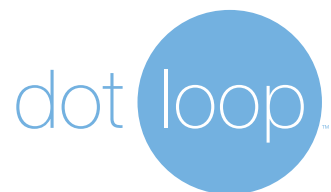


# Redefining the Relevancy of Workspace IN REAL ESTATE BROKERAGES



**REALTRENDS**  
THE TRUSTED SOURCE

# Foreword

It's always interesting to visit the offices of successful real estate brokerages and see how they do things. While technology (like dotloop) has enabled better efficiency, insight, and compliance, its role is to enhance the personal aspects of real estate.

As we like to say, it will always be a belly-to-belly business. You need a space that's designed to enhance that—whether it's your agents working as a team or sitting down with clients.

However, in the past few years there have been major changes to the way brokerages use their office space. Cloud-based apps have eliminated the dependency on printers, fax machines, and rooms full of file cabinets. Agents can now carry those tools around on their smart phone. This new efficiency means a brokerage can operate with fewer square feet per agent without hampering their productivity.

Technology can support a healthy brokerage culture, but it can never replace it. And companies that understand that are utilizing their office space in new and interesting ways. This report gives a picture of the overall changes in how real estate uses office space, and then highlights how growing and successful brokerages are using theirs.

We want to thank the numerous broker-owners and real estate professionals who took the time to interview with REAL Trends, as well as those who completed their survey. We will all benefit from your insights into our industry. Thank you.

– Austin Allison  
CEO, dotloop

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## Introduction

The way we work is changing. Gone are the days of commuting to an office and starting the day at a desk. Instead, the workday can begin as soon as a smartphone hits the palm of your hand, whether you check email, respond to a text or open up a productivity app.

Traditional real estate brokerage offices aren't immune to these changes. Although the average number of agents per office increased by 35.6 percent since 1997 and 6.4 percent since 2011, most brokerage firms admit that real estate professionals spend little time in the office.

In response to the dwindling time spent by sales associates in offices, some real estate companies like EXP Realty are doing away with office space altogether. However, the majority of real estate offices remain in high-traffic retail-like locations. And, most still average more than 100 square feet of space per agent.

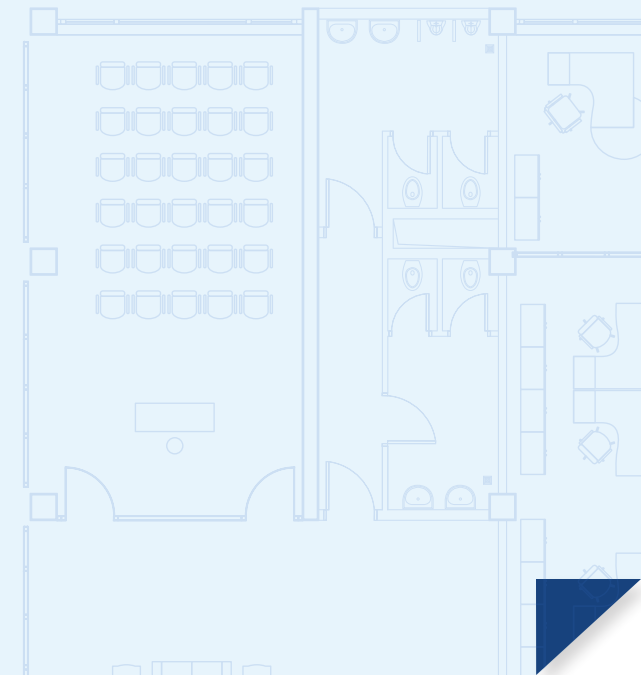
Today the challenge and opportunity for brokerages is to create spaces that meet the needs of the sales force as well as the broker-owner. Occupancy costs average about 20 percent of all brokerage expenses, making them second only to employment expenses. An expense of that magnitude deserves thoughtful analysis not just for today, but for what lies ahead.

### The following pages outline:

- What features real estate professionals use the most in an office, based on general demographics, age and experience.
- Look at how technology has influenced not only how much time is spent working from a brokerage office but also how today's real estate professionals work.
- Redefine the value of office space for real estate brokerages for themselves, their agents and their surrounding communities.

“Don't design the space for today. Design it for 5 to 10 years from now. Invest in the infrastructure of what is to come.”

**Anna-Marie Ellison,  
Broker of ERA  
King Real Estate**



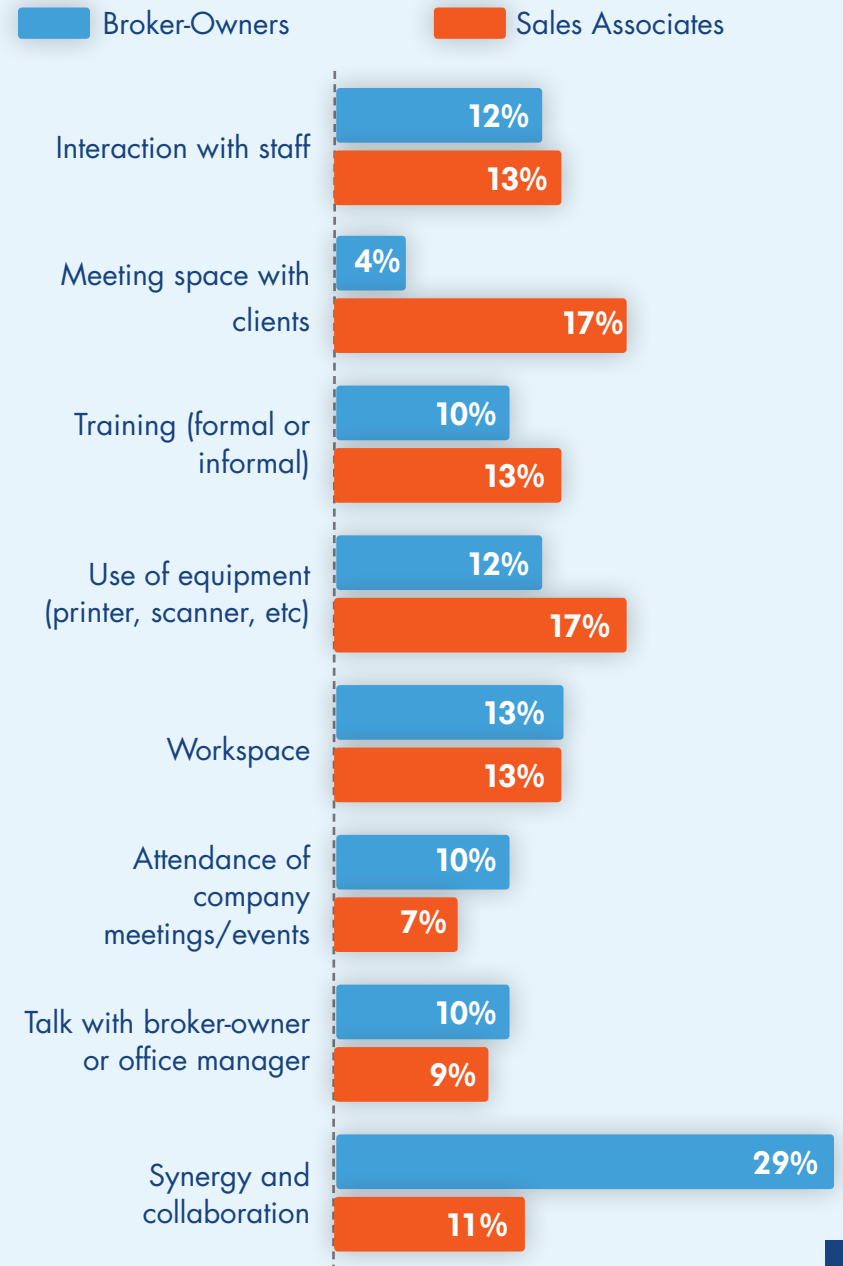
# THE PURPOSE OF A REAL ESTATE OFFICE

## Why Go to the Office

As independent contractors, real estate professionals aren't bound to report to an office or spend a certain amount of hours each day at a desk. So, what drives them to come into the office? According to REAL Trends survey results, sales associates are most apt to head into the office to meet with a customer or use office equipment. These are two valid reasons to come in, but neither of these activities require a real estate office. Broker-owners and others in leadership roles were asked the same question and suggested that the main reason sales associates go to the office is for collaboration with colleagues and overall synergy.

## WHY SALES ASSOCIATES GO TO THE OFFICE

Broker-owners Opinion vs. Sales Associates Opinion





Interaction with staff and real estate training are tangible benefits that a real estate office provides. Both brokerage leadership and sales associates acknowledge them as motivating factors to physically go to their company's office. Calculating an immediate return on investment of staffing an office or providing training sessions is sometimes dismal for broker-owners, because it is difficult to determine if either resource will be used enough to warrant the expense. Of the two motivators, training is perhaps the most measurable way to determine the need or warranted expense of space because it is scheduled, and the success of the trainings are ultimately reflected in the brokerage's bottom line.

Marian Benton, the regional operating principal at Keller Williams Realty, owns offices in the Inland Empire area of Southern California, as well as the Ann Arbor area of Michigan. She shared that sales associates come into her offices mainly for training, but that the strategy for getting associates to attend training between the two regions is vastly different. In Southern California, the offices' general announcements to training are well received and attended. In Ann Arbor, training attendance peaks by using personal invitations to individuals based on whether or not the training applies to them. For example, if someone is prone to making errors on contracts, he or she is invited to a contracts class.

The strategy of personal invitations to encourage in-person engagement in the office also works well for company meetings. At Better Homes and Gardens GO Realty in N.C., brokers and managers personally invite their sales force to attend their monthly GO Show. According

to Alyssa Hellman, the director of the GO School of Real Estate, their company meetings are structured like a talk show, complete with a disc jockey and fresh content each month to encourage attendance.

