How real estate teams support brokerage profitability and agent production

Real estate teams are no doubt a dynamic force in real estate. Brokers and agents who understand how to leverage their strengths will see great success in the coming years.

To provide readers greater insight on teams and how they can leverage them, I decided to share the insights from recent interviews I did with two experts who have deep knowledge of real estate teams: Alvaro Erize, co-CEO of the real estate tech and marketing tool Commissions Inc., and Rich Rector, a leadership coach with Keller Williams' MAPS program.

You have the opportunity provide your perspective on teams by participating in a short survey at the end of this article.

See the Q&A below.

Are teams more prevalent today, and, if so, why?

Erize: Teams have been rapidly growing in both number and influence over the past five years and we continue to see that trend accelerate. Through role specialization, strong technology investment and team leader dedication to coaching, the average team (at least in CINC's client base) has grown its business by more than 30 percent in the last 12 months, with a large percentage of them more than doubling their business.

Rector: I agree with Alvaro's comments about the increased prevalence of teams today. Brokers, such as those in the Keller Williams family, encourage teams by providing them with training and tools. The desire for income from consistent leads is a strong attraction for agents to join teams, and also a driver of team growth. Many teams have built-in lead generation systems established by the team leader, aka the "rainmaker." Although agents receive a reduced split as members of a team, they often do more transactions in the right model and thus make more money than they would otherwise.

What are some benefits teams provide brokers and agents?

Rector: Teams can be a huge benefit to brokerages when they have the right economic structure in place. Teams provide high marketplace visibility and can generate many transactions, which increase broker market share. For top agents, creating a team is a way to leverage their expertise to increase profitability and transaction count.

Erize: I agree — teams can be a great asset for brokerages if harnessed correctly. Teams are able to ramp up new agents much faster with a hands-on approach that can be cost-prohibitive for

brokers. This helps a brokers' newer agents grow faster. Team leaders also provide significant aspirational value. Agents are attracted to teams because they see them as a vehicle for quicker success. Great teams provide personalized coaching and constant accountability, making agents effective very quickly.

What tools are available to teams?

Rector: There is a lot of information and training on how to build teams. One example is Gary Keller's "Millionaire Real Estate Agent" book. Having a good lead generation platform and a support and tracking system in place is important and a key reason that agents join teams. For recruiting, many teams advertise, market and use social media to attract recruits. Having access to tools that quickly digest performance data help team leaders identify recruits and determine whether they are best suited as a buyer agent or listing specialist.

Erize: Successful teams provide specialized, top-of-the-line technology designed to drive high productivity as opposed to cookie-cutter solutions offered by some tech providers. CINC, for example, is an end-to-end solution that provides powerful lead generation, an optimized conversion engine and dashboards that allow agents and teams to track their productivity and support accountability. Recruiting is still a big pain point for teams, however; technology has not yet provided a differentiated solution.

Final takeaways

Teams are here to stay and becoming more prevalent. They benefit agents and brokerages if properly structured and if they use the right technology designed to help teams efficiently grow.

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