

## Teams in Real Estate: Who Benefits? (Web Version)

"Teams", meaning groups of *two or more* licensed agents working together within an office, have been around for as long as I have been an agent. Unfortunately, most of my experiences with teams have been *very* frustrating. In fact, *several* prospective clients have asked me if I was on a "team" before deciding to hire me. **NONE** of them wanted to hear "YES I AM"! They all had had *similar* bad experiences that influenced their plans going forward.

Real Estate teams are allowed although industry leaders have recognized that the practice, while making sense for some agents, *may* add potential risks for their clients. Regulations are being revised to ensure that a "client" is not *adversely* affected by working with a team. Frankly, poor representation can *harm* clients and **poorly run teams can magnify the potential for problems.**

Working in Real Estate is like driving on a multi-lane highway: we have *many* ways of reaching our destination with guard rails to keep us on track. The "lanes" represent different "business models" we can use to run our businesses while the "guard rails" represent the different layers of regulation. These include the Code of Ethics, RELRA (the PA real estate licensing and registration act) and the law itself. Newer agents, poorly trained/ poorly supervised agents and some who should not be representing others at all can all run afoul of the rules if they do not understand, care or lose sight of WHO IS THE BOSS (hint: it is the CLIENT!).

In my college years and beyond I extensively studied management and teams (Together Everyone Achieves More and there is "No I in team!") and understand how *partnering with others can have its benefits*. Teamwork is essential to operating many businesses such as in sports. However, Real Estate is *unique*. We work *for* (as opposed to *with*) clients who **expect us to "protect and promote their interests above all others"**. They are likely making their biggest purchase or selling their biggest asset and depend on us to oversee, direct and lead the process. **The "client" relationship is "special", making "sharing" them with others them a challenge.**

Briefly stated, here are a few of my experiences:

- 1) some 2-agent teams advertise that the client is hiring "*two agents for the price of one*", so you can always reach one or the other. Interesting slogan but does it work? Suppose the team is a married or "involved" couple? I have found both agents on a team unresponsive or "busy".
- 2) I have had *both* agents representing the *same* buyer call to schedule a showing of my same listing. The team concept only works if everyone involved is kept informed. **Who is in charge?**
- 3) I received an offer on a listing, discussed it with my seller-client and called the buyer-agent to provide a "counter-offer". A different agent answered the phone and advised me that they were on a "team" with the agent I called but they were *unaware* of the offer. They asked me to tell them what my client said so they could relay the information. Later that day I received a call from the original agent, *unaware* that I had spoken to their "partner". They asked to me repeat what I told the other agent since the second agent was not available. I told them I would do this **ONCE** and that, going forward, **they had to decide who would be my contact.**
- 4) I had a sale fall through which involved a buyer-agent who failed to terminate a sale within the property inspection time frame, resulting in the *contingency expiring unresolved*. As a result, **their buyers had to forfeit their deposit**. In trying to keep the sale going, I sent an email to the agent and their broker. **The broker took more than a day to respond**, told me that the agent was on a team and that the "team leader" would call me. That took another day. The agent never told me they were on a team and the broker in charge of the office did not seem to want to get involved. In the end nothing changed but terminating the sale took longer than it should have.

5) I had another sale fall through due to a buyer “defaulting” on the contract terms. In this case I knew the agent was on a team so I included the “team leader” in emails trying to keep the sale moving forward. Rather than taking charge, the team leader responded in a very *unprofessional* manner, asking why I needed to include them in an email since they met with their agent daily. I used email to keep my client involved while documenting the process. I advised the team leader that we apparently had different ideas about how a team should be run. **My best guess is that team leader was preoccupied with “bigger fish”** and the buyer agent had little or no *supervision*. I wonder how the buyer felt when they learned they lost the sale?

Several sellers have told me that they would *never* work with someone on a team again. They all told me basically the same thing: they got tired of talking to different people every time they called. Most thought they were hiring one specific agent only to learn that someone else was “their contact”. They felt uncomfortable NOT having an ongoing relationship with ONE SPECIFIC AGENT. This is a “service business”: can you imagine how that feels? I really have to wonder about the *confidentiality* aspect of their business relationship: who knew what?

While some agents form teams with people they like, many seem to do this when they are too busy to *personally* handle their own leads. I respect that. Clients may not be able to wait and referring them to other agents costs the lead-generating agent money so they build teams. As long as client-service is NOT sacrificed and the client agrees, **there should be no problem!** They may bring on experienced agents looking to grow their business or new agents learning the business. The team leader may focus primarily on generating business/ leads while *delegating* the details to others, perhaps doing little to supervise their group which can be *problematic*.

I understand that some brokers may like the team concept in the hope that the “team leaders” will *properly* hire, train, develop and supervise their own team members, making the broker’s job easier *especially if* they actively list and sell Real Estate. However, each office has **ONE PERSON** ultimately responsible for making sure that their staff, regardless if affiliated with a team or not, is **PROPERLY SUPERVISED**. As I learned years ago, “**delegation without follow-up is abdication**” and giving someone else a job to do does **NOT** relieve the person in charge of making sure that rules and regulations are followed.

Working with buyers and sellers *requires* creating an environment of **trust** which typically involves learning confidential information. Buyers do not want to share how much they like a property or are willing to pay for it; sellers do not want to share how much they want or need to sell a property or how much they are willing to accept to sell it. It is hard enough for many of us to share confidential information with one person. What happens with a team? Whether a team has agents acting as both listing and buyer agents or agents acting exclusively as one or the other, what assurances are there that any individual client’s confidences are **PROTECTED AND PROMOTED ABOVE ALL ELSE???** The team concept would seem to allow a greater opportunity to *inadvertently* share otherwise confidential information, *requiring added diligence*.

As stated earlier, “teams” are perfectly legal **as long as they are properly run and managed**. They should not be an excuse for brokers or team leaders to abdicate their authority or responsibility. I have seen and heard of enough situations to make me wary of them and, apparently, so have some members of the public.

**HIRE WISELY!**