The biggest perceptual discrepancy between sales associates and brokerage leadership on why sales associates come to the office is the value that broker-owners put on collaboration. REAL Trends interviewed over 20 brokerage leaders. Almost all of them mentioned the importance of collaboration in their companies. Unlike the concreteness of some of the other options provided, such as workspace or use of equipment, synergy and collaboration speak more to the intangible benefits of an office space. However, only 11 percent of sales associates chose the environment of the office as a factor to use the space.

The second biggest discrepancy between sales associates and brokerage leadership is the value that sales associates put on client meeting space. There is an inconsistency between markets, brands and firms about how frequently clients visit real estate offices. When asked whether or not office space affects how clients feel about their brand, one-fifth of the broker-owners interviewed stated that it had little to no impact because clients are rarely in their offices.

Understanding what motivates a sales associate to use the office and how they use the provided office space helps broker-owners determine what features to focus on when revamping or creating a new office space. This includes providing tangible benefits like meeting space that produce the intangible benefits like company synergy.

According to Alyssa Hellman, the director of the GO School of Real Estate, their company meetings are structured like a talk show, complete with a disc jockey and fresh content each month to encourage attendance.

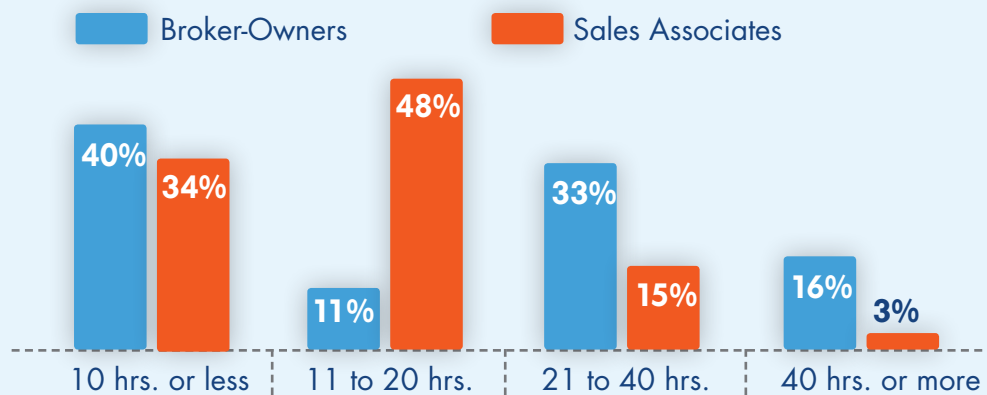
## Time Spent in the Office

Appreciating what real estate professionals want or need out of a workspace is helpful when planning an office—so is knowing how much time a sales associate is likely to use the provided space. For a broker-owner, it doesn't make sense to invest in certain features, such as private office space for all sales associates if they aren't in the office more than five hours a week.

As it turns out, 40 percent of sales associates reported spending 10 hours or less in their firm's office each week. This number is just 6 percent higher than what broker-owners projected for their sales associates. Bob Eberle, broker of Weichert Realtors in Latham, N.Y. finds that one-third of his 25-person sales force are in the office every day. Whether they are in for training or to clean out their mailboxes, sales associates in his office spend an average of 10 to 15 hours in the office each week.

## HOURS SPENT BY SALES ASSOCIATES IN THE OFFICE

### Broker-owners Opinion vs. Sales Associates Opinion



Roughly 82 percent of the broker-owners surveyed felt that their sales associates spent 20 hours or less in the office each week. Several of the interviewed broker-owners echoed a similar estimate, but elaborated that how much time a sales associate spends in the office is dictated by whom they work with or how they work. For example, in Gloria Frazier's brokerage, ERA American Real Estate in Shalimar, Fla., the average salesperson spends between 15 to 20 hours a week in the office but a team leader spends closer to 40 hours a week.

Jack Fry, the owner of RE/MAX of Reading in Wyomissing, Penn., shared a similar scenario. A majority of the 150 sales associates in his company spend about four to five hours a day, four to five days a week, in the office. However, those that have teams or a part of teams are in the office all of the time. The team members in his office are busy interacting with other members, working on paperwork, or working with the office staff. As Fry put it, "there's not much water cooler talk here—people are here to work."

Time spent in the office and use of office space are two critical pieces of the puzzle when evaluating the efficiency of a current or new office space. The diversity in real estate companies throws a curve ball in the planning process, though, because each office has its own demographic and culture. How culture and office space intertwine will be covered later on; however, the next section explores preferences by demographic.

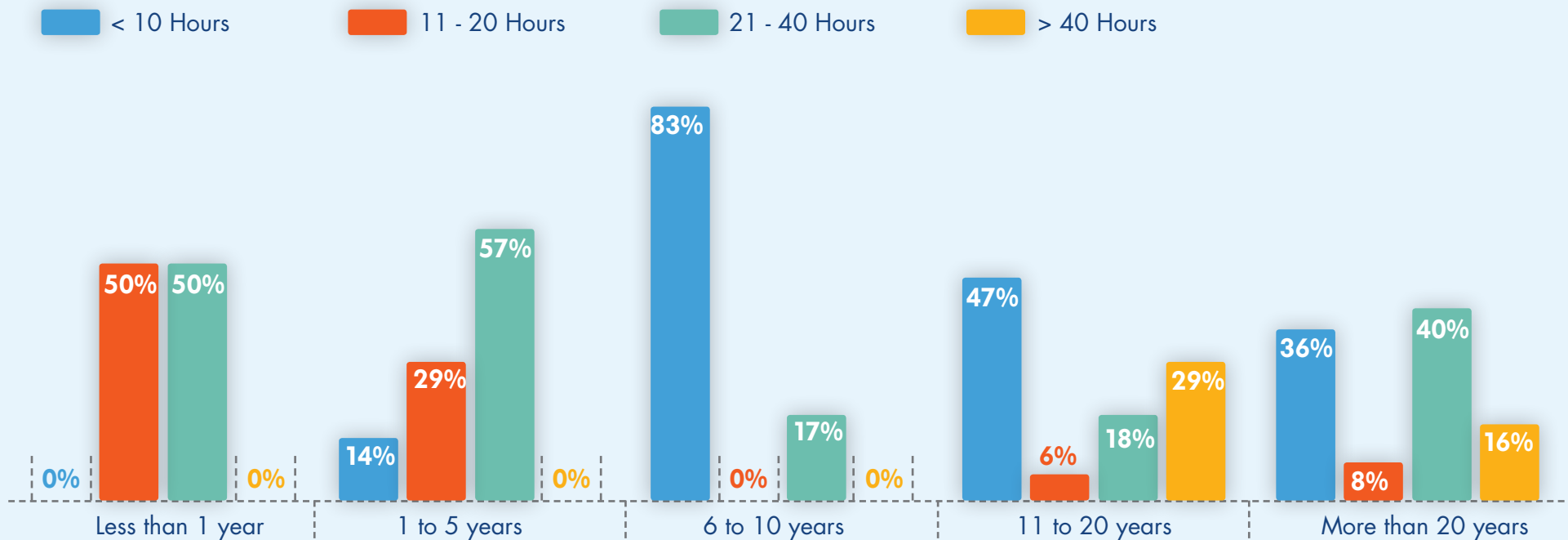
## Factoring in Experience and Age

Deciding what features an office needs begins with understanding what is the most important and functional to the people working within them. For broker-owners and others involved in workspace design that starts with evaluating the preferences of their current sales force, or the type of sales force they want to attract. Two simple ways to categorize a sales force is by the experience of the sales associate or the actual age of the associate.

For majority of sales associates, regardless of their time in the business there is approximately a 50/50 split between those who spend less than 20 hours a week in the office and those who spend over 20 hours a week in the office. The only group that breaks this trend is those who have been in the business from 6 to 10 years. In this group, 83 percent of respondents reported spending 10 hours or less in their firm's office. In this same group, no single respondent indicated workspace, attendance of company meetings or talking with the broker-owner or office manager as a primary reason to come to the office.

