC"; The Washington Post, 1/13/1974 p.D1 "Rent Increases in Most DC Apartments"; The Washington Post, 7/19/1974 p.B2 "Rent Control Bill Passes"; The Washington Post, 8/13/1974 p.C1 "Rent Control Panel Named"; The Washington Post, 7/19/1975 p.A1 "Rent Law Illegal; Landlords to Seek Rises"; The Washington Post, 2/3/1979 p.E27 "Four REALTORs Get New Posts"

67 The Washington Post, 3/1/1973 p.B1 "Montgomery Votes Rent Lid"; The Washington Post, 1/13/1975 p.D1 "Rent Increases in Most DC Apartments"; The Washington Post, 3/1/1979 p.C1 "Rent Control Law Voted in County"; The Washington Post, 6/24/1982 p.F1 "Montgomery Rent Increases Moderating"

Montgomery County Board Orientation (1973)

Council was so concerned about the number of condo conversions that they enacted home rule emergency powers to halt all conversions for 90 days. This became a long wrangle, with the Council voting through extensions and court challenges. The Washington Board worked hard to reassure the city that "the conversion threat is not as bad as some of us have been led to believe, especially as it relates to low income neighborhoods." The Board felt that alarmist and scare tactics were being used to stunt DC's rejuvenation.[68]

As condos became increasingly popular both the Washington Board and the Montgomery County Board continued to ensure that their members were kept up to date on the latest developments. The Washington Board offered a Seminar in October 1972, with five different speakers to address the legal, financial, sales, management and tax aspects of condos. In 1973, the Montgomery County Board of REALTOR®'s Education Seminar Committee began its sales training program with a session on condominiums.[69]

STAGFLATION

Condominiums were only one aspect of change in the 1970s and 1980s. The 1970s were a period of rising inflation. In the past, high inflation was a result of a booming economy. But that was not the case in the 1970s, as there were periods of rising unemployment too.

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68 The Washington Post, 1/20/1973 p.41 "Condominium Conversions Increasing in Metro Area"; The Washington Post, 3/10/1977 p.D_C_3 "City Approves Conversion"; The Washington Post, 9/19/1979 p.B1"Tighten Up Condo Law, City Urged"; The Washington Post, p.A1 "City Broadens Moratorium on Condominiums";

69 The Washington Post, 9/30/1972 p.E5 "Seminar Scheduled"; The Washington Post, 1/20/1973 "REALTOR Session Set on Condominiums"

Economists referred to these unhappy developments as "stagflation." With high unemployment fewer people could buy homes and rising inflation made household budgets tight even for those who were employed. It was a difficult period for the real estate industry, as REALTORS® had to respond creatively to these problems in making sales.

VII. MORTGAGE RATES AND MERGERS STRESS MARKET (1981 – 1997)

The early 1980s proved very challenging for real estate. To cope with unprecedented periods of peace-time inflation in the late 1970s, President Jimmy Carter took drastic steps. The Federal Reserve, under a new chairman appointed by Carter, sharply raised interest rates. President Ronald Reagan continued to support the Fed's imposition of higher rates when he took office in 1981. The goal was to "wring" inflation out of the economy. Ultimately the Fed policy succeeded. But before success was achieved the United States suffered the most serious economic downturn since the 1930s. Mortgage rates of 17-18 percent led to a crash in the housing market. In 1978 there had been existing-home sales of approximately 4 million units. By 1982 there were only about 2 million sales, a 50 percent decline. It would take almost twenty years until existing-home sales again surpassed the 4 million mark of 1978. Sales of new single-family homes suffered comparable declines: from 817,000 in 1978 to 412,000 in 1982.[70]

During the mid-1980s there was an improvement in the real estate market, as the economy grew again. Existing-home sales reached over 3.5 million units in 1986. New single-family home sales reached

70 U.S. Department of Housing and Urban Development, "U.S. Housing Market Data: Historical Data," (Washington: HUD, 1997) www.huduser.org.

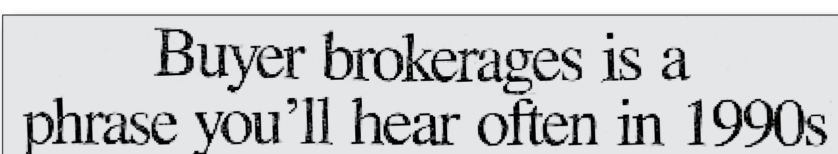
1986-87 MCAR President Elaine White congratulates incoming President Betsy Abruzzo and officers, pictured (left to right) Treasurer Judith DiFillippo, Vice-President Harold Huggins, Elaine, Betsy, President-Elect William Ellis and Secretary Mary Vaarwerk. (*Washington Area Realtor* magazine – December 1987)

