

Case Study: Zone 2 Transaction - Leveraging Team Initiatives for Increased Opportunities

The Situation

Agent Steve receives a lead from the Jenson Team's database. The lead, Lisa, is looking for a high-end property in an upscale neighborhood.

Actions Taken

- Initial Consultation: Steve contacts Lisa for a phone consultation to discuss her preferences and needs.
- Property Search: Steve creates a listing alert that meets Lisa's specifications.
- Showings: Steve shows Lisa multiple properties.
- Offer and Negotiation: Steve uses his knowledge and expertise to successfully close the deal.
- Steve has the full administrative and transactional support of the team throughout the process.

Financials

- Close Price: \$1,500,000
- Gross Transaction Earnings: 2.8% of \$1,500,000 = \$42,000
- Zone 2 Agent Compensation: 30% of \$42,000 = \$12,600

Fees Covered by the Team

- Real Cap: 15% is taken from the team's earnings until the annual \$4,000 cap is reached. This doesn't affect Steve's take.
- Brokerage Fees: The team covers the \$250 fee for the first three closings each year.
- Real Transaction Fee: \$285
- \$30 BEOP Fee: For broker review, E&O insurance, and processing.

Agent Expenses

- Gas for Showings: Approximately \$85
- Miscellaneous: About \$50 for client lunches and/or coffee meetings.
- Total Expenses: \$135

Net Profit

- Zone 2 Agent Compensation: \$12,600
- Less Expenses: \$135
- Agent Net Profit: \$12,465

Why This Is a Zone 2 Transaction

The lead comes from the Jenson Team's initiatives and resources and is provided to or delivered to the agent—your role as the agent was to facilitate this lead through to closing.

Key Takeaways

- Team Support in Zone 2 is robust, enabling agents to reach more people, save time, and close more deals.
- Steve increased his earnings via a team-provided lead.
- Zone 2 is for new and experienced agents; agents can significantly increase their earnings when they wisely leverage the team's resources.