## HOURS SPENT BY SALES ASSOCIATES IN THE OFFICE

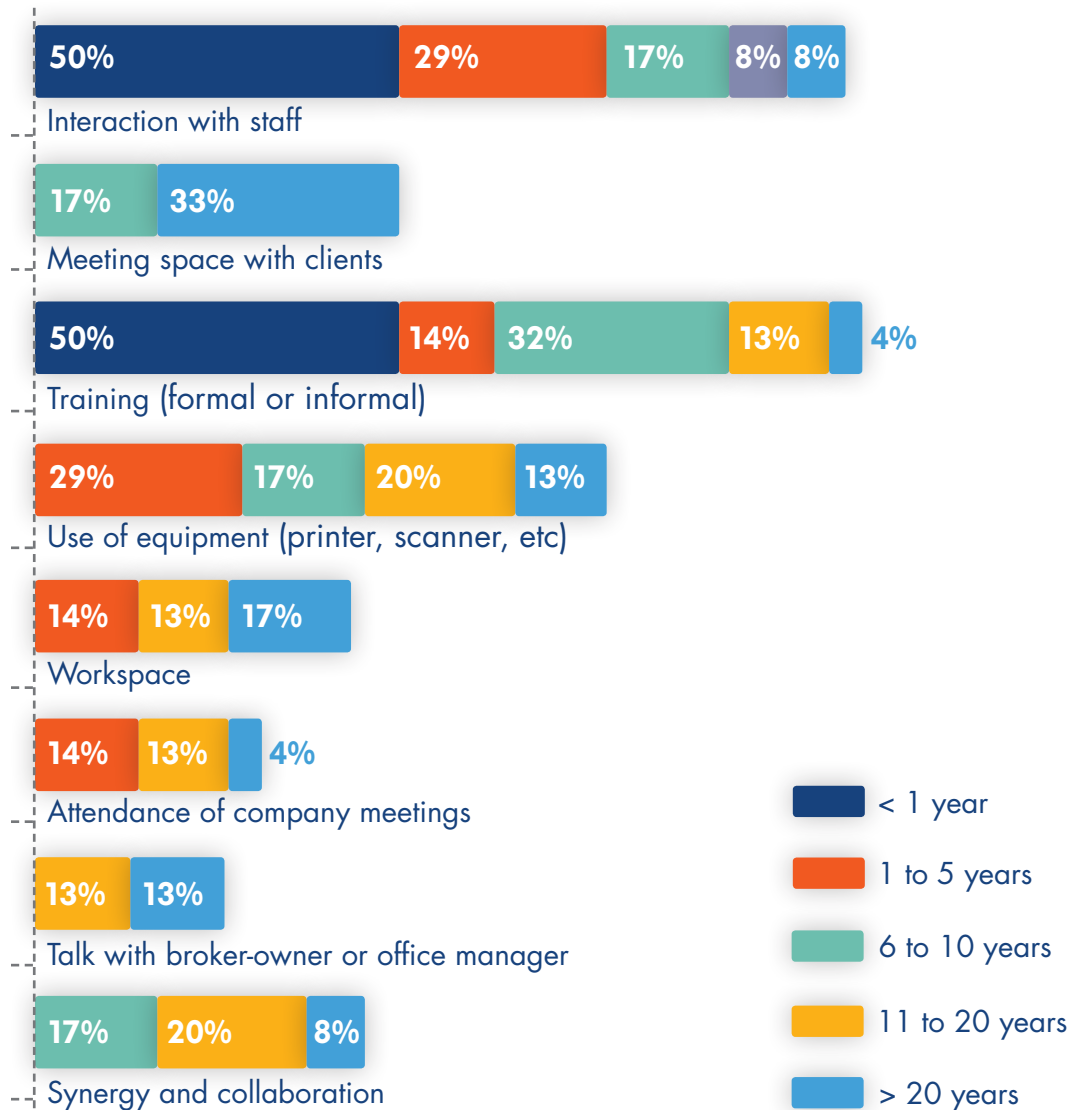
Based on Experience of Sales Associate



What draws a real estate professional to the office can change over time. Newer sales associates—those with less than a year of experience—cited using the office mainly for training or engaging with office staff. Veteran real estate professionals with over 20 years of experience rely on their company’s office mainly for a meeting place with clients.

## WHY SALES ASSOCIATES GO TO THE OFFICE

Based on Experience of Sales Associate



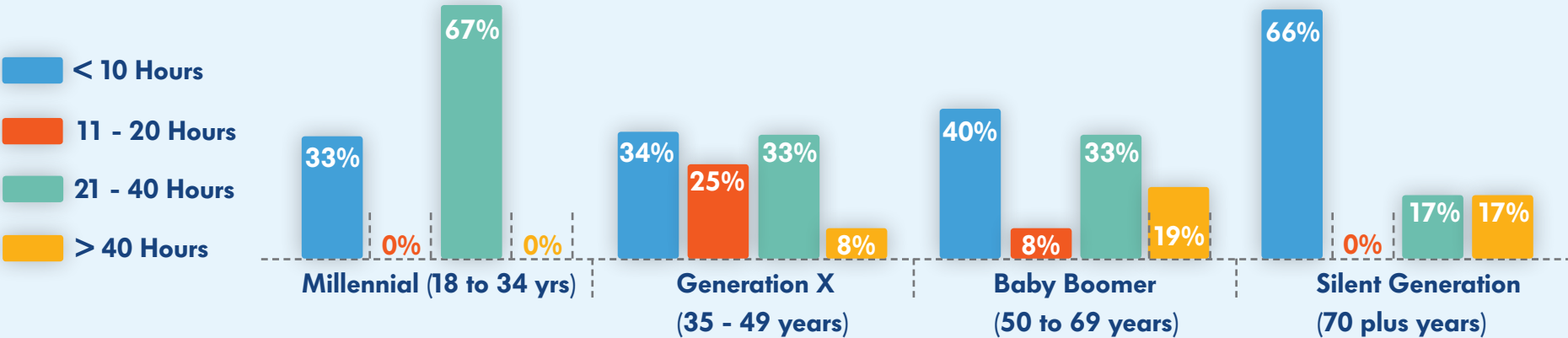
Evaluating time spent in the office from a generational standpoint, those between ages 35 and 69 tend to follow a similar 50/50 pattern to those who are in the office less than 20 hours or more than 20 hours a week. There is an inverse pattern between the two groups at the opposite ends of the spectrum. Millennial sales associates, those under 35 years old, are more likely to spend over 20 hours a week in the office, while sales associates who are 70 years old and older are more likely to spend 10 hours or less in the office each week.





# HOURS SPENT BY SALES ASSOCIATES IN THE OFFICE

Based on Age Group of Sales Associates

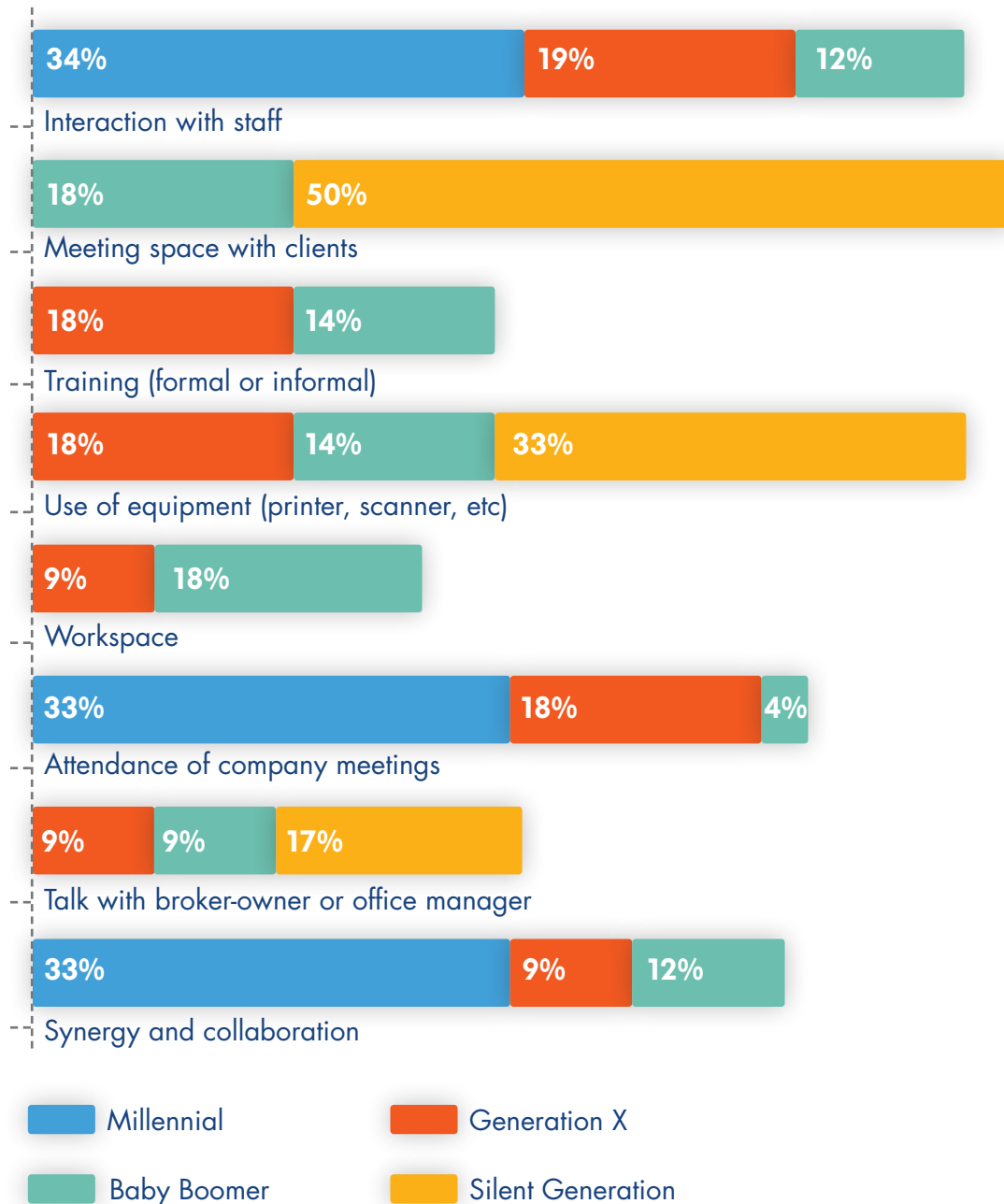


The key motivator for office use by generation doesn't always match the reasons given from sales associates based on their amount of experience. Meeting space is important to sales associates over 70 years old, who are more than likely to have 20 years plus of experience, but those under 35 years old are just as likely to go into the office for staff interaction as they are for collaboration or company meetings.



# WHY SALES ASSOCIATES GO TO THE OFFICE

Based on Age Group of Sales Associates



In real estate, there is an ever-present focus on the average age of real estate professionals or the experience level of sales associates. Consideration of demographic preferences is a good idea when revamping or planning a new office space but as indicated previously, most groupings only showed slight preferences against the overall trends.



# THE SHIFT IN OFFICE SPACE APPEAL

## Technology

The discussion about how real estate professionals use office space is incomplete without acknowledging the influence of technology since the early 2000s. Some 15 to 20 years ago, real estate office space functioned much the same way it did 20 years before that. Sales associates spent a significant amount of time in the office meeting with clients, filling out paperwork, searching the MLS and working at their desk.

The transition to more time out of the office than in the office for sales associates began with the Internet and built momentum with laptops and the growing sophistication of mobile phone technology. The biggest influencers for mobility and working out of the office happened in the last five to seven years with technology platforms, like BoomTown and dotloop, and their combined functionality and accessibility on smartphones and tablets.

