

# reb YOUR FUTURE NETWORK 2023

Your guide to agency models captured from the expertise of hundreds of real estate agents and property managers across Australia.

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market intelligence

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**Raine&Horne**



# Editor's foreword

Every agent and property manager is different – that's what gives the real estate industry its spark. Diversity of thought, ideas, capabilities, and service have morphed into a profession that is as interesting as it is varied.

Your Future Network is a new initiative from Real Estate Business (REB) that acknowledges everyone's career trajectory is different and is shaped by their own individual circumstances, education, skill sets, and passions.

This report was borne out of the idea that different agency models on offer in the Australian market present different experiences for users, allowing for a huge amount of choice in the industry.

We hope this research can be used by individuals to identify their own strengths and weaknesses, and in turn to gain clarity and guidance around what they require in their support structures as they take their careers to the next level.

This report can provide meaningful insights to business owners and executives as it reveals what the up-and-coming leaders of the industry are looking for in their careers. Your Future Network is already firmed in as an annual survey and report.

It provides the real estate profession with informative and educational research for years to come via an exploration of shifting values and expectations of the profession.

Wishing you all success in your career and business endeavours.

Happy reading!



*Grace Ormsby*

**Grace Ormsby**

Editor,

**reb**



# Raine & Horne foreword

As we celebrate our 140th year of operation, we take immense pride in our firm's lasting impact on the Australian real estate industry. Throughout our journey, we have continuously evolved to meet the changing needs of our clients and staff.

In this historic year, we are delighted to support Real Estate Business (REB) in unveiling Your Future Network, an innovative endeavour designed to chart the path for individuals as they embark on their own prosperous real estate journeys.

Everyone's career path is shaped by their unique circumstances, education, talents, and passions. This report is dedicated to catering to the diverse needs of professionals in our industry and empowering them to achieve their aspirations.

Individuals can use this research to identify their strengths and weaknesses and gain clarity and guidance around what they require in their support structures as they take their careers to the next level.

Furthermore, the report offers crucial insights for business owners and executives, shedding light on the aspirations of emerging leaders in the field. Understanding the career desires of our industry's rising stars allows companies such as Raine & Horne to adapt and align their strategies to meet the evolving demands of the workforce effectively.

We are delighted that Your Future Network will be an annual survey and report, which will become a valuable resource for years to come.

I hope you enjoy the read.



**Angus Raine**  
Executive Chairman,

**Raine&Horne**®



# Table of contents

Editor's foreword	2
Raine & Horne foreword	3
Table of contents	4
Our approach	5
<b>The current state of agencies</b>	<b>6</b>
Breakdown of agency owners in Australian real estate	7
Ambitions and considerations of future agency owners	8
The personas of real estate professionals	9
<b>Franchise agency owners</b>	<b>10</b>
How satisfied are franchise network owners?	11
The reasons why agents choose franchise networks	12
Why future agency owners are considering franchise networks	13
How instant and recognisable brand equity can kick-start your agency's growth	14
How sales experts can be empowered with branded franchise networks	15
<b>Independent agency owners</b>	<b>16</b>
How satisfied are independent agency owners?	17
Why agents choose to open independent offices	18
Why future agency owners are considering opening independent offices	19
The skill sets of successful independent agency owners	20
The 'personal' touch of smaller, independent offices	21
<b>Brought to you by</b>	<b>22</b>

