Real Estate Expansion Teams

Why You Might Want One and When Is the Right Time to Expand

The benefits can be tempting — increased profit, expanded lead gen and better branding — but are the right people and processes in place to make a team expansion a success?

The success stories are legendary, from Xperience Real Estate's Chris Suarez opening nine expansion offices in 24 months to North Carolina lawyer-turned-real estate agent David Hoffman closing $18 million in sales one year and then closing $190 million five years later with his team intact.

To the unfamiliar, the term expansion team refers to a brokerage that expands beyond its local market to new locations either in or out of the hub state. While it may not be a new concept, many believe expansion teams are quickly gaining momentum industry-wide and for good reason.

There are many reasons why an expansion team makes sense, but when is the right time to expand, and how do you broaden your team's reach in the most cost-efficient, productive way?

Why Expansion Teams Make Sense

The advantages of a real estate expansion team are plentiful. Brokerages established in lesser populated regions can tap into larger markets by simply expanding their agent presence.

Expansion enables agents to attract and retain top talent and provide new opportunities for existing team members.

The business model, if done right, also strengthens the brokerage branding with streamlined logos, signage, websites, lead flow and agent partnership.

Many teams who embrace a virtual model — that is, use technology to connect their remote agents across the country — save on office overhead costs. Tamir Poleg, CEO of the fast-growing NYC-based virtual brokerage Real Broker, for example, says he's been able to pass on the savings with higher splits to his agents. So the advantages are clear, but when is the right time to expand?

Expansion Timing and Core Processes

For expansion to succeed, several key core business processes must be in place first:

Tech, systems & models

The team lead must consider their technology and the scalability of those platforms before they strike out across geographic lines. For example, is the CRM able to handle the new input and does it integrate with the business's transaction management platform?

More specifically, is the transaction management platform built specifically for teams? Dotloop for Teams, for example, caters to admins and agents with a digital collaborative platform that streamlines the transaction on one system, enables efficient compliance checks, and allows admins to "act on behalf" of multiple agents to view the progress of transactions simultaneously as well as customize templates for standardized reviews.

Standardized systems and models allow the agent trainers to train to the technology embraced by the hub

How expansion teams impact the bottom line

1. Brokerages can tap into larger markets through agent presence
2. Retain top talent and provide opportunities for existing members
3. Increase brand awareness in new markets and lower overhead costs

brokerage. Real Broker's Poleg built his company around an app and dotloop's transaction management platform, which helped the virtual brokerage replace the need for a physical office across their 25-state coverage. App technology gave Real Broker the ability to drive quick adoption among their independent contractors and accommodate brokerage-wide changes with agility.

Text Messenger, a key feature of the dotloop App, has proven particularly helpful in keeping remote agents connected with clients when a laptop or email access isn't always available. Tanya Smith, an associate broker with Kuper Sotheby's International Realty in San Antonio, TX, loves text Messenger for the convenience - and the deals it saves.

"Many of my clients don't use laptops all the time and might check their emails once a day, but everyone has a phone. If I send them a text message, they can share, sign and return immediately," Smith says, noting she recently had one client sign a time-sensitive closing document on his phone while in a conference.

A good transaction management solution will also encompass a comprehensive onboarding, compliance and archiving resource as state requirements can vary widely. Danielle Jones, lead admin for C21 Beggins Enterprises, oversees the firm's 11 offices and 200+ agents. She finds the collaborative user-friendly nature of dotloop easy to onboard both the tech-savvy as well as the low-tech agent while keeping the brokerage in compliance.

Five Doors Network, a top expansion team that took its business from 0 to $10 million in four years, is a case in point. When a new team is added, the agents and team leaders are immediately onboarded onto the tech platform. On the backend, the transaction system simply adds a new market, and the new team is ready to begin receiving listings and closing deals.

The right relationships

As the Keller Williams team expansion mantra goes, "It's the who, not the where." While it may be tempting to expand into markets with unlimited potential, the smarter strategy is to move into those markets where solid partnerships exist.

First, identify locations where trusted partners embrace the business's core values and systems and can meet common goals with a united, branded front.

While a solid CRM system will help expand the business from a tech perspective, great partnerships can help replicate best-in-class administrative and lead gen activities. Begin by asking how scalable are the team's processes for handling referrals, repeat clients and expanding the sphere of influence.

The biggest issue for agents is that they concentrate on leads but sometimes forget to follow-up on the tasks associated with marketing and growing the business.

Providing scripts and collateral to teams is one way to standardize communication, but to really gain deep visibility into which agents are meeting expectations, a team-specific platform may be in order. Dotloop for Teams gives team leads the critical data they need, such as which transactions are under contract or sold, team totals and individual performance metrics.

Before You Expand ... Think Locally

As a rule, successful expansion teams recommend staying within an hour of the hub location and fine-tuning systems before crossing MLS and state lines. "By staying within a day's drive of markets, the team lead can travel to and from offices to keep track of the business yet be back home in the same day," says Orlando Ramirez, Senior Director, Enterprise Accounts for dotloop.

Lean On Technology to Systemize and Scale

1. Invest in platforms that are designed specifically for teams
2. Stay connected with mobile-first technology and increased response
3. Standardize processes company-wide to speed up onboarding

When Keller William team lead Ashley Wilson of the Ashley Wilson Realty Group expanded her team from Raleigh, NC, into Charlotte, NC, 150 miles away, it felt like a safe, logical move. Crossover referrals flowed naturally.

Yet as many team leads have discovered, Murphy's Law kicks in inevitably as things can and often go awry in a market too far away for the team lead to fix with hands-on help, so it's critical to have trusted talented partners and bulletproof systems.

As Tim Heyl of The Heyl Group at Keller Williams Realty, Austin, TX, noted, "It's not about two businesses. It's growing the business we already have!"

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