Productivity apps are a key technological component to mobile work efficiency. For example, BoomTown's newly developed app delivers the functionality of the BoomTown CRM in an intuitive format that allows sales associates on the move to reply immediately to leads, initiate prospecting strategies and complete tasks from their to-do lists all while logging their activity.

The majority of a sales associate's workflow is manageable through mobile devices, including their interaction with their brokerages. When asked what tools brokerage leadership and sales associates use the most to communicate with one another, email ranked the highest at roughly 98 percent, followed by transaction management platforms at just over 50 percent.

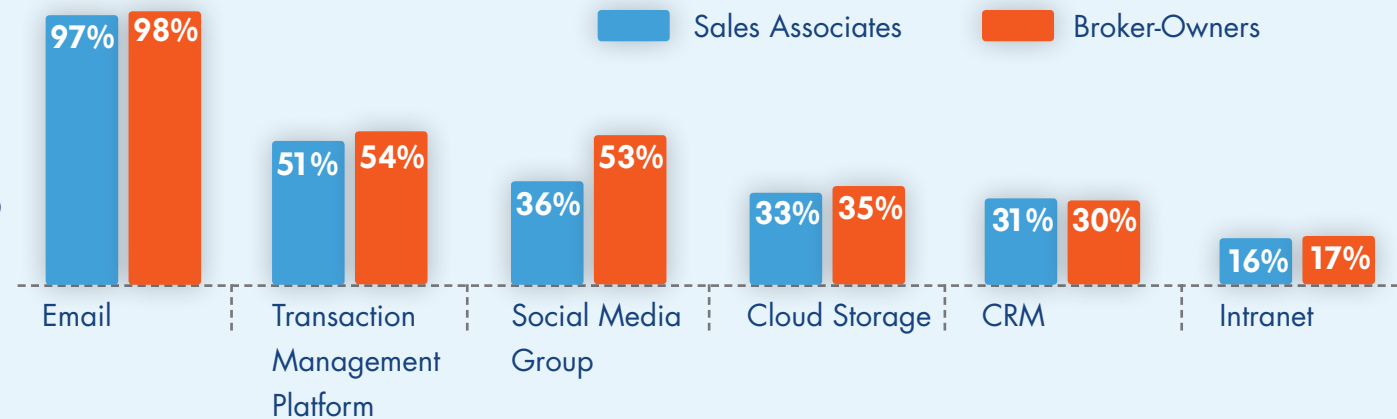
Gary Lombardo, the COO of Affiliated Services for Berkshire Hathaway HomeServices Alliance Real Estate in Chesterfield, Mo., shared that his office has seen a dramatic decline of in-office time with the introduction of dotloop to the 425 members of their sales force. Unlike email, transaction management systems like dotloop, allow real estate professionals to streamline processing paperwork from the first contract to closing day. This decreases the usage of office equipment, time spent working with staff and meeting face-to-face with clients. Lombardo elaborated that certain days of the week remain classically busy with company meetings on Tuesdays and training days on Thursdays, but even those events have lower attendance than before since implementing their other go-to technology tool, Zoom, a video-conferencing service.

The biggest influencers for mobility and working out of the office happened in the last five to seven years with technology platforms, like BoomTown and dotloop, and their combined functionality and accessibility on smartphones and tablets.



## MOST-USED COMMUNICATION TOOLS BETWEEN SALES ASSOCIATES AND THE OFFICE

Broker-owners Opinion vs. Sales Associates Opinion



Texting is a communication tool that was not listed on the survey but written in by several respondents. Most of the 775 sales associates of Century 21 New Millennium based in Alexandria, Va. have gone to text according to the firm’s CEO Todd Hetherington. For his sales associates, the motivation is more than quick communication, texting is also how leads are passed along. Hetherington estimates that with the use of texting and the other technology tools, the average Century 21 New Millennium sales associate is in the office for five hours or less a week. This realization was the biggest motivator for him to begin reconfiguring workspace inside his 18 offices that surround the Washington, D.C. area.

Regardless of the size of a brokerage, technology plays a critical role in how brokerages communicate and run their day-to-day business. Whissel Realty in San Diego, Calif. averages 17 transactions per sales associate and heavily uses Google Apps and a private Facebook group to keep the team of 20 running at full speed. Broker-owner Kyle Whissel consistently tracks the activity of his sales associates with Google Forms and Google Sheets, stating, “There is virtually a dashboard for everything.”

When sales associates are in the office, the technology has to be flawless. Reliable and fast Wi-Fi connections are a must. No real estate professional wants to be slowed down by connectivity problems. The same is true for the platforms that sales associates and brokers rely on to work remotely. Bob Eberle’s firm, Weichert Realty in N.Y., relies on the BoomTown platform for over 55 percent of its business. Eberle commented that his loyal tech-savvy work force relies on the strength of their systems to maintain the average production of 15 transactions per sales associate per year. The industry average for sales professionals was 7 transactions per year in 2015.

**When sales associates are in the office, the technology has to be flawless. Reliable and fast Wi-Fi connections are a must.**

## How They Work

Real estate professionals are independent contractors. For many, the huge perk of running your own business is being the boss. A broker-owner or office manager can encourage, request and even beg a sales associate to come to the office, but there is nothing that binds or forces them to come in unwillingly. For many broker-owners, there is no reason to force a sales associate to come to the office.

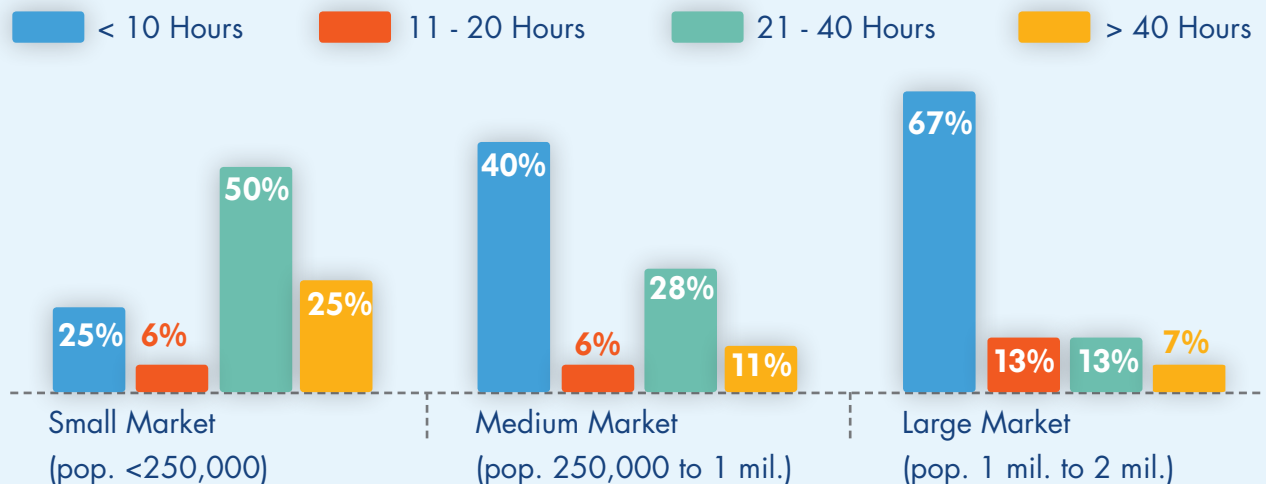
Peter Crowley, broker and co-owner of RE/MAX Alliance Group shared that about half of his 300-person sales force in Sarasota, Fla., works from home and the other half works in the office. Crowley said that “some agents need the office to feel productive,” but that all sales associates have paperless options and don’t need to come into the office. He admits that it is harder to get people face-to-face due to technology and society in general, but that food and drink are still the common elements that bring people together to create camaraderie and collaboration. RE/MAX Alliance Group periodically hosts training or social events to keep the sales force engaged, whether they are in the office or not.

Sales associates who don’t want or need to come into the office is a perk for some companies. Of the 520 sales associates at Your Castle Real Estate in Denver, Colo., President Charles Roberts estimates that 75 percent of them never step foot into one of their seven offices each week. For those who do come into the office, they are likely there about an hour or less each week unless they are attending training. According to Roberts, he and others in leadership would rather see their sales associates out of the office working with

new or established clients. That’s not to say that Your Castle Real Estate doesn’t provide workspace. Roughly 6 percent of their sales force has a designated office, and the remaining sales associates have professional drop-in space available.

Logistics may also play a part in whether or not a sales associate makes it to the office on a regular basis. Sales associates in rural or urban areas face similar challenges in accessing office space; a lengthy commute to the office may not make sense given the sales associate’s schedule for the day. Michael Golden, co-founder of @Properties in Chicago, Ill., said that most of the 2,100 sales associates are in one of @Properties 20 office spaces for 10 hours or less a week, but that those in urban offices tend to spend less time in the office. Golden shared that they encourage people to spend time in the office, and the leadership team thinks it is important, but that they don’t force it.