750,000 in 1986. But the improvement was short-lived. By the end of the decade the collapse of the savings and loan industry created problems for real estate. Credit tightened and interest rates for fixed-rate conventional home mortgages were on average over 10 percent between 1987 and 1990. As the economy slowed, unemployment increased, keeping many buyers out of the real estate market. As prices fell on existing and new single family homes there was a sharp contraction in the construction industry. Following a peak in 1986, the decade's best year for real estate, existing home sales were 3.2 million in 1990; new single-family home sales in that year

Elusive 'recovery' stumps experts

Housing, jobs down; other areas rebound

The Montgomery Journal, July 3, 1992



Buyer brokerages is a phrase you'll hear often in 1990s

The Washington Times, September 24, 1993 were 535,000. Only after 1991 did prices and the market begin to stabilize.[71]

The difficult conditions in the 1980s and early 1990s led to a series of mergers of real estate firms in the region. Among factors that lead to the local mergers were slowing sales and leasing transactions in the residential and commercial markets, as well as national trends. Large companies like Sears adopted a strategy of diversifying into financial services, including commercial and residential real estate. In 1981, Sears bought Coldwell Banker. Other companies buying into the real estate industry in the 1980s were Merrill Lynch, Prudential Insurance, and American Express.[72]

Unpredictable economic conditions and mergers in the industry profoundly impacted real estate associations. In these stressful times


Area sees drop in real estate agents since the '80s

The Washington Times, October 1, 1993


REAL ESTATE & BUSINESS

Electronic realtor keyboxes protect homes

Express Newspapers, May 20, 1992

71 U.S. Department of Housing and Urban Development, "U.S. Housing Market Data: Historical Data," (Washington: HUD, 1997) www.huduser.org and for mortgage rates www.federalreserve.gov.

72 *The Washington Post* 10/6/1981 p.D1, "Sears to Acquire Coldwell, Banker Real Estate Firm,"; *The Washington Post* 8/13/1991 p. C3,"Long and Foster Division, BMP Brokers to Merge,"; *The Washington Post* 4/1/1993 p.B13 "Shannon & Luchs, Polinger Merge Unit,"

WDCAR event photo. From left to right: Kenney, Maffin, Golstein
(December 1995)

associations looked for ways to reduce costs for themselves and for the REALTORS® who were their members. Increasingly, leaders in the industry looked toward consolidation among associations. Regionalization, as it was called, was also propelled by growing markets that, because of advances in technology, increased the costs of providing services - especially the MLS. All of these changes, stresses, and strains created the environment that eventually led to the creation of GCAAR.

VIII. GCAAR IS BORN (1997 – 1998)

On September 12, 1997, members of the Montgomery County Association of REALTORS® approved a series of provisions and changes in its bylaws to establish a new regional organization, the Greater Capital Area Association of REALTORS®. A few days later, on September 17, the Washington, DC Association of REALTORS® followed with its approval. Four months later, the new member organization was launched. Setting up the day-to-day operations was a complex process. It required the close collaboration of the executive directors of each organization to merge the staffs and working procedures of the two associations. While the main office of GCAAR was to be in Rockville, WDCAR's office in Washington would continue to provide lockboxes and forms, as well as classes from its I Street office.[73]

In proposing the new association, the organizers reviewed the rules and bylaws of each organization. Of course some aspects of each were the same – rules governing professional ethics, procedures for disciplining unprofessional behavior, and practices to resolve disputes. Governance issues took some time to work out, although

73 Dale E. Mattison, "Introducing GCAAR: A Meeting of Many Minds," DC Line, Sept/Oct 1997, p.4.; "Formation of GCAAR Represents Much More than A Name Change," DC Line, December 1997, p. 6.

GCAAR's First Installation in 1998 – Nancy Lindeman and Yolanda Mamone

the new organization's leadership paid close attention to balancing appointments of committee chairmen and members of committees with people drawn from the earlier organizations. For the sake of continuity, the presidents of WDCAR (Dale E. Mattison) and MCAR (Carole A. Maclure) became vice presidents of the new organization. Each had played important leadership roles convincing their associations to embrace the concept of a new, regionally-based organization. The new GCAAR president was Nancy C. Lindeman who had 28 years of commercial and residential real estate experience. Moving forward, the presidency would rotate between DC and Montgomery County members. With a membership of more than 5,000, GCAAR was one of the largest such REALTOR® associations in the country.[74]

In the new agreement setting up GCAAR, WDCAR retained a separate identity but with a changed emphasis in its mission. From its inception many decades before, the District real estate board served as both a local and state-level association within the National Association of REALTORS®. It was to continue as a state-level Association, a requirement for District membership in NAR. With member services provided through GCAAR, WDCAR planned to focus its attention on regulatory issues and legislation before the

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74 "Members Approve New Association," DC Line, September-October, 1997, p. 2; Dale E. Mattison, "Introducing GCAAR: A Meeting of Many Minds," DC Line, September-October, 1997, p. 4; "Formation of GCAAR Represents Much More than A Name Change," DC Line, December 1997, p. 6.

