

To: tclarke@nmcomreal.com
 Subject: Is Your Commission Split Fair?
 From: "Peter Pike" <dispatch@pikenet.com>

PikeNet



PikeNet Dispatch, September 22, 2005
 Vol 10 No. 72 (884), "More than 9,000 subscribers"

Subscriber: Todd Clarke

[Previous Dispatch](#)

Is Your Commission Split Fair?

Split Decision... *Should Your Team Get a Better Split?* This question (in the Sep 8 Dispatch) generated lively opinions on both sides of the issue.

Todd Clarke, a broker with NM Apartment Advisors in Albuquerque, NM, likes the incentives of higher splits. "I've have one 'team' in my office, and we accelerate their splits just like any individual agent. But the combined earnings accelerates their split, since they partner on everything. The first phase of their split covers the desk costs. Then the accelerating split encourages them to work even harder and together."

Patrick Duffy, president of Colliers Arnold in Tampa, is considering an unusual approach when acquiring a "package" of a dozen new agents. "They pay for their own support and advertising, which is different than our normal model, and we are looking at splits that are much better for the company at lower production (because of the cost shifting) and better for the agents at high production (>\$600k). Our goal is a minimum of a 13% margin at the end of the year for the company."



Consultant Mark McLaughlin at McLaughlin Ventures writes, "I recently completed a compensation analysis for a group of nine very accomplished brokers. We reviewed competitive offerings from six premier brokerage companies (4 nationals). While most average splits for top performers (\$750,000 gross) were +/- 4% difference from firm to firm, one company's compensation package was head and shoulders above the rest. The company understands that its primary client is its brokers. ... Splits are important, but hardly the entire package."

Sanders Thompson at NAI Stoneleigh in Dallas is both an owner and a producer. "The benefit of teams is their ability to provide a more balanced approach to a client's needs. ... i.e., each member is doing, theoretically, what they do best. As a result, their compensation is enhanced since they will more likely get more business than the lone wolf. ... In Dallas, I haven't seen teams with preferential splits, but I wouldn't have knowledge of that from my competitors."

Dispatch Sponsorship... Many thanks to Jim Duport of

Sponsor

LseMod

**Site Selection
 Financial Analysis
 Software**

Which of these decision-making challenges do you face?

- Tenant Rep Analysis
- Sarbanes-Oxley
- Sale/Leaseback
- Lease vs. Buy
- Landlord Lease Analysis
- GAAP Analysis
- Sublease Analysis
- International Currencies

LseMod is the professional's choice for site selection financial analysis software! See [sample reports](#).

LseMod is a fabulous tool. It might be the best tool in my tool kit.

Paul Lehrer, SIOR

LseMod for sponsoring the [Dispatch](#) this week. [LseMod](#) is a software tool for lease analysis and site selection. All issues for the balance of this year are booked. But lots of dates are available in 2006. Send e-mail or call 415-461-4703. Thanks!

-- Peter Pike

Your e-mail address is tclarke@nmcomreal.com

If you do not subscribe and would like to, go to [PikeNet](#), enter your e-mail address in the left-hand box and click Subscribe.

Peter Pike / PikeNet / ppike@pikenet.com
11 Scott Place, Greenbrae, CA 94904
Tel: 415-461-4703, Fax: 415-461-4696



Copyright © PikeNet 1996-2005
All Rights Reserved

To unsubscribe, [click here](#) or send an email to: unsubscribe-44062@elabs3.com