## HOURS SPENT BY SALES ASSOCIATES IN THE OFFICE Based on Market Size





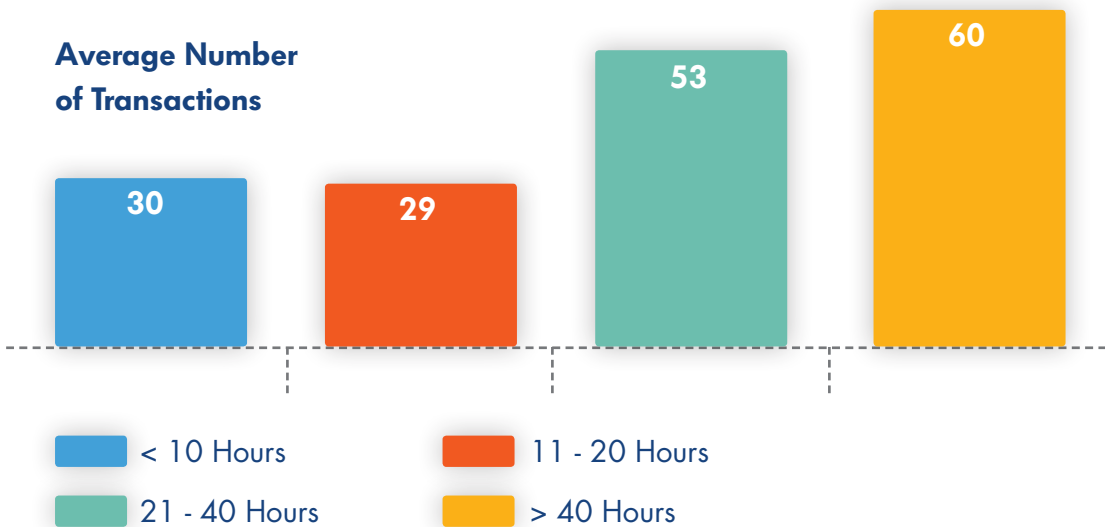
According to the survey respondents, the percentage of sales associates who spent 10 hours or less a week in the office increased as the size of the market increased. Seventy-five percent of sales associates in small markets indicated that they spent more than 20 hours a week in the office. Molly Iversen, a Realtor® and part of the leadership team at Coldwell Banker Hedges Realty in Cedar Rapids, Iowa, said that of the 100 sales associates who work out of their two locations, the regular users spend about 35 hours a week in the office. For Coldwell Banker Hedges Realty, the sales associates who spend more time in the office have higher sales volumes than those who work from home.

Evaluating productivity in terms of transaction volume, based on the real estate professionals who participated in the survey, the logic of more time in the office did equate to higher productivity. In fact, sales associates that spent over 20 hours in the office were likely to almost double their transaction volume.

## AVERAGE TRANSACTION VOLUME OF SALES ASSOCIATES

Based on Hours Spent in the Office

Average Number of Transactions



Sales associates that spent over 20 hours in the office were likely to **almost double their transaction volume.**



# REDEFINING THE VALUE OF OFFICE SPACE

## It Starts with Culture

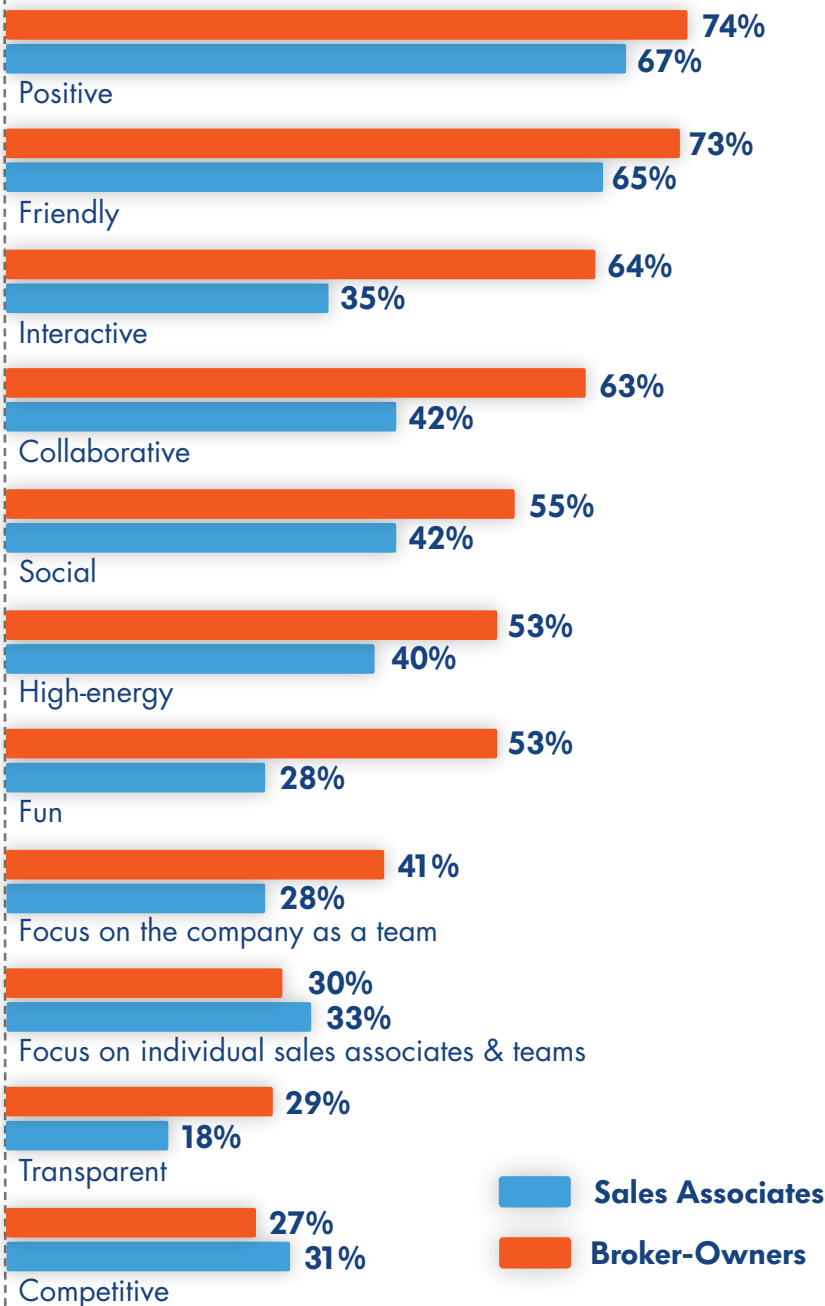
The value of a brokerage having professional office space starts with a broker-owner’s understanding of the need for that space. As Michael Golden put it, “the value proposition of brokerages 25 years ago versus now is different.” In his brokerage, @Properties, the things that matter most are good conference room space, desks for producers (they don’t have to be huge), and access to resources and tools. By recognizing this, Golden and fellow Co-Founder Thaddeus Wong, take the focus off office space and put it on the culture of the company.

Leaders of brokerage firms across the country often describe their company culture using words like collaborative, productive, supportive, family-like, professional, interactive, dynamic, inviting, relationship-oriented and fun. Survey respondents, echoed similar sentiments selecting positive, friendly and collaborative as the most common descriptive words among sales associates and broker-owners.

**“The value proposition of brokerages 25 years ago versus now is different.”**  
 – Michael Golden

# DESCRIBING THE BROKERAGE’S OFFICE ENVIRONMENT

Broker-owners Opinion vs. Sales Associates Opinion



When asked the open-ended question what they liked best about their company's culture, sales associates from the survey gave a variety of responses. From education to ethics, to teamwork and independence, to a personal touch and support, no two sales associates gave the same answer. When asked what they would change about their company's culture, the most frequent answer besides nothing, was more interaction or connectivity among the sales associates or between the sales associates and the brokerage leadership. Leaders within brokerages responded to the same two open-ended questions with a similar response. Brokerage leadership had a variety of responses with regards to what they liked about their company culture. However, almost half of them responded that the main thing they want to change about their company's culture is to increase interaction and engagement with sales associates; among the sales associates themselves and between the leadership and sales associates.

Amy Bayer, co-founder and co-CEO of PorchLight Real Estate Group in Denver, Colo., recognizes that "agents don't want to come to the office every week, but they want that connection." To facilitate that connection among the 130 sales associates spread over five different office locations, Amy, along with her Co-Founder and Co-CEO Carol Bayer, developed the PorchLight United Program. The program consists of loose groups of approximately 20 sales associates where people can cover each other's business, work together and provide mentorship. Formed by personality and geographic location, the groups continue to grow as the company grows. PorchLight Real Estate Group still has quarterly office meetings for the whole company in addition to monthly meetings for each office; however, sales associates aren't forced to be there. Bayer reiterates that it's about finding the balance between what the sales associates want and what they need.

**"Agents don't want to come to the office every week, but they want that connection."  
— Amy Bayer**

For growing brokerages, there is an underlying concern that the organic or strategic growth of the company will alter their culture. Bayer mentioned that while she loves the culture of her company, she is worried about its sustainability as they continue to grow. This fear is not without reason, as one of the sales associates from the survey responded that the size and the growth of their company, which has over 700 sales associates, has lessened the culture over the years.

The overall results of the survey indicate that ultimately brokerages small and large have the same successes and challenges when it comes to company culture. Small firms struggle with interaction the same as larger ones, and larger firms find success in creating a family environment the same as smaller ones. According to Peter Crowley, broker and co-owner of RE/MAX Alliance Group, the trick for growing brokerages is to recognize the need to continue to build a sales base to support the future of the firm without sacrificing the culture of the company. The ability to do that relies on the leadership of the brokerage more than anything else.

### **The Role of Leadership**

Company culture is a result of the people within an organization, but how that culture starts and how it progresses is based on the leadership of the firm. Take Carl Esker, owner and broker of Coldwell Banker Hedges Realty in Cedar Rapids, Iowa. At 82 years old and with 45 plus years of real estate experience, he still comes into the office seven days a week and is available to his sales force and employees at all times whether it be via phone, email or text. His high-producing sales associates, who average 17 transactions per year, have a strong connection to Esker and the company because of his generosity, with both his time and the incentives he provides to the company. When Coldwell Banker




Hedges Realty surpassed their 2015 sales goal, Esker took over 70 sales associates and employees plus their guests on a three-day trip to Las Vegas. His actions, big and small, consistently reinforce the culture of the company. To get a glimpse of how Esker approaches culture in his offices, see his video to sales associates here.

