

REALTOR® Magazine

July 2003 Cover Feature

Franchise Report

BRAND/LOCATION/PHONE	NO. OF SALES ASSOCIATES AND BROKERS	NO. OF OFFICES	TERM (years)	FRANCHISE FEE	ONGOING ROYALTY FEE (% of GCI unless otherwise noted)	RENEWAL FEE	BEGAN FRANCHISING/ LICENSING	TARGET AREA
ASSIST-2-SELL INC. Reno, Nev., Ryan Elliott, 800/528-7816	1,500	280	5	\$14,500	5%	\$2,995	1994	Nationwide
KEY DISTINCTION: Full-service, discount real estate company offering flat-fee/menu-of-services concept								
AVALAR NETWORK Rohnert Park, Calif., Chuck Scoble, 800/801-4030	450	23	5	\$4,400–\$12,500	5% (declines as GCI increases)	\$0	1999	East
KEY DISTINCTION: Money-back guarantee; focus on recruitment, retention of top producers, who share in profits of their recruits; flexible policies on branding/signage								
BETTER HOMES REALTY INC. Walnut Creek, Calif., Denise Bucchianeri, 800/642-4428, ext. 761	485	40	5	\$9,950	6% with cap or 4.5% without cap	\$0	1964	California
KEY DISTINCTION: Emphasizes service to affiliates; facilitates franchisee independence; legal, marketing assistance; ad support; flexible fee structure; corporate, individual office Web sites								
THE BUYER'S AGENT Memphis, Tenn., Tom Hathaway, 800/766-8728	287	36	5	\$14,900	6%	\$1,000	1988	Nationwide
KEY DISTINCTION: Represents buyers exclusively; franchisee-owned mortgage company offers low rates and no lender or origination fees, spurring high rate of closings per office								
CENTURY 21 REAL ESTATE CORP. Parsippany, N.J., North, Rich Green, 973/496-5886; South, Jose Perez, 404/239-0135; West, David Marvin, 602/914-2360	108,200	6,600	5–10	\$25,000 cap	6%	\$1,000	1971	Nationwide
KEY DISTINCTION: Widely recognized brand; three cornerstones: brand marketing, technology, franchise support. Named leading trainer in 2003 among national residential real estate systems by Training magazine								
COLDWELL BANKER REAL ESTATE CORP. Parsippany, N.J., North, Rich Green, 973/496-5886; South, Jose Perez, 404/239-0135; West, David Marvin, 602/914-2360	104,900	3,400	10	\$13,000–\$20,500	6% cap	\$1,000	1906	Nationwide
KEY DISTINCTION: Through Previews division, markets resorts, new homes, luxury properties; concierge program; award-winning Web site								
CRYE-LEIKE, REALTORS® Memphis, Tenn., Randall Hall, 615/406-7770	2,367	66	5	\$4,500–\$9,000	5% first year, 6% thereafter	10%1	1999	South
KEY DISTINCTION: Establishes territories in areas with small populations; hub offices offer marketing, relocation, training, technology support.								
ERA Parsippany, N.J., North, Rich Green, 973/496-5886; South, Jose Perez, 404/239-0135; West, David Marvin, 602/914-2360	27,400	2,500	5–10	\$20,000 cap	6%	\$1,000	1972	Nationwide
KEY DISTINCTION: One of the world's largest international real estate franchises; offers Sellers Security Plan ("We will sell your home or ERA will buy it"), and Home Protection Plan, a home warranty program for new and existing homes								
EXIT REALTY CORP. INTERNATIONAL Burlington, Mass. (U.S. headquarters), Tami Bonnell, 877/253-3948	4,800	309	5	\$12,500–\$22,500	\$150 per transaction to \$2,700 max. per associate per year	\$2,000	1998	Nationwide
KEY DISTINCTION: Associates earn 10 percent (7 percent on retirement) of gross commission income for each salesperson referred to system, plus continued benefits of 5 percent GCI to family after associate passes away; 180-plus hours of training and mentoring; technology for tracking income from new-associate referrals								
F. C. TUCKER CO. INC. Indianapolis, Mark Bush, 317/571-2200	1,000	38	6	\$0	6%	\$0	1989	Indiana
KEY DISTINCTION: Locally owned company offers national-level services, speakers, and networking through affiliations with Realty Alliance, RELO relocation network								
GMAC REAL ESTATE Oak Brook, Ill., Sharon Marvin, 800/274-7661	20,000+	1,300+	5–10	\$7,500–\$20,000	Varies	N/A	1999	Nationwide
KEY DISTINCTION: Built around one-stop shopping, creating seamless transaction; client satisfaction guarantee; focus on retention and referrals; additional revenue opportunities								