DC government as well the committees in Congress with oversight of the federal city.[75]

Creating GCAAR did not happen overnight. It took several years to get to the memberships' approval in September 1997, with many meetings and discussions to gain the support of both associations' membership. Initially, an attempt to create a joint regional organization between MCAR and WDCAR was voted down at a MCAR members meeting in September 1996. Further discussions and rethinking by leaders in each association promoting the idea of regional amalgamation followed this defeat.

INFORMATION TECHNOLOGY REVOLUTION

Driving changes in the Washington, DC region, as well as nationally, were revolutionary technological advances in computing. As an information providing industry, real estate was particularly affected. Improvements in computing continually altered business practices in the real estate industry and almost everywhere else in the economy. The computer revolution began in the 1950s with cumbersome mainframe installations in key industries such as insurance, accounting, and auditing where electronic data processing was at a premium. The introduction of the personal computer in the 1970s and software and hardware that produced powerful networking capabilities in the 1980s moved the computer revolution forward. Computational power advanced dramatically in the mid-1990s into what became known as an Information Technology (IT) revolution. IT used networking software to connect the increasing capacity of personal computers, laptops, and eventually hand-held devices to ever-faster land-line and then wireless communications. Accelerating the pace of these developments was the explosion of the Internet after it went public in 1995.[76]

The IT revolution of the late 20th century, like the transportation and communication revolution of the late nineteenth century, shrank

75 Dale E. Mattison, "Introducing GCAAR: A Meeting of Many Minds," DC Line, September-October, 1997, p. 4.

the business world by improving the ways in which business people interconnected with each other and with their customers. IT and the Internet drew REALTORS® closer. Geographical barriers came down among the specialized markets that had characterized the localities of the real estate industry for much of the twentieth century. An immediate result of the market changes was greater competition among real estate practitioners. There was also a fear – at least initially – that the Internet might provide too much information to customers, undermining REALTORS® unique position in providing buyers and sellers access to the real estate marketplace.[77]

The IT revolution gave an incentive for greater REALTOR® cooperation in order to cope with the ramifications of a tightly connected, yet growing market. In increasingly competitive markets, REALTORS® became more cost conscious, as they looked for ways to increase productivity. In such an environment, member organizations had to pay closer attention to the services that they provided to their members.

A central force driving real estate associations over the last thirty years proved to be multiple list services (MLS) systems. How best to provide MLS using the new technology was the issue. By 1990 each local real estate association in Maryland, Virginia and DC maintained its own MLS system to provide members with timely information about properties for sale within a particular area.

Multiple listing was not a new idea. Locally, it had been introduced in a very simplified fashion by the Washington Board of REALTORS® in the 1920s.[78]

MCAR's first MLS information was distributed to members in a softbound book. In 1968 MCAR launched a computer enabled

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76 J.R. Okin, The Technology Revolution: The Not-for-dummies Guide to the Impact, Perils, And Promise of the Internet (New York: Ironbound Press, 2005).

77 Memorandum, Meeting Results (and accompanying meeting summary), Norm Flynn, Chairman, NAR, Presidential Advisory Group on Member Services, December 27, 1995, GCAAR Archives.

MLS system. Information about each entry was transmitted over telephone lines and was displayed on the member's personal computer. WDCAR provided similar services in the 1980s. Over the next decade MCAR members embraced the computerized system. By 1988, MCAR abandoned the MLS books because of the convenience of the telephone-based modem system.[79]

Realtors Mull Overhaul of Listing Service

Proposal Would Combine Fragmented Operations

The Washington Post, November 6, 1993

REGIONALIZING THE MLS

In the 1980s, computer technology continued to change at an accelerating pace. Members wanted to be on the cutting edge, so in 1989 MCAR contracted with a consultant to estimate the costs of fully updating the MCAR MLS system. A state of the art installation, the consultant concluded, would require an expenditure of between $2.5 and $3.0 million. The high cost of new technology encouraged the leadership to intensify conversations with representatives from other associations in the region about a jointly run system. Prior to retaining the consultant, Association officials had begun informal meetings about a regional MLS with their counterparts in other real estate associations. The goal was to better manage the costs involved in the MLS system. These conversations did not get very far. A computerized regional system would be very expensive.

78 See MRIS Website, "History" link; Harold Huggins, Oral History Interview, May 21, 2009, pp. 9-10.

79 A detailed discussion of the circumstances that led to the suit can be found in the decision in Montgomery County Association of REALTORs Incorporated v. Realty Photo Master Corporation, December 1996, Federal District Court, 91 F3d 132.