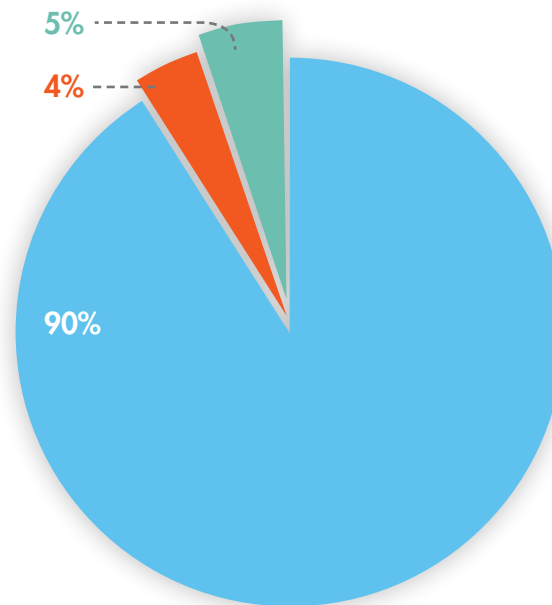
Part of developing and maintaining company culture comes from communication. When asked how they would describe their relationship with brokerage leadership, 91 percent of sales associates described their relationships as having open communication, transparent practices and leadership that was readily available. Ninety-six percent of brokerage leaders echoed a similar sentiment about their relationship with their sales force.



## RELATIONSHIP BETWEEN THE LEADERSHIP AND SALES ASSOCIATES

### Sales Associates Opinion

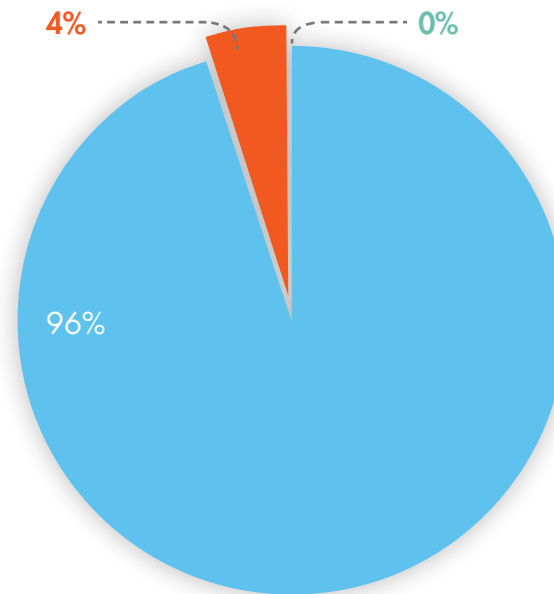
-  Open communication, transparent practices, leadership is readily available
-  Limited communication, lack of clarity on practices, leadership is available sometimes
-  Rare communication, non-transparent practices, leadership is rarely available



## RELATIONSHIP BETWEEN THE LEADERSHIP AND SALES ASSOCIATES

### Leadership Opinion

- Open communication, transparent practices, leadership is readily available
- Limited communication, lack of clarity on practices, leadership is available sometimes
- Rare communication, non-transparent practices, leadership is rarely available



**“We will not take shortcuts or do things that submarine our culture.”**

– Matt Mansfield,  
ERA Reardon  
Real Estate

Matt Mansfield, director of sales and marketing at ERA Reardon Real Estate in Jackson, Mich., shared that lots of communication is imperative in his brokerage, including accessibility on nights, holidays and weekends. Broker-owner Rick Reardon is a non-competing broker with an open-door policy, there to assist any of the 60 sales associates. Mansfield suggests that one of the best things about the company is the relationship between the leadership and the sales associates, because there aren't communication barriers between them.

Like so many of the other brokerage leaders interviewed, Mansfield stressed that culture is the No. 1 driving factor when it comes to making business decisions at his firm. He said that, “we will not take shortcuts or do things that submarine our culture.” This includes only

hiring sales associates who fit the culture and at times letting culture win over the bottom line.

How brokerage leaders support and promote company culture in day-to-day decisions effects the sales associates as well as the clients they serve. A person in a brokerage leadership position in a company with over 700 sales associates commented in the survey that their company culture has “sincere leaders [who] truly care about their people—agents and employees.” Because of this, everyone knows and believes in the owner's philosophy, which is “take care of your people and your people will take care of the customer.” Like other professions that serve people, company culture in real estate impacts the client experience. It can also impact non-clients because of how real estate firms are involved to varying degrees in their local communities.



## Beyond the Company

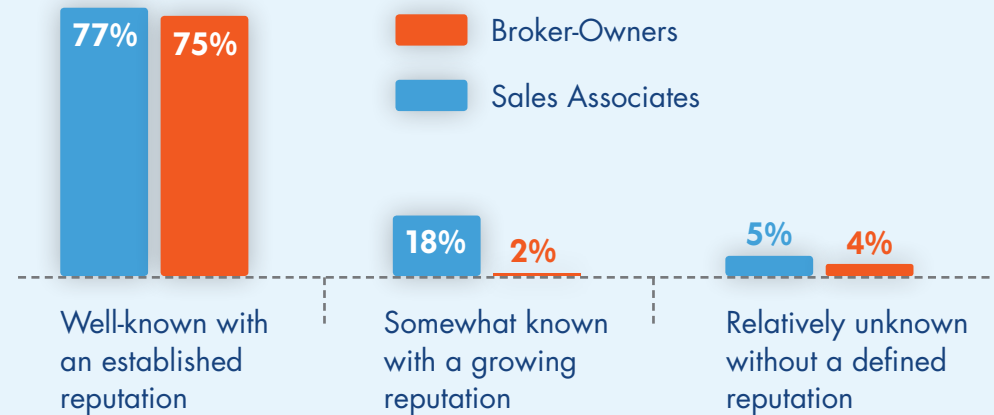
Part of being a real estate professional is interacting with the community through open houses, farming or local advertising. That engagement with the community often goes further. Both sales associates and brokerage leaders frequently participate in local philanthropic organizations, local events and foundational structures like the chamber of commerce. Each interaction a real estate professional has with the community is an opportunity to share the company culture, some more overt than others.

Take Bob Eberle's firm, Weichert Realty in Latham, N.Y. The brokerage promotes a "Raving Fan Club" that every client joins at the end of his or her transaction. Being in the club includes access to a variety of goods and services that clients can use for the rest of their lives. Some of these services include borrowing a bounce house or a rare power tool or using a fax machine or notary service when needed. Liability forms are signed for items when necessary. However, Eberle sees the upside of offering these unique benefits to their clients because of the benefits to the clients and the community.

Establishing a relationship with the community is particularly important to Eberle because as a former owner of an independent brokerage, his firm only recently joined the Weichert brand. He is reintroducing the firm to the market and growing the Weichert brand recognition among the public. Seventy-five percent of brokerages consider themselves to have a well-known reputation in their community. That number trends slightly higher to 81 percent for brokerage leaders with over 20 years of experience in real estate.

## BROKERAGE'S REPUTATION WITH THE COMMUNITY

### Broker-owners Opinion vs. Sales Associates Opinion



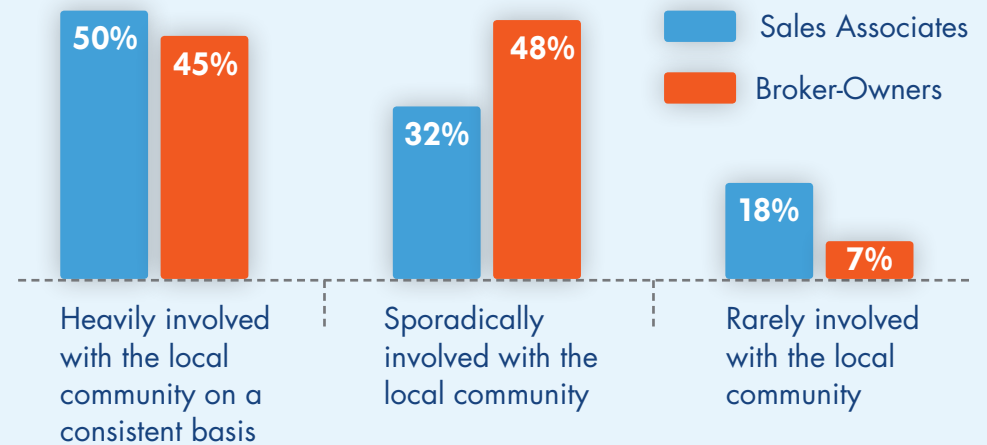
The key for brokerages is to establish a reputation in the community, proactively sharing their company culture and differentiating themselves from the other brokerages in their market. The Keller Williams Realty offices owned by Marian Benton in the Inland Empire area of Southern California and the Ann Arbor area of Michigan, use their office spaces to engage with their respective communities. From meeting space for the local Boy Scouts of America to voting stations and almost any event that sales associates or team leaders can think of doing, their office space facilitates community involvement. This includes using the parking lot for Little League baseball practice or offering financial classes to the public. The sales associates participate in the community as well, but their facilities give them additional opportunities to interact with the community that isn't real estate related.

About half of real estate brokerages consistently engage with their local community, and the remaining half of brokerages are more likely to engage sporadically with their community. Community involvement takes planning, and that is something that Gloria Frazier, owner of ERA American Real Estate in Shalimar, Fla., knows how to do. Frazier's 35-year-old firm does a lot of community service and contributes to several different areas of community support. From the track team to the local college and beyond, she tries to keep it balanced and consistent.

Part of ERA American Real Estate's latest community buzz didn't come from their charitable activities but from the positive response on their new office space. After spending 35 years in their previous space, Frazier and her team

## BROKERAGE'S INVOLVEMENT WITH THE COMMUNITY

Sales Associates Opinion and Broker-owners Opinion



focused on creating a wow experience for customers walking into their office. For Frazier, professional and up-to-date office space benefits sales associates in terms of functionality and the added legitimacy it provides for clients meeting with a sales associate for the first time.