HELP-U-SELL REAL ESTATE Syosset, N.Y., Ann Reynolds, 800/366-1177	1,000+	366	5	\$16,500	6%	\$500	1978	Atlanta, Boston, Chicago
KEY DISTINCTION: Fee-for-service model fosters operating efficiencies: With consumers performing some transaction duties, associates can focus on business generation.								
HOMEOWNERS CONCEPT Milwaukee, Peter Skanavis, 800/800-9890	150	28	10	\$4,500	2%	\$500	1984	Nationwide
KEY DISTINCTION: Model attracts 90 percent of its business from customers who would otherwise be FSBOs; aims for high-volume business at below-market fees								
HOWARD HANNA CO. Pittsburgh, Ron Dishler, 412/967-9000, ext. 331	1,423	68	7	\$8,500	5.5%	\$500	1996	Ohio, Md., N.Y., Pa., Va., W. Va.
KEY DISTINCTION: Licensing operation (companies licensed to use name and tap services); three key elements: affordability, access to all company services, management support								
INTERNATIONAL REALTY PLUS INC. Petersburg, Va., Marie Garceau, 941/966-6463	1,100	98	5	\$4,500	\$145 per associate per month	\$0	1996	U.S. and Canada
KEY DISTINCTION: Referrals from existing franchisees; magazine and Internet advertising; Internet-based marketing tools, templates								
JOHN L. SCOTT REAL ESTATE Seattle, Dean Rebhuhn, 206/230-7648	3,200	116	5	\$10,000	5%	\$5,000	1990	West
KEY DISTINCTION: 72-year-old company; access to all company services: marketing, PR, Web site, technology, training, business development								
KELLER-WILLIAMS REALTY INC. Austin, Texas, Mark Willis, 512/306-7183	17,924	262	5-10	\$25,000	6%	\$2,500	1987	Nationwide
KEY DISTINCTION: Associate-centric philosophy helps associates increase personal, business productivity and profits; profit sharing								
LONG & FOSTER REAL ESTATE INC. Fairfax, Va., Elaine Campbell Mercer, 703/359-1516	10,000+	202	5	\$15,000	5%	\$0	1999	Mid-Atlantic
KEY DISTINCTION: Licensing operation (for companies first or second in their market); licensees receive services, company name, referral rights, but maintain autonomy								
PRUDENTIAL REAL ESTATE Irvine, Calif., Dennis Kelly, 949/794-9632	44,000+	1,637	6-10	\$25,000	6% cap	Varies	1988	North America
KEY DISTINCTION: Business consulting for franchisees; recruitment, training, technology, relocation services; brand recognition								
REAL LIVING Columbus, Ohio, Jim O'Brien, 614/273-6090	5,000	113	5	\$10,000	6% or fixed amount plus 1%	\$0	1981	Nationwide
KEY DISTINCTION: Salesperson-centric model focuses on increasing partners' profits. In-house resources: mortgage, title, home warranty, one-stop shopping								
REALTY EXECUTIVES INTERNATIONAL INC. Phoenix, William A. Powers, 800/252-3366	10,110	642	5	\$30,000-\$60,000	\$50 per associate per month	\$0	1987	Nationwide
KEY DISTINCTION: Original 100 percent commission concept system; exclusive territories; no renewal fees; salesperson-centric								
REALTY WORLD AMERICA INC. Costa Mesa, Calif., Gary Longobardo, 800/685-4984	Not tracked	650	5-10	\$5,500+	\$275 per broker per month/ \$150 per associate per month	\$500	1973	Colo., Ill., Ind., Mass., Mich., Mo., N.J., Ohio, Texas
KEY DISTINCTION: National brand name; marketing resources; below-market fee structure; flexibility in how brokers structure operations								
RE/MAX INTERNATIONAL Greenwood Village, Colo., Peter Gilmour, 303/770-5531	80,009	4,472	5	\$10,000-\$30,000	Varies by number of associates	Varies	1976	Nationwide
KEY DISTINCTION: National, regional, and local TV advertising; large-scale charitable programs; in-house satellite TV network with news, education; extranet offers networking, news, chat rooms, referrals; management consulting; company Web site; referral system; relocation; proprietary software								
UNITED COUNTRY Kansas City, Mo., East, Joe Karpinski, 888/956-4486; Central, Richard Thompson, 800/875-9242; West, Don Sprague, 800/444-5044	1,800	365	3-5	\$5,900	Varies	\$590	1997	Nationwide, small markets
KEY DISTINCTION: Rural and small-town focus; franchise fee covers sign conversion, Web site, orientation class, proprietary software; ongoing services: training, national ads, franchisee listings, prospect leads								
WEICHERT REAL ESTATE AFFILIATES INC. Morris Plains, N.J., Bill Scott, 973/359-8394	12,000	250	7	\$12,500-\$25,000 (refundable)	6% with incentive bonus	\$1,000	2001	East coast, South central, Midwest
KEY DISTINCTION: Recognized name; marketing and management systems; recruiting, training support; mortgage, title, insurance, relocation; Web marketing; franchises granted only in areas not already served by corporate-owned office								
WINDERMERE REAL ESTATE SERVICES CO. Seattle, Bill Feldman, 206/527-3801	5,300	225	6 mos.	\$15,000	Varies by market	\$0	1983	West
KEY DISTINCTION: Established brand; focus on technology, marketing tools, and continuing education; aids housing causes through nonprofit Windermere Foundation								

