

# Secure Content Group



## Perspective...

Vol. 5

### Tipping Point

**Malcolm Gladwell defined a “tipping point” as the point at which a change in behavior reaches a critical mass and creates a whole new reality. The tipping point in the mindset of real estate brokers about information security may be approaching at a high rate of speed.**

The perception of many brokers is that security is like insurance, a necessary evil. Real estate firms aren't subject to the same threats as banks, and most consumers don't know or care what happens to the information they give to brokers. They regard information security as the responsibility of an MLS or a vendor. Changing agent behavior is hard because agents are focused on selling houses, not managing security. The conventional wisdom is that with respect to information, “This horse left the barn long ago and it's not coming back “



Most industries made the shift to a new security mindset only after enduring the pain of suffering through breaches or complying with regulation. Paperless transactions, value and supply chain integration initiatives, high impact attacks, and the melt-down of the music industry has elevated information security to the top of senior management's radar screen. The behavior of mainstream real estate may continue to resist change until the industry experiences an unpleasant event, such as:

**1) National legislation that will reform the information practices of real estate, and expand the reach of existing federal regulation to real estate, and associations.**

- 2) **An ugly breach that exposes the open windows in the security architecture of real estate, compromising the information of consumers and trading partners.**
- 3) **Discovering that banks are distributing their branded credentials to consumers and agents to access new on-line financial services thereby placing pressure on real estate to adopt their standards of trust and identity management.**
- 4) **The launch of transaction services by Lending Tree, Intuit or other on-line firms selling transaction process control and simplification resulting in lower fees directly to consumers.**

The trends have been apparent for some time. Fortunately, there is a growing community of real estate leaders who understand the importance of the new security dynamic. They know that before exchanging sensitive trading partner information it's necessary to have agreements in place to assure the identity of the parties and the integrity of the information. They are looking at technologies that will help to ensure the integrity of their practices.

The shift from security as simply a defensive measure, to security as an offensive measure that acts as an enabler for new applications and capabilities leads to a better reality. Improved service delivery models, stronger customer relationships and renewed competitiveness have been the result for retail, financial services, and beginning to show great promise in healthcare. The real estate brokers that are part of public companies may already be experiencing the affects of Sarbanes Oxley compliance in terms of improved internal controls. Transaction management will certainly accelerate the evolution toward the required information security infrastructure.

History suggests that it may very well be some unfortunate event or unintended regulatory consequence that tips real estate.

***Secure Content Group serves associations, government, financial services, pharmaceuticals and real estate. Read more about Secure Content Group's unique perspective on digital governance in real estate.***

**Jack Horton Managing Partner 703.909.2427**

**J.T. Hardy Partner 240.351.6955**

**Contact [info@securecontentgroup.com](mailto:info@securecontentgroup.com)**

**visit our site: [www.securecontentgroup.com](http://www.securecontentgroup.com)**