The culture of a brokerage helps define the purpose of office space beyond giving sales associates a place to collect their mail and meet clients. Company culture creates a reason for people to gather at the office for a social activity or for something that serves the community. Without a common space to join together, many real estate brokerages would not be who they are today.

# ALIGNING CULTURE AND OFFICE SPACE

## Making the Two Match

Company culture is built and fostered inside the office as much as it is outside the office. When asked if their firm's culture shaped their office space, nearly a quarter of broker-owners responded that their offices didn't. Over half of the remaining brokerage leaders said that they were in the process of configuring one or more spaces to match their culture.

David Boehmig, president and founder of Atlanta Fine Homes Sotheby's International Realty, said that his firm focuses more on collaborative and open spaces as they've progressed. Two out of three of his traditional high-end offices have minimized the use of drywall and doors, creating the sense of openness by using glass walls. Boehmig is quick to say "we are not like Google where everyone is sitting out in the open together, but the transparency helps people see who is in the office and helps carry energy through the office."

"We are not like Google where everyone is sitting out in the open together, but the transparency helps people see who is in the office and helps carry energy through the office." — **David Boehmig**

How brokerages transition their office space differs based on the market, ownership interests and sales associate demands. In 2004, broker-owner Jack Fry built the 30,000-square-foot building in which RE/MAX of Reading now resides. At the time, his market in Berks County, Penn., called for a lot of private office space to recruit and retain sales associates. When the market crashed a few years later, Fry had to figure out what to do with all the extra office space. He incorporated tenants for like-kind services (insurance, credit counseling, etc.) to fill the space. Almost a decade later, with 21 percent of the sales associates in the market

working under the RE/MAX of Reading brand, he still has 10 percent of his office space rented out to non-sales associates.

In addition to leasing out unused office space, Fry is now transitioning some of his larger office spaces to accommodate multiple sales associates in groups of three to six depending on how frequently they are in the office. He shares that this "works great for mobile agents who are infrequently in the office." To match the culture of sharing, RE/MAX of Reading created an oversized multimedia room that can seat 90 people comfortably or hold 200 people for an event. This room is a new feature within the existing building and allows the firm to host a variety of activities that bring people together, both for work and fun.

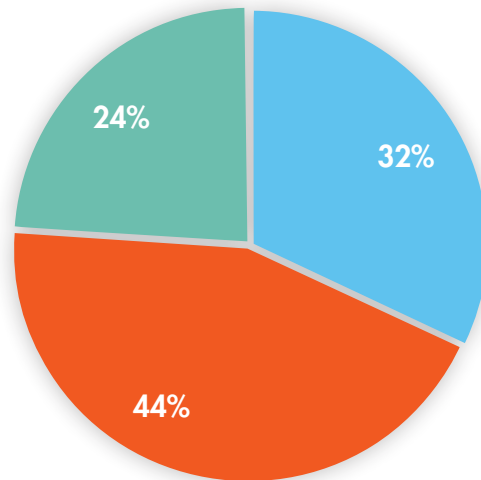
For some broker-owners, the ability to match office space and company culture can only be accomplished with a new office space. Kyle Whissel, broker-owner of Whissel Realty in San Diego, Calif., moved his primary office space from an office park to the hipster community of North Park. Whissel shared that he "wanted an office that promoted collaboration and fit the culture of the company." The 2,200-square-foot space with an industrial chic feel now matches the culture of the company as well as the surrounding area.

## Current Trends

Collaboration space is the most popular trend in real estate office design right now. Almost 75 percent of real estate offices incorporate open workspace into their office design. Open workspace is considered essential to creating synergy and allowing for work relationships to form and develop among sales associates. These two characteristics are central to the foundation and sustainment of many brokerages culture.

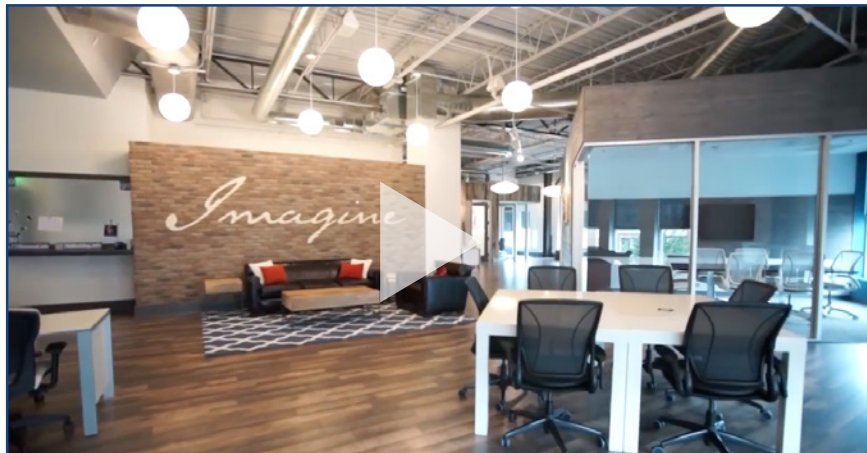
## LAYOUT OF BROKERAGE OFFICES

- Open (mainly open workspaces, with a few private offices)
- Semi-private (even mix of open workspaces and private offices)
- Private (several private offices with few open workspaces)



Collaborative workspace is predominant in each of Better Homes and Gardens GO Realty's four office locations around the Raleigh/Durham area of North Carolina. Founded in 2009 by Jim Garman, the office spaces are designed to naturally disarm people with their casual settings. With over 95 percent open space in each office, no one has a private office, not even the managing broker. Instead, their sales associates use open-conversation spaces and "zen dens," which consist of a chair, ottoman and small table. According to Alyssa Hellman, the director of the GO School of Real Estate, 65 percent of their 120 real estate professionals are millennials who spend 30 hours a week on average in the office.

Open workspace is unique in that no two offices are alike, even within the same brokerage. Take a tour of the Better Homes and Gardens GO Realty offices and see how they've developed collaborative space in variety of styles.



Notice that none of their offices have a front desk. Instead of being greeted by one person, potential clients are welcomed by those in the office saying, "Welcome to GO." Hellman shares that the lack of a front desk immediately removes the barrier between the sales associate and the client. It also fits the laid back and inviting culture of their brokerage.

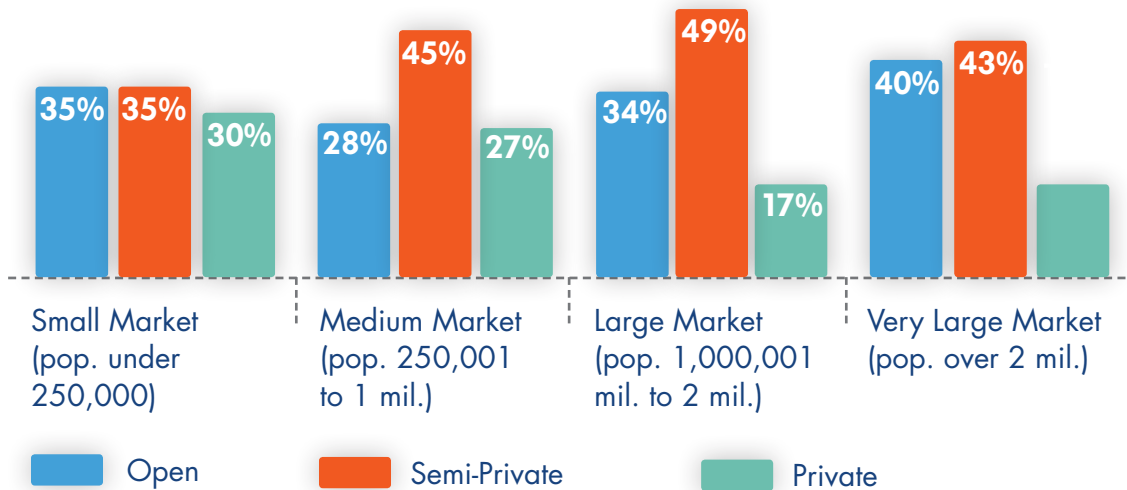
A majority of brokerages across the country still use private offices to some degree, making semi-private the most predominant type of real estate office layout. Semi-private is considered an even mix between private and open workspace. National brands such as Weichert and Keller Williams focus on maintaining a 50/50 balance in their offices, with open spaces designated for a lobby, a training room and conference rooms.

A popular approach among brokerages for semi-private office design is café style. This office layout incorporates open seating areas, like those found at Starbucks, mixed with private office spaces. Three out of five of ERA King Real Estate offices in Homewood, Ala., have a central collaborative space mimicking a café, surrounded by private offices on the perimeter. Anna-Marie Ellison, broker of ERA King Real Estate, shared that the café area brings sales associates in the office together. Noting that even those who have private offices will choose to work in the café area because they like the collaborative experience.



The configuration of office space is not heavily impacted by market size. Semi-private is the predominant type of office design among real estate broker-ages in all markets. The number of traditionally private offices does decrease in markets with populations over 1 million people by roughly 10 percent.

## LAYOUT OF OFFICE SPACE BY MARKET SIZE



An anomaly to the trend of semi-private brokerage offices is found in the brokerages established before 2000. Offices within these brokerages tend to have higher ratios of private office space to open space. For about 25 percent of brokerages, this configuration is preferred based on the demographic of their sales associates or their clientele. The remaining brokerages are in the process of reconfiguring some or all of their current office spaces.

Restructuring or designing new office space is no small feat. Gloria Frazier, owner of ERA American Real Estate in Florida, shared that it took her and her team nearly six months to design their current office space after spending 35 years in their previous location. Finding an acceptable balance between a functional and appealing design for her 80-plus sales associates took careful planning.