Concern over costs, resistance to change by REALTORS® who did business in only one county, and frankly turf issues about who would run the system prevented a regional system from moving forward.[80]

Still, many brokers and agents could see the advantages of such a regional approach to the MLS. To gain access to the MLS systems across geographical boundaries REALTORS® had to join and pay fees to more than one association. Fees for membership could become a burdensome expense, especially in times when the real estate market was in a downswing, periods such as the early 1980s and early 1990s. There was a potential market for a regional approach to the MLS if a way could be found to organize a system that could seamlessly cross geographic and political boundaries.

In the late 1980s, MCAR was not in a position to press the MLS issue. The association was challenged by two lawsuits: one dragged out and expensive, the other shorter and dealing with a personnel matter. It was the first litigation that had important, long-lasting implications. MCAR in 1988 brought suit against a former employee who set up a company that provided digitalized photographs of properties listed on the MCAR MLS system. He tapped into the system to learn of new listings. In doing so, the courts eventually concluded that his company violated copyrighted materials of MCAR. Association officials, along with one of the largest real estate companies in the area, Shannon and Luchs, went to court to prevent the former employee's company from accessing information from the association's MLS system. The case dragged on for seven years, proving expensive and disruptive. At one point the Association had to photocopy thousands of documents as part of the proceedings. After years of litigation, the federal courts upheld the MCAR's right to prevent access to the MLS system. Indeed, the case produced a landmark decision in protecting the copyrights of MLS systems.[81]

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80 Dale Ross, Oral History Interview, June 19, 2009, p. 11. Joseph Himali, Oral History Interview, May 1, 2009, pp. 21-22; Oral History Interview, Carole Maclure, May 28, 2009, p.14.

81 Montgomery County Association of REALTORs Incorporated v. Realty Photo Master Corporation, December 1996, Federal District Court, 91 F3d 132.

The copyright lawsuit roiled the Association. There was controversy, but also meetings which perhaps ironically led to greater cohesion and organizational self-awareness. Difficult times, and challenging issues, while not pleasant to live through, often prove a fruitful time in the life of an organization. They can lead to new ways of thinking about how it operates. This was the case with MCAR in the late 1980s and early 1990s.

It also had another consequence in that the interim CEO, Dale Ross, acted during this agitated period to propose some important innovations in the provisions of the MLS system. Ross served a little over a year from 1991-1992, as the association looked for a new permanent CEO. Much of his time was taken up in meetings during his tenure about the various issues before MCAR. The MLS system was very much on his mind. Late in 1991 he approached five of the largest brokers in the region to gain their support for the creation of a company to run a regional MLS system. Following those meetings, Ross went to the MCAR board for its approval, which he received. Over the following several months Ross spent most of his time discussing how to put together a regional MLS system. He spoke with representatives from 26 organizations in the region. He received encouragement and he moved on to form a Metropolitan Regional Information System (MRIS), organized as a corporation owned by real estate associations in the area. Ross became its CEO in 1991, a position he held until 2000. The system went online early in 1996 to the first subscribers. MCAR was among the first to provide the service to its members in January 1996; the service became available to members of WDCAR in July 1996.[82]

MCAR took the lead in getting the regional MLS company off the ground. The association put up a portion of the seed money and in kind contributions. Also, the MCAR provided facilities and personnel. These MCAR employees knew how to build and operate

82 Ross OH, pp. 12-14; "MRIS Examines Financing Options," DC Line, July/August 1995, p. 3.

a MLS service. MRIS was financed by a loan from a local lender. Motorola Corporation, the company that provided the hardware for the new service, "provided a letter of credit to MRIS' bank to secure a portion of the required capital," as did MCAR.[83]

MRIS proved a success because it significantly reduced the membership costs of agents and brokers who did business across the geo-political lines that defined the real estate market in Maryland, Virginia, and DC. It also reduced the costs of keeping up with state-of-the-art technology to maintain the MLS. A company of MRIS' size was better able to finance state-of-the-art technology than any local real estate association would have been able to do on its own.

REGIONALIZING THE ASSOCIATION

MRIS was a boon to REALTORS®. But it also had a profound, challenging impact on local real estate associations. MCAR and WDCAR gave up the revenue it could have earned from its MLS in the interest of promoting a regional approach to the MLS. Estimates were that MCAR would face a $1.5 million yearly shortfall once MRIS was up and running. MCAR planned to downsize operations, consolidating departments, and reducing the size of the Board of Directors. It also hoped to increase income by rent from a land lease on an office building in Rockville owned by the association. In fact, most local real estate associations faced reduced income when they abandoned their own MLS services for those provided by the corporation.[84]

Positive experiences with cost reduction brought about by MRIS altered the tenor surrounding the discussion of forming a regional association. With continuing growth of the Washington metropolitan area, some REALTORS® found themselves increasingly working in different counties. Cross-border business required REALTORS® – brokers and agents – to belong to real estate associations in the

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83 "MRIS Examines Financing Options, DC Line, July/August 1995, p.3; Ross, p. 11-13.

