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 Subject: Is Your Commission Split Fair?
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[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."

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-- Peter Pike

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