


**SIOR**  
**Brokerage Management Survey**

October 12, 2007

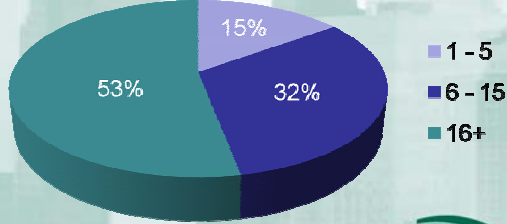
Compiled by J. Michael Boyd, CRE, SIOR




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**How many brokers/salesman are in your firm?  
 (exclude any property managers and “non-producing” licensees.) (53 Firms)**

**# of Brokers**



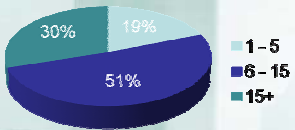
# of Brokers	Percentage
1 - 5	15%
6 - 15	32%
16+	53%



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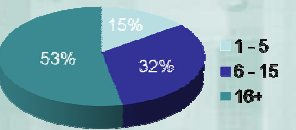
**2005 vs. 2007 Comparison for  
 Number of Brokers**

**2005 (63 Firms)**




Number of Brokers	Percentage
1 - 5	19%
6 - 15	51%
15+	30%

**2007 (53 Firms)**



Number of Brokers	Percentage
1 - 5	15%
6 - 15	32%
16+	53%




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**How many staff people do you have providing direct support to these brokers?**

Size of Firm	Average*	Range
1 - 5	1	0 - 2
6 - 15	3	1 - 6
16+	2.58 brokers - 1 asst*	5 - 67*

\*Not reliable results, based on question.



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**What is your annual desk cost?**

Size of Firm	Average	Range
1 – 5	\$57,868	\$29,000 - \$75,000
6 – 15	\$60,710	\$27,000 - \$120,000
16+	\$63,606	\$29,878 - \$100,000

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**Annual Desk Cost – 2005 vs. 2007 Comparison**

**2007**

Size of Firm	Average	Range
1 – 5	\$57,868	\$29,000 - \$75,000
6 – 15	\$60,710	\$27,000 - \$120,000
16+	\$63,606	\$29,878 - \$100,000

**2005**

Size of Firm	Average	Range
1 – 5	\$55,179	\$1,700 - \$80,000
6 – 15	\$56,500	\$19,500 - \$125,000
Over 15	\$77,668	\$27,500 - \$250,000

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**Operating Expense Breakdown  
Side by Side Comparison**

Gross Commissions	100%		
Company Size	1 – 5	6 – 15	16+
<b>Percentage Paid to the Brokers (Avg.)</b>	<b>60.8%</b>	<b>60.4%</b>	<b>61%</b>
Range	(50 – 70%)	(41.6 – 91%)	(44 – 80%)
<b>Administrative Support Expenses (Avg.)</b>	<b>6.63%</b>	<b>11.17%</b>	<b>10.26%</b>
Range	(0 – 12%)	(2.6 – 32%)	(5 – 16%)
<b>Rent Expenses (Avg.)</b>	<b>4.6%</b>	<b>5.03%</b>	<b>2.68%</b>
Range	(1 – 10%)	(2 – 13%)	(2 – 4.6%)
<b>Marketing Expenses (Avg.)</b>	<b>4.15%</b>	<b>4.79%</b>	<b>6.17%</b>
Range	(.4 – 11%)	(.014 – 11%)	(1 – 15%)

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**Operating Expense Breakdown  
Side by Side Comparison – Cont'd.**

Gross Commissions	100%		
Company Size	1 – 5	6 – 15	16+
<b>Data/Research Expenses (Avg.)</b>	<b>2.3%</b>	<b>2.56%</b>	<b>1.58%</b>
Range	(0 – 5%)	(.01 – 1%)	(.3 – 2%)
<b>E&amp;O Expenses (for those that carry it) (Avg.)</b>	<b>1.5%</b>	<b>.79%</b>	<b>.71%</b>
Range	(1 – 3%)	(.01 – 1%)	(.06 – 2%)
<b>Miscellaneous (other expenses) (Avg.)</b>	<b>6.68%</b>	<b>6.23%</b>	<b>8.79%</b>
Range	(0 – 15.6%)	(2 – 11.6%)	(2 – 15%)
<b>Net Profit (Avg.)</b>	<b>14%</b>	<b>12.5%</b>	<b>11.32%</b>
Range	(0 – 30%)	(0 – 22.5%)	((10) – 38%)

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Have you modified, increased coverage or otherwise changed your firm's E&O coverage in the last 2 years?

Yes	20%
No	80%

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Are all brokers in your firm on the same commission schedule?

Size of Firm	Yes	No
1 – 5	83.3%	16.7%
6 – 15	69%	31%
16+	53%	47%

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Of your sales staff, (a) what percentage are owners and; (b) what percentage of the firm's gross commissions do they contribute?

Size of Firm	Percentage Owners	Percentage of \$ Generated
1 – 5	20%	45%
6 – 15	27.6%	49.6%
16+	29.4%	51.5%
<b>Overall Average</b>	<b>28.6%</b>	<b>51.5%</b>

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Do you utilize formal broker teams?

Size of Firm	Yes	No
1 – 5	0	100%
6 – 15	46.7%	53.3%
16+	70.6%	29.4%

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**Formal Broker Teams – 2005 vs. 2007 Comparison**

**2007**

Size of Firm	Yes	No
1 – 5	0	100%
6 – 15	46.7%	53.3%
16+	70.6%	29.4%

**2005**

Size of Firm	Yes	No
1 – 5	18.2%	81.8%
6 – 15	44%	56%
Over 15	39%	61%



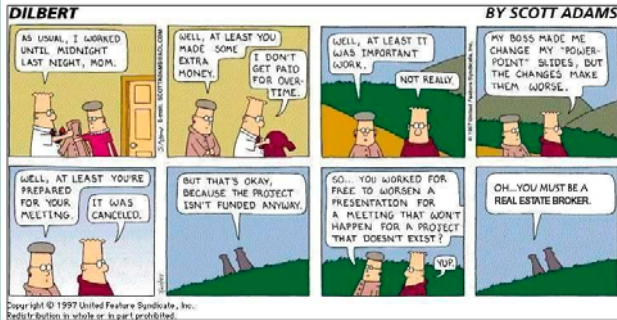
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**If an administrative assistant is on the team, how is she/he compensated? (Do the brokers pay part or all of the assistant's compensation?)**

(a) Brokers on Team pay all or part of the compensation:	42%
(b) Company pays all compensation:	58%



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