84 Lisa W. Taylor, "Now is the Time . . ."Monogram, August/September 1995; Huggins, p. 9; Ross, pp. 8-9.

jurisdictions where they did transactions. So as their experience with the earlier MLS services, REALTORS® found that maintaining more than one association membership increased the expense of dues that had to be paid. As members of more than one local association, these REALTORS® also realized that the associations were providing duplicate services. Merging associations would eliminate duplication in staff and services, reducing real estate association costs. The latter was an issue of concern to association leaders because of the reduced revenue resulting from the introduction of MRIS.[85]

Also examining the possibilities of regional associations was the National Association of REALTORS®. Beginning in the mid-1990s, the National Association of REALTORS® supported the development of regional organizations. NAR extolled the experience of regional groups that had developed in the San Francisco Bay Area, Milwaukee, and Palm Beach. National leaders pressed the cost savings that could result from such regional bodies. Also, from the National's point of view, it was easier to deal with larger regional groupings of REALTORS® than several smaller groups in a particular area.[86]

It's impossible to assess the extent to which the NAR discussions of promoting regionalization affected developments in the Washington area. Local MC leaders were aware of the NAR campaign, although they did not see it as influencing developments in their region. What is safe to say is that populations moving across geographical boundaries created new markets and that change in the DC metropolitan area was not unique.

Nevertheless, it took time to put together what became GCAAR. Initially, the discussions in the mid-1990s also included the leaders of the real estate associations in Prince George's and Frederick counties. Organizational politics entered into the discussion. Officers of the associations in Prince George's and Frederick did not want to give up

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85 Ross, p. 16; Himali, pp. 21-22.

86 "A Marriage of Associations: Make the Relationship Harmonious from Proposal to the Honeymoon", The Executive Officer, Fall, 1994, pp. 6-8, GCAAR Archives; Himali, p.33.

their autonomy. Also, members of these organizations did not operate in as many jurisdictions, and as a result did not see the need for a regional organization.[87]

In 1995, the leaders of both MCAR and WDCAR approved the creation of a task force to examine how the two groups might provide shared services. Initial discussions proved promising. In September 1995, the task force proposed the creation of a regional association made up of MCAR and WDCAR. But the membership voted the proposal down in an outcome that surprised the leaders of each association. The task force had made a forceful case for the advantages of reducing the costs of duplicative services.[88]

The outcome of the vote was a genuine surprise because there was strong sentiment in both organizations for a regional grouping. WDCAR had had financial difficulties before the introduction of MRIS and there was a question of whether it would be able to weather losing its MLS. Indeed, in the early 1990s WDCAR had to adopt a stringent budget to ensure survival. Early in the 1990s, it had worked to create a new business plan predicated on improved, if more limited, services for members. Shared services were an attractive way for the association to meet these objectives.[89]

Within MCAR there were a comparatively large number of agents who did business in both DC and Montgomery County. Estimates are that more than ten percent of the MCAR membership held licenses in both DC and MC, frequently doing business across the boundaries between DC and southern MC.[90]

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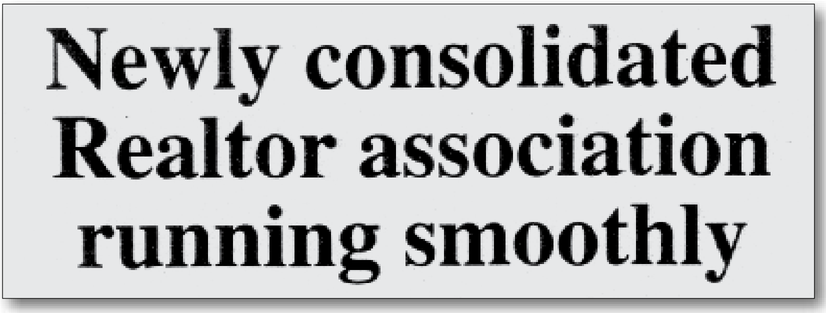
87 Ross, p. 14; Himali, pp.23-25.

88 "WDCAR Prepared for 'No MLS'; DC Leaderhip Confident Despite MCAR Rejection of Regional Association", DC Line, October 1995, pp. 1, 12; "WDCAR Reexamines Its Mission," DC Line, November 1995, p. 3.