¹ Of original fee
N/A: Not applicable

Emerging players

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FIXED FEE REALTY Morehead, N.C., Barry Gurney, 888/312-2444	2	2	Lifetime	\$599	N/A	\$0	2002	Nationwide
KEY DISTINCTION: Fixed-fee commission alternative to percentage- or flat-fee schedules (in which commission percentage is based on formula, with graduated percentage in soft markets, declining percentage in hot markets)								
REALTY UNITED Cary, N.C., Chris Coldell, 800/589-6990	5	1	5	\$7,500-\$17,500	3%	30%	2003	Nationwide
KEY DISTINCTION: Focus on recruiting, retention, and retirement; profit-sharing, bonus, and company-paid savings incentive programs; mortgage services								
SAVE MORE REAL ESTATE Naperville, Ill., Roy Stavenger or Paul Vargyas, 630/369-4900	40	7	5	\$1,500	1.9%	\$500	1999	Nationwide
KEY DISTINCTION: Full menu of services, including variable commission program; no cold calling or sitting at open houses; training program; ongoing franchisee assistance								
SELL4FREE REAL ESTATE SYSTEMS INC. Indianapolis, Gary Beiberich, 317/716-3733 or Andrew Walsh, 812/309-0628	47	10	5-10	\$15,000	5%	\$1,000	2002	Nationwide
KEY DISTINCTION: Associate waives listing fee provided homeowner purchases another home with associate's help; otherwise, menu concept decided by franchisee; relocation, corporate Web site								
WEST USA REALTY Phoenix, Kevin Nell, 602/942-4200	1,788	12	202	\$15,000	N/A	\$0	2001	West
KEY DISTINCTION: Web-based transaction and lead-management system allows anywhere access; personal attention to franchisee								

N/A: Not applicable