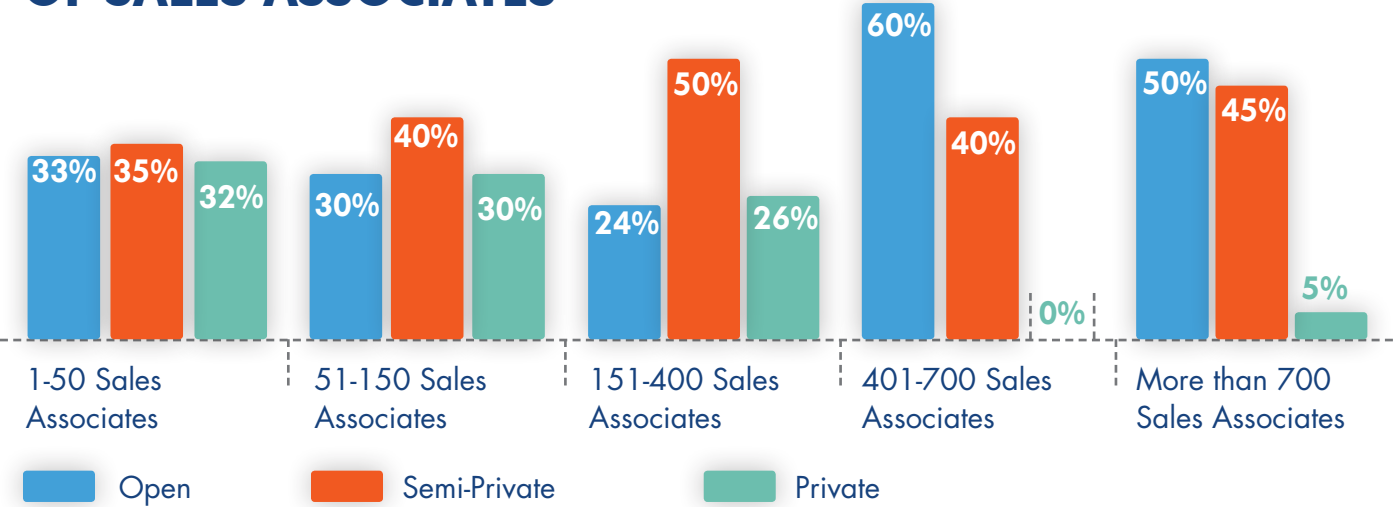
“ERA American Real Estate’s newest office configuration ... required thoughtful planning to create an open office that did not mix sales associates and customers together in the same workspace.” – **Gloria Frazier**

ERA American Real Estate’s newest office configuration is their first venture into a wall-free environment. According to Frazier, it required thoughtful planning to create an open office that did not mix sales associates and customers together in the same workspace. The remaining five ERA American Real Estate offices have a semi-private layout. For Frazier, the focus of each office is on gathering space over desk space.

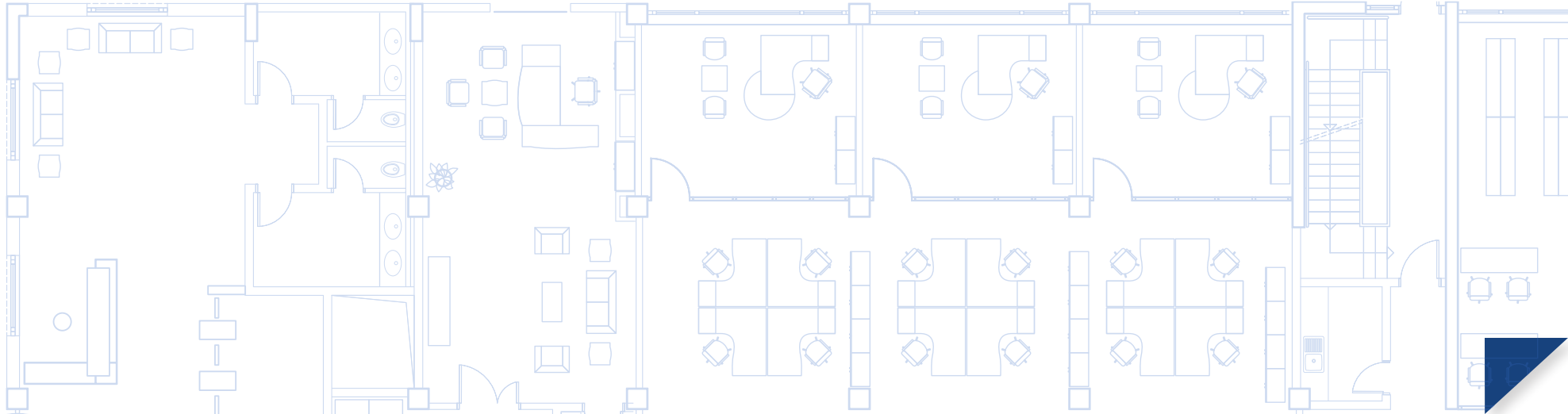
For brokerages with 400 sales associates or less, semi-private office design is the most popular. When the size of a company exceeds 400 real estate professionals, there is an overwhelming trend towards open office space and a sharp decrease in the number of brokerages with mainly private offices.



# LAYOUT OF OFFICE SPACE BY NUMBER OF SALES ASSOCIATES



The main reasons for open office space for one larger firm in the greater Chicago area is the efficiency and reinforcement of culture that it provides. With over 20 offices and more than 2,000 sales associates, Michael Golden, co-broker of @Properties, shared that his offices are more efficient because they don't have the overhead that some of the more traditionally configured offices in their area do. @Properties push for an open environment also stimulates collaboration and greater interaction between people. The office has fewer than 10 private offices in the entire company.



## CONCLUSION

When reconfiguring or designing an office space, it's important to keep culture at the forefront. The real value of an office space is the culture of the people that it holds. Creating a space for face-to-face interaction between clients, co-workers and the community is invaluable. When a real estate office reflects the culture of the company, it transcends the sales force and reaches into the community.

The shifts spurred by technology cannot be ignored. However, these tools should be used to work with the ideals and values of the brokerage. Whether it is using private Facebook groups to fuel the connection between co-workers or implementing platforms like those provided by dotloop and BoomTown to make day-to-day tasks easier. Technology is a valuable resource to reinforce the culture of a brokerage, not a replacement of company culture.

Give real estate professionals a space for what they want and need. A majority of real estate professionals do not require a large private office that sits vacant for 20-plus hours each week. No matter what the demographic of an office, gathering space is key. It can be used for training, community functions or company events. When planning a redesign start with the gathering space and work backwards. This is a surefire way to provide an office design that will thrive over the next 5 to 10 years.

With an estimated 2 million active real estate licensees in the United States, the expectation of a broker-owner to provide some type of meeting or workspace is unlikely to change anytime soon. What will transform is the expectation of what that space looks like. As the next wave of real estate professionals enters into the industry over the next 10 years, there will be a growing demand for the physical space provided to match the value propositions of the brokerage.

To echo the sentiments of those surveyed and interviewed, the most highly sought out culture is one fueled by openness, collaboration and interaction. The question is, does your office space foster those values?

“Our facility is a very nice building that is modern, fresh and clean but the real difference is the people inside the walls. I’m most proud of the people and our culture.”

**Jack Fry, Owner of  
RE/MAX of Reading**

# METHODOLOGY

From July 2016 to August of 2016 REAL Trends interviewed 25 leaders within brokerages of real estate firms across the country in a variety of market sizes. Participating brokerage firms varied from under 50 sales associates to over 2,000 sales associates. Broker-owners and leadership from brokerages participated from both franchise and independent firms.

In addition, REAL Trends surveyed over 200 sales associates, broker-owners and brokerage leadership, such as chief operating officers, chief marketing officers, chief financial offices and chief technology officers. The survey launched on July 25, 2016, and was closed on August 31, 2016. REAL Trends and the participating sponsors used email and social media campaigns to capture responses.

# ABOUT THE SPONSORS

## BoomTown

BoomTown combines a powerful real estate sales and marketing platform with success management services to help real estate brokerages and teams across the country grow their businesses and build lifelong relationships with their customers. An established and growing SaaS company dedicated to simplifying and modernizing the business of real estate, BoomTown has nearly a decade of proven results in all stages of a buyer and seller's journey. The BoomTown real estate sales and marketing solution includes: a customized real estate

website integrated with local MLS data, a predictive Customer Relationship Management (CRM) system with real estate marketing automation, client success management—and through its position as the only Google AdWords Premier SMB Partner in the real estate industry—personalized lead generation services. To learn more, visit [www.boomtownroi.com](http://www.boomtownroi.com).

## dotloop

dotloop brings your documents, eSignatures, storage and compliance into one easy-to-use platform where real estate professionals and clients can collaborate to get deals done. They offer separate platforms specially designed for individual sales associates, entire offices, and teams to run as efficiently as possible. **dotloop for Teams gives you and your team more power than ever to win deals and service clients. Visit [www.dotloop.com/learn-more](http://www.dotloop.com/learn-more).**

## ERA Real Estate

ERA Real Estate, an innovative franchising leader in the residential real estate industry with nearly 45 years of experience, is for independently-minded real estate entrepreneurs who are fiercely determined to grow their business. Their customer-first, uniquely collaborative approach empowers brokers to build business their way, through innovative solutions, smarter support and shared expertise. The ERA network includes approximately 37,000 affiliated brokers and sales associates and approximately 2,350 offices throughout the United States and 33 countries and territories. Each office is independently owned and operated. ERA Real Estate is a subsidiary of Realogy Holdings Corp. (NYSE: RLG), a global provider of real estate services.

## About REAL Trends

REAL Trends is a privately-held publishing, consulting and communications company specializing in the residential brokerage and housing industries. REAL Trends provides a wide range of advisory services to a clientele of local, regional and national real estate organizations. REAL Trends areas of expertise include operational analysis, valuations, merger and acquisition advisory services, compensation analysis, consumer and business research, strategic planning and technology and digital marketing consulting services. REAL Trends is The Trusted Source for news, analysis, and information on the residential brokerage industry since 1987. Visit REAL Trends at [www.realtrends.com](http://www.realtrends.com).



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