89 Minutes, Board of Directors Meeting, Washington, DC Association of REALTORs, June 18, 1992, GCAAR Archives.

90 Ross, pp. 14-15.


Newly consolidated Realtor association running smoothly

Gazette – Feb 18, 1998

Supporters of a regional group between MC and DC set to work to make the case for a new association. Leaders in both organizations believed that the membership had not been fully informed about the regional idea. Through 1996 and 1997 small-group meetings and town-hall get-togethers continued as members of MCAR and WDCAR thrashed out the pros and cons of putting together a regional association. REALTORS® who did not routinely cross boundaries in their business, or specialized in niche neighborhoods (such as Capitol Hill and Georgetown) or niche markets such as condominiums did not see the benefits of a regional association. Supporters of the regional concept pressed the point that they were affected by the overall costs of association activities, which was also true for the specialized services that directly served the needs of their businesses. Also emphasized in these discussions was the value that would be added in lobbying. Regulation was increasing in complexity and pervasiveness, and a regional association could do a more thorough job. WDCAR would focus its major efforts on the District as a state association, with the DC City Council as its primary constituency.[91]

Organizational and staff issues took much time in setting up GCAAR in the early years. Few if any changes were needed in dealing with professional standards. They were well worked out, and well known, before the associations merged. Questions of ethical behavior, disciplinary procedures, and arbitration practices were dictated

91 Maclure, pp. 24-25; Dale Mattison, Oral History Interview, June 12, 2009, pp. 21-23.

by NAR. Standard business questions presented well understood issues too. How to standardize forms or how to manage the lockbox system were issues that the memberships of most local associations understood. The task force putting the merger together worked on board issues, such as the rotation of the leadership, the scheduling of meetings, and the makeup of committees. These issues took time to work out, but the leadership understood what needed to be done.

Less clear, though, were how to meld the staffs of the two organizations. Closely related were developing new services or expanding established ones – like education. These took time, and although turf and personnel issues inevitably led to tensions, the end result was an association that met members' needs and provided services above and beyond what the preceding associations could offer.

IX. THE FIRST DECADE AND BEYOND (1998 – 2009)

Making the most of the economies of scale offered by the new regional association's structure, GCAAR initially managed a variety of specific services for other associations, including the Howard, Prince Georges, Coastal, and Frederick County Associations of REALTORS®. The association also signed full service management agreements with the state level Washington DC Association and one of its spin-off groups, the Greater Washington Commercial Association of REALTORS®. GWCAR, established in 1995, serves the commercial real estate interests in the District of Columbia, Suburban Maryland and Northern Virginia.[92]

Over its first few years, GCAAR itself also increased dramatically in size. By the end of 2003, the membership was almost 8000, while at the time of the merger it was 5000. There had been a ten percent increase in members alone between 2002 and 2003. This growth required careful attention and management. One innovation was the creation of a "Rookie Society," that helped ease new practitioners into the demands of the business and the life of the association through educational opportunities, social events, and special items

92 GCAAR, 2003 Annual Report, Synopsis, p.2, available on GCAAR website.

on the GCAAR website. Also, in recent years the association has been proactive in using social networking, which is a more personal computerized way for REALTORS® to keep in touch with clients and fellow practitioners. Facebook and Twitter are the most popular examples of social networking in 2009. But the social world of the web continues to evolve it seems at a faster and faster pace.[93]

The new association tackled issues of public policy with renewed strength. GCAAR worked with the Montgomery County Council, WDCAR with the District government and when necessary the federal government. Of course, GCAAR also worked through the NAR. In advocacy, the big issue for some years has been the increasing sets of rules and regulations that REALTORS® had to comply with in completing transactions. There were a growing number of disclosures about the properties being bought and sold, and the contracts utilized to complete transactions. Unique to the metropolitan area is a large number of well-educated people – many of them lawyers – who follow closely proposals for new rules and regulations governing real estate transactions and often serve as advocates before governmental bodies for their enactment. While these trends were national, GCAAR probably dealt with one of the most litigation oriented populations in the country.[94]

There's no doubt that GCAAR has proved a success in terms of the numbers of members it serves, the quality of its services, and the extent of its advocacy. Leaders have been clear on the need to continue pushing the public policy aspect of the association's activities.

But the ongoing financial crisis opens an entirely new dimension for GCAAR. REALTORS® now face challenges that the real estate industry has not had to confront since the 1930s. The current recession is not a cyclical downturn like all of the recessions of the post World War II era. The current crisis is structural – the

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93 GCAAR, 2003 Annual Report, Synopsis, pp.1-2, available on GCAAR website.

94 Mattison, p. 25; Himali, pp. 31-32.

economic problems faced by REALTORS® and their clients are the result of a collapse of major financial institutions.

Restructurings of major banks and mortgage companies are underway as is consideration of substantial changes in federal regulation. While unemployment is the highest it's been for decades, the cause of most foreclosures and short sales today is not due to homeowners losing their incomes but rather the risky mortgage products that were popularized in the early 2000s. Interest only, ballooning ARMs, and no income verification before loans were purchased pushed homeownership rates to nearly 70% of the population, the highest the country had ever seen. But many owed more on their homes than they could afford to pay, and when the economy stopped growing they were left no other option but to sell. When the market was flooded with the inventory of these sales, prices declined exacerbating the financing problems. Those needing to unload their mortgage debt had two options: sell for less than what they owed or face foreclosure. Estimates are that it might take a decade to work the real estate industry back to where it was before the collapse.

