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Real estate pros weigh in on small vs. big

Technology can serve as equalizer for real estate companies

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[By Glenn Roberts Jr.](#)
[Inman News](#)

Teresa Boardman, a broker for Keller Williams Integrity Realty, has a home office and a couple of neighborhood coffee shops serve as her field offices.

Boardman, a real estate professional for the past five years, is a self-described "army of one." She has built up her Web presence and generates 80 percent of her business through online leads. "I'm getting leaner and meaner all the time."

And she is exploring the possibility of shedding the Keller Williams brand and relying on her own brand of business.

"The way the industry is changing is kind of making us all rethink relationships with teams and real estate companies. Technology is kind of filling in the gaps," said Boardman.

Author Seth Godin wrote "Small is the New Big," a book about the changing face of marketing and the ability of entrepreneurs to compete with big brands in creating contagious campaigns that capture consumers' attention. And Boardman and other real estate professionals say it can pay to be small these days.

"We're really in a day and age where you absolutely can work out of your home," Boardman said. Her home office has a fax machine, Internet access, a printer, and all of her real estate forms are available online. The coffee shops where she meets with clients have wireless Internet access and "clients just absolutely love to meet there," she said.

She maintains a [blog about the St. Paul real estate market](#) and believes that consumers appreciate the personalized touch they find at her Web sites. "Sometimes a single voice and a single person can be more valuable than a huge corporation on the Internet. I think people just connect to that."

There can be value in corporate brands, Boardman said, adding that the resources large real estate companies offer for new agents can be invaluable. She said that her affiliation with Keller Williams has allowed her to train and teach new agents. "It's very rewarding to be able to do that."

Technology is now leveling the playing field for real estate professionals and real estate corporations, she said. "When it comes to the whole Web presence, I've learned that I can build a Web presence that's better -- at least for my business. You can do it yourself, there's no doubt about that. I think the rules have changed just because of the way we're using the Internet."

Consumers these days don't typically shop for houses by entering a Realtor's name or a company name, she said. "They search by neighborhood, they search by city."

An individual's experience and reputation can help to build a local brand, she also said. "Clients have



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told me they want to work with me. (They) understand that I'm the person they're dealing with, I'm the person who's giving them the service -- after awhile they kind of don't notice the real estate company."

John A. Keith, a buyer's broker who operates a small firm in Boston, said, "I don't think it's necessarily a disadvantage to work with a big company, just unnecessary. You can do the same things on your own that you can with a big company. I really think brands are dead, at least in real estate."

Keith worked for Coldwell Banker for three years before going out on his own in October 2005. Large offices, he said, continue to have some attraction because of the size of their marketing budgets, for example. "Sellers might take comfort in knowing a large company is behind them, but that's just the companies' marketing at work. Over time, it will become less and less important."

But Keith found that he could lower his overhead and better control his marketing by opening his own shop. "Everything I do is on my own. My commissions go a lot further," he said.

Keith, like Boardman, said he drums up a lot of business through his [Boston Real Estate Blog](#), as the site ranks high in some real estate-related Google searches. The blog allows consumers, he said, to get a sense for his personality. "The majority (of readers) like the honesty," he said.

While some real estate professionals have criticized the barriers to entry in the industry as too low, Keith said that also translates into "a great opportunity for a small-business person."

Experienced agents, too, are making the decision to go small, he said, citing a couple of "big defections" by established agents in the Boston area to leave large brokerage companies and open their own offices.

"I just haven't thought of the reasons why you wouldn't go out on your own," he said.

Bill Wendel, owner of the Real Estate Cafe, a buyer's brokerage firm in Cambridge, Mass., said it can help for small companies to take a marketing approach that is "upside-down or backwards." As an example, he said, some real estate companies may brag about the volume of listed homes that sold for over \$1 million, while Wendel's company publishes a list of "Million Dollar Markdowns" with homes that were a good value for buyers.

At the [Inman News blog](#), Boardman, Keith and other real estate professionals posted comments about a question posed there ([view blog comments here](#)): "In a falling housing market, has size become a competitive disadvantage, particularly for those mega-firms that try to serve both buyers and sellers (i.e., practice dual agency)?"

One reader commented that the answer depends on "how difficult it is for a small firm to replicate the Web marketing and listing distribution that the big firms have," as "big firms employ an army of expensive technology people to make this happen." If a low-cost service puts this technology in the hands of small firms, that could make such a technology investment a disadvantage for big firms, the reader stated. "If Google becomes the de facto 'mirror image' of the MLS databases and that's where people search, then any two-person shop might have the same advantages as the biggies."

Residential real estate "is and always will be networking; which is why I value being part of a large dominant firm," stated one reader, and another commented that agent teams within a large real estate organization "will allow the big to become stronger. The team improves training, accountability and uses the resources of the larger company."

In a separate response, a reader stated, "Smaller is usually better. They are more efficient, better managed, and can usually withstand better in my opinion. Larger firms ... tend to have more overhead, legal costs, fat, etc. If smaller firms use technology and smarts to be more nimble and efficient then I think it will pay dividends for them in the future. If they don't they will be pushed out by the weight of the fat cats."

And another reader said that large firms seem to have a tougher time adapting to new technologies, and "being small, sleek and nimble will enable companies and agents to adapt to change quickly. Ten years ago real estate companies were all about being bigger to prove they were better. Their size was their best asset but unless they learn that it is not that important to the client it will become a liability."

While the debate seems to be over advantages and disadvantages to small versus big, one reader commented that there is a lack of discussion about mid-sized firms. "It almost seems inferred (and I agree) that where you don't want to be right now is somewhere in between. Creative or autonomy-seeking agents seem to like innovation -- and they spin off and go small. Agents that don't want to manage or create things or people and just want to sell seem to want automation -- and they end up big."

Size matters less than service, according to several comments. One stated, "I don't know if it matters whether we're big or small, but how we treat our clients and customers." And another stated, "It is not the brand any longer that makes the world go around. It is the educated and efficient real estate professionals that consumers will be doing business with. Not the brand. Not the company. Not the size." And still another reader stated, "If anything, the cooling real estate market has caused consumers to place more emphasis on the experience level of the individual agent, more so than that of the company, large or small."

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