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Re/Max hits top spot in home sales in metro Detroit

By **Jennette Smith**

• March 06, 2006

Re/Max of Southeastern Michigan has jumped to the top of the residential brokerage heap, according to 2005 local sales data.

Historically Re/Max has ranked as the second- or third-largest real estate brand in metro Detroit. Southfield-based **Real Estate One** is the biggest organization of company-owned brokerage offices. **Century 21** and Re/Max have battled for the top position as franchise networks.

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According to multiple listing service data analyzed by **Real Data Strategies** of Brea, Calif., Re/Max has current bragging rights based on 2005 sales volume. The information is gleaned from Farmington Hills-based **Realcomp II Ltd.** and Clinton Township-based **MiRealSource**, two local organizations that have partially

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overlapping geographic coverage areas.

As reported in the Realcomp statistics, Re/Max posted \$2 billion in sold listings in 2005, compared with Century 21's \$1.8 billion and Real Estate One's \$1.1 billion, said Pat Veling, president of Real Data Strategies.

In the MiRealSource statistics, Re/Max recorded \$1 billion in sold listings, compared with Century 21's \$965 million and Real Estate One's \$340 million.

Jeanette Schneider, vice president and co-regional director of Re/Max of Southeastern Michigan, which has its office in Southfield, said the data shows how the Re/Max system has thrived despite a challenging sales market. Re/Max agents average 13 years of experience, so they have a roster of past clients to work from, plus have typically worked through a down cycle before so they know how to adjust, she said.

"In a slower market, we certainly think that experience in the agent really matters," she said.

Re/Max has substantially increased its local office and broker count in recent years, up about 300 agents and 10 to 15 offices from 2002, Schneider said.

The numbers don't include all transactions or all communities in the five-county area but are considered a reliable indicator. Some real estate agents do not report transactions to an MLS service, said Karen Kage, CEO of Realcomp.

Realcomp is used by more brokers, covers broader geography and is strong in Oakland County. MiRealSource is stronger in Macomb County. Neither service includes many Washtenaw County or Downriver sales.

Average selling prices based on Realcomp data for 2005 were \$213,560 for Real Estate One; \$179,228 for Century 21 and \$162,261 for Re/Max, Veling said.

John Kersten, president of Rochester-based **Century 21 Town & Country**, the top-performing Century 21 franchise in the country and locally, said he chooses not to discuss competitors' numbers but said he believes the overall market will improve in 2006. Century 21 Town & Country reports annual sales volume of about \$2 billion, with agents working on sales from St. Clair to Plymouth.

Real Estate One reported 2004 sales volume of more than \$3.5 billion. That includes Real Estate One's business elsewhere in Michigan. Dan Elsea, director of brokerage for Real Estate One, said it's no secret Century 21 and Re/Max each have larger sales volume than his company. The two brands have battled for top franchise positioning for the past 10 years, he said.

Real Estate One aggressively markets its structure as an organization under one ownership, with consistencies that a franchise network cannot offer due to disparate owners, he said, comparing a franchise network to "herding cats."

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Elsa said a top brand position is important to initially gain consumer confidence, but after that it's all about the relationship with the individual agent.

Edward Surovell, president of **Edward Surovell Realtors** in Ann Arbor, said he believes brand recognition is most important at the community level. In Washtenaw County, the three biggest players are Real Estate One, Surovell and **Charles Reinhart Co.**, he said.

Schneider said Re/Max looks to continue to grow this year and revamp its educational and technological platforms. One of Re/Max's selling points is that agents take home 95 percent-100 percent of their sales commissions depending on when they joined the system, Schneider said. They share in office expenses. The business model is meant to recruit experienced agents.

On the consumer marketing side, it is launching a major marketing campaign based on the sales results.

"We're very proud of the work we've done," she said. "We're using radio and billboard to get that message out there."

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