So, GCAAR and the real estate industry are facing a long period of economic, political, legal, and perhaps social uncertainty. But real estate associations have been through difficult times before. Clearly, that is one of the themes that emerge from our examination of the history of real estate in the metropolitan area. Our study also suggests that real estate associations are essential to coping with change. REALTORS® in the metropolitan area, with the assistance of their associations, have responded to profound change before. Two World Wars and the depression of the 1930s immediately come to mind. But there have also been important social changes – the rapid growth of the suburbs in the six decades since World War II, the increasing role of women in the industry, the upheaval and uplift of the Civil Rights revolution, and the growing populations of immigrants.

In dealing with change, real estate associations have done best by serving the needs of their members, accepting the dictates of the market, and adjusting to new political and social realities. Our history suggests that flexibility, farsightedness, and innovation are probably the three watchwords that define organizational success. And they are qualities that GCAAR might best employ as it copes with the inevitability of change in the future.

1900

1908
National Association of Real Estate Exchanges (NAREB - later known as National Association of REALTORS®) founded in Chicago

1912
Real Estate Brokers Association of the District of Columbia (later known as Washington DC Association of REALTORS®) founded

1913
NAREB issues its first edition of the Code of Ethics

1917
USA enters into World War I

1920
Consumer prices doubled over 1914 levels

1921
Real Estate Brokers Association of the District of Columbia hires its first full-time secretary and reorganizes into the Real Estate Board of Washington, DC. Works on standardizing contracts, education, and publicizing the necessity of using a REALTOR®.

1929
Stock Market crashes leading to the Great Depression

1934
Federal Housing Administration established by Congress as part of a National Housing Act

1935
Suburban development begins in the county

1936
Washington Real Estate Board offers 8-week course in real estate practice at Southeastern University

1937
Real Estate Commission and licensing law established in DC

1938
Congress creates Fannie Mae with one billion dollars in capital

1941
USA enters into World War II

1946
Montgomery County Real Estate Board (MCREB) approved for membership in the National Association

1946
Washington Post headline: “Real Estate Booming here Despite Drop in Other Cities”

1948
MCREB establishes its first MLS

1950
Population of the county doubled over 1946 levels

1950
In conjunction with American University, Board offers two 16-week courses on real estate practice and appraising

1954
Washington Board's Women's Council established

1954
MCREB elects its first female President

1957
DC Board requires agents to pass an exam before awarding membership in the organization

1959
Acreage in the county devoted to farming dropped from two-thirds to one half from 1949 levels, and price per acre increases from $228 to $680

1963
DC Board endows a Chair of Real Estate at American University

1964
DC passes a fair housing ordinance banning discrimination based on religion, nationality and race

1968
Federal Fair Housing Act signed

1968
MCREB launches computerized MLS

1973
Rent Control legislation passes in the county

1973
Washington Board establishes its first MLS

1974
DC City Council approves rent control spurning the popularity of condo conversions

1982
Mortgage rates top out at 18%

1996
MCAR and WDCAR go online with MRIS

1997
In separate membership meetings, Montgomery County and Washington DC Associations approve the establishment of a joint association

2009

National News
Washington DC News
Montgomery County
GCAAR Timeline

WASHINGTON, DC ASSOCIATION OF REALTORS®

PAST PRESIDENTS

Wm. Saunders	1913-1915
George Y. Worthington	1915-1916
John L. Weaver	1916-1917
Charles W. Fairfax	1917-1918
Lee D. Latimer	1918-1919
L.L. Rust	1919-1921
Harry K. Boss	1921-1922
Charles S. Shreve	1922-1923
J. C. Weedon	1923-1924
Thomas E. Jarrell	1924-1925
Clarence F. Donohoe	1925-1926
John F. Maury	1926-1927
W.C. Miller	1927-1928
Ben T. Webster	1928-1929
A.H. Lawson	1929-1930
Arthur Carr	1930-1931
J.F.M. Bowie	1931-1932
H. Clifford Bangs	1932-1933
Arthur C. Houghton	1933-1934
Harold E. Doyle	1934-1935
F. Eliot Middleton	1935-1936
F.L. Sandoz	1936-1937
Morton J. Luchs	1937-1938
Francis A. Murray	1938-1939
Fred A. Smith	1939-1940
Waverly Taylor	1940-1941
Charles C. Koones	1941-1942
Claud Livingston	1942-1943
Homer Phillips	1943-1944
Lewis T. Breuninger	1944-1945
S. Dolan Donohoe	1945-1946
Charles H. Hillegeist	1946-1947
F. Moran McConihe	1947-1948
Raymond M. Taylor	1948-1949
Oliver M. Walker	1949-1950
J. Garret Beitzel	1950-1951
Edward R. Carr	1951-1952

