

Five tips to help your real estate agency outperform

Residential Real Estate Pulse Check

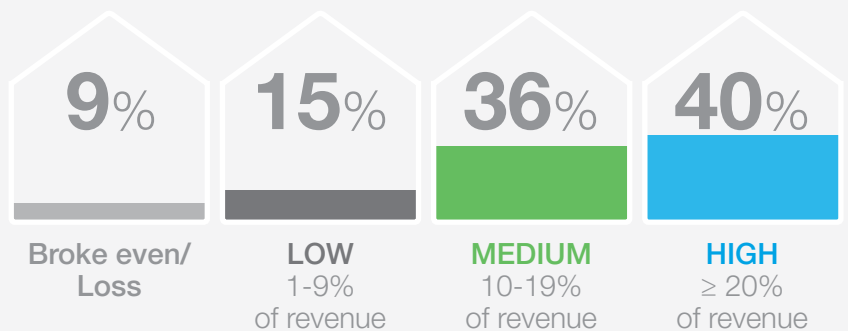
Insights to give you a competitive edge

In December 2015, Macquarie Bank conducted a rapid Pulse Check survey of real estate agencies around the country. Building on the insights from our benchmarking studies in 2012 and 2014, our Pulse Check reveals how high performance real estate agencies are winning listings, managing costs and keeping margins high.

Who are the high performers?

High performers are agencies with profit margins of 20% or higher. Nationally, 40% of the agencies in our survey beat that benchmark, with an average margin of 28%. They include agencies of every size, in every state, and every real estate market.

What sets them apart isn't local market conditions, but the way they have responded to them. Here are five tips to help you emulate their success.



Five tips for outperformance



1 Focus on productivity

The main driver behind these margins is higher staff productivity. The average sales agent in a high performance agency generates 35% more in gross commissions each year than a sales agent in a low profit agency.

By rigorously measuring the productivity of your agents, then doing everything you can to increase it, you can increase margins without the need to re-engineer your business or hire expensive new heavy hitters.

AVERAGE GROSS COMMISSIONS PER SALES AGENT



2 Great systems mean more productive staff

High performance agencies create strong systems to support and monitor productivity — making it easier for staff to do their jobs while giving them continuous feedback about their performance, and rewarding them for success. By honing your systems and automating processes, you can liberate your staff to concentrate on the things that really matter: winning new listings and making sales.



3

Your biggest opportunity is your existing sales team

The first step to higher productivity is to build the skills of your team through ongoing staff development. High performance agencies continually work to develop their staff — and they don't simply rely on on-the-job training.

Almost half their staff development effort takes place through purpose-built training, including internal activities like role plays, and sessions with professional coaches from outside the business.



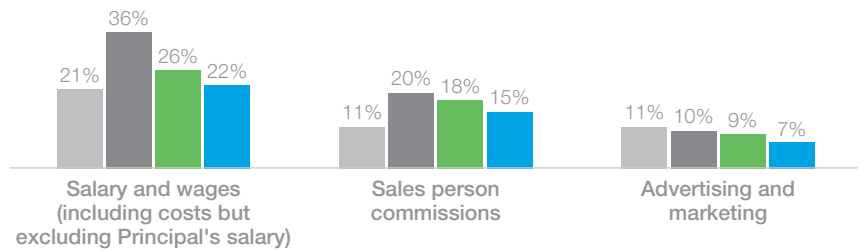
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Nurture a strong sales culture

High performers excel at nurturing a high-performance business culture in tandem with a strong market presence. That not only supports productivity, it also helps them attract and motivate great staff without overspending on salaries. In fact, high performance agencies pay lower salaries and commissions than their competitors across all staff categories, helping them achieve a higher return on investment relative to their size.

EXPENSES BY PROFIT MARGIN, AS A PERCENTAGE OF REVENUE

■ Broke even/Loss ■ Low (1-9%) ■ Med (10-19%) ■ High (≥ 20%)



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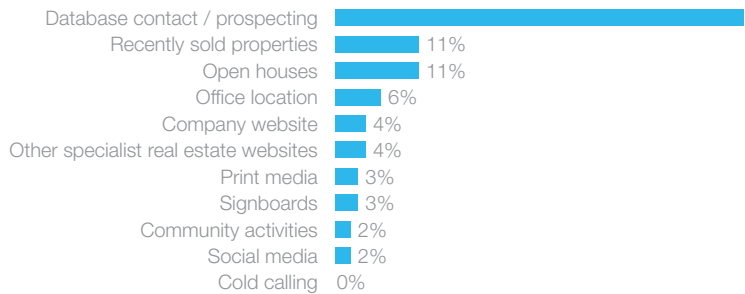
Mine your database

Our Pulse Check shows that an agency's database of prospects is overwhelmingly the most important source of business, accounting for around 54% of new listings. So you need to make the most of it.

Ensure you have a good customer relationship management (CRM) system in place to manage leads. Be scrupulous about gathering leads from open houses and rental showings, and make sure they go into your database. Then set up your CRM system to automatically prompt your sales team to follow up.

That way, you not only make the best use of your database, you also increase the productivity of your sales team by arming them with qualified leads to generate more listings with less effort.

WHAT IS YOUR BIGGEST SOURCE OF NEW LISTINGS?



Discover how we can keep your business in front

For a closer look at how your business is performing against key industry benchmarks, please contact your Macquarie Relationship Manager or call **1300 812 673**.

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