William M. Throckmorton	1952-1953
Thomas L. Phillips	1953-1954
Carey Winston	1954-1955
Harvey L. Jones	1955-1956
Charles L. Norris, Sr.	1956-1957
Edward J. Kyle	1957-1958
J.A. Weinberg, Jr.	1958-1959
Clarence Dodge, Jr.	1959-1960
Frank J. Luchs	1960-1961
George W. DeFranceaux	1962
Charles H. Purcell	1963
Thomas M. Walsh	1964
Earl W. Farr, Jr.	1965
Thomas W. Sandoz, Sr.	1966
Wallace B. Agnew	1967
Martin R. West, Jr.	1968
Frederick A. Marstella	1969
Henry E. Nichols	1970
Thomas J. Owen	1971
Foster Shannon	1972
Joseph L. Donnelly	1973
William C. Stuart III	1974
C. Duke Brannock	1975
Donald M. DeFranceaux	1976
William S. Harps	1977
James R. Ingham, Jr.	1978
Raymond J. Howar	1979
Kenneth J. Luchs	1980
James L. Eichberg	1981
G.V. Brenneman, Jr.	1982
Bette June Ingham	1983
G. Thomas Borger	1984
Richard R. Harps	1985
Peter R. Rucci	1986
F. Joseph Moravec	1987
J. Fernando Barrueta	1988
Frank Emmet, Jr.	1989
Ricki Gerger	1990
Donald Denton	1991
Blane T. Dodson	1992
Joseph E. Borger	1993
Bruce R. Baschuk	1994
Brooke D. Myers	1995
Constance W. Maffin	1996
Dale E. Mattison	1997
Frank A. Pietranton	1998
Yolanda M. Mamone	1999
Jay B. Olshonsky	2000
Kenneth L. Frank	2001
Carol J. Mitten	2002
Keene Taylor, Jr.	2003
Scott M. Johnston	2004
Elizabeth L. Blakeslee	2005
Dave Bevirt	2006
Dominic Turano	2007
Susan Pepper	2008
Nathan Carnes	2009

MONTGOMERY COUNTY ASSOCIATION OF REALTORS®

PAST PRESIDENTS

J. Ingram Medley	1945-47
Eugene M. Fry	1947
Ralph P. Ripley	1947-49
J. Noble Boaz	1949
Andrew J. Kessinger	1949-50
Robert H. Best	1950-51
Cloyd R. Graham	1951-52
George W. Robertson	1952-53
Frank L. Hewitt, Jr.	1953-54
Margaret D. Held	1954-55
Willard E. Beers	1955-56
H.E. Thompson, Jr.	1956-57
Adolph C. Rohland	1957-58
James C. Conley	1958-59
M.W. Simmons, Sr.	1959-60
C. Robert Gray	1960-61
Leonard N. Raffell	1961-62
Carl R. Sturges	1962-63
John H. Beers	1963-64
Jackson A. Kessinger	1964-65
C. Windsor Miller	1965-66
A.V. Pisani	1966-67
Albert D. Pobiak	1967-68
George W. Allen	1968-69
Robert W. Bridges	1969-70
Lee Frew Platt	1970-71
Hans W. Nestler	1971-72
Willie E. Gutridge	1972-73
Daniel E. Clarke	1973-74
John P. Foley, Jr.	1975
Robert L. Gruen	1976
Robert W. Bridges	1977
Charles H. Jamison	1978
Jesse L. Peck	1979
Herbert V. Juul	1980
Faye D. Cobb	1981
Jesse W. Clary	1982
John J. O'Keefe	1983
Robert W. Snider	1984
Dale L. Ross	1985
Harvey Rosendorf	1986
Elaine A. White	1987
Elizabeth B. Abruzzo	1988
William M. Ellis	1989
Harold Huggins	1990
Judith DiFilippo	1991
Mary Verwerk	1992
Pat Kane	1993
Joanne Anderson	1994
Lisa Taylor	1995
Martha Schmidt	1996
Carole Maclure	1997

GREATER CAPITAL AREA ASSOCIATION OF REALTORS®

PAST PRESIDENTS

Nancy Lindeman 1998

Ruth Dickie 1999

Brooke Myers 2000

Alana Lasover 2001

PAST PRESIDENTS

Dale Mattison 2002

Marie Shannon 2003

Jim Kneussl 2004

Susann Haskins 2005

Holly Worthington 2006

Brenda Small 2007

Dennis Melby 2008

Joseph Himali 2009

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MORTGAGE RATES & MERGERS STRESS MARKET (1981 – 1997)

GCAAR IS BORN (1997 – 1998)

GCAAR
GREATER CAPITAL AREA ASSOCIATION OF REALTORS®