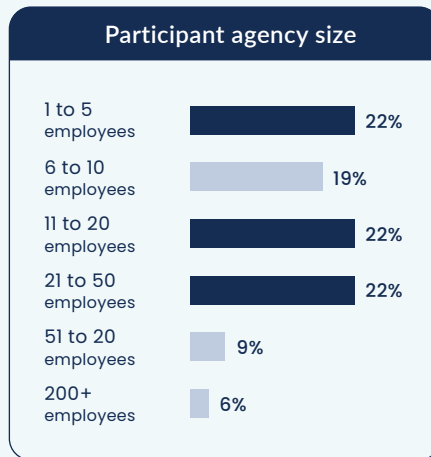
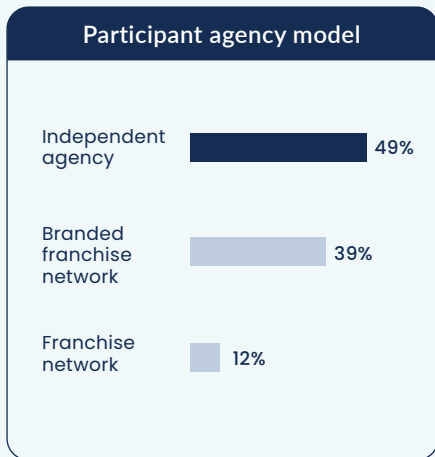
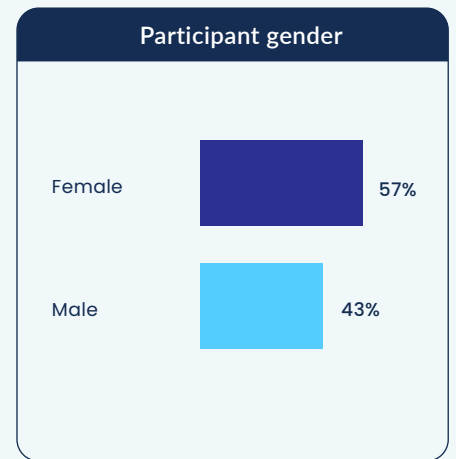
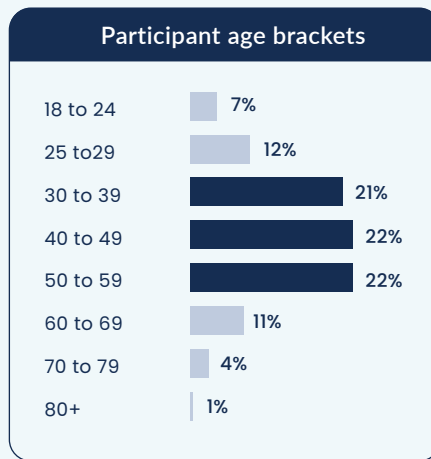
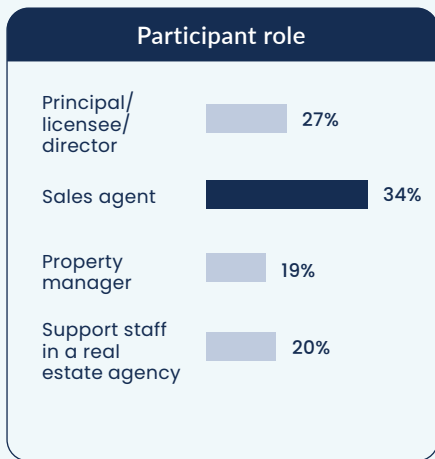


# Our approach

The Your Future Network survey was conducted between 29 May 2023 and 12 June 2023 by Agile Market Intelligence. The online quantitative survey encouraged participants across REB to contribute to an anonymous, five-minute survey on their attitudes and experiences in regards to their agency model.

The survey received a total sample of 854 during this period. After an extensive data validation, cleaning and analysis, a total usable sample of 707 participants was identified. This sample size offers an excellent base for this survey with a margin of error of 3.69% at a 95% confidence level.

## Respondent profile



# The current state of agencies

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This section will provide an overview of real estate agency models in Australia.



# Breakdown of agency owners in Australian real estate

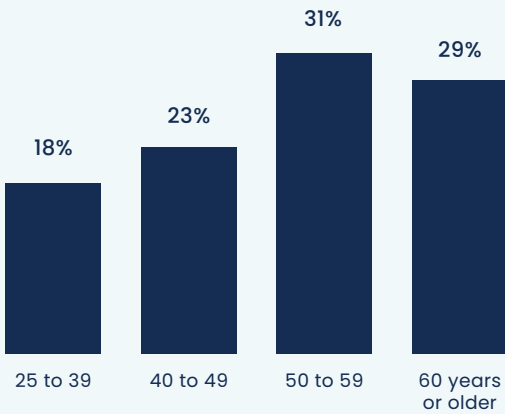
The Your Future Network survey interviewed hundreds of agency owners and provides a high-level overview of the state of agency owners in Australia.

The data highlights that 4 in 10 agency owners are under the age of 50, with 2 in 10 under the age of 40 years old.

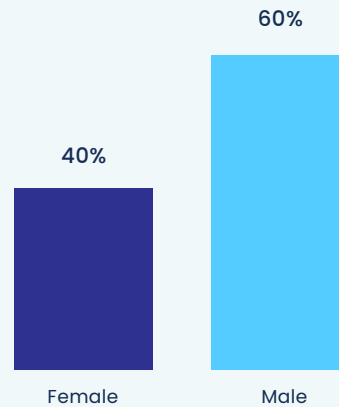
Additionally, the data highlights that 6 in 10 agency owners are male, however, in the younger cohorts, female agency owners are more common.

For agency owners under the age of 50, close to 1 in 2 are female, compared to 1 in 3 for those aged 50 and over.

Agency owners  
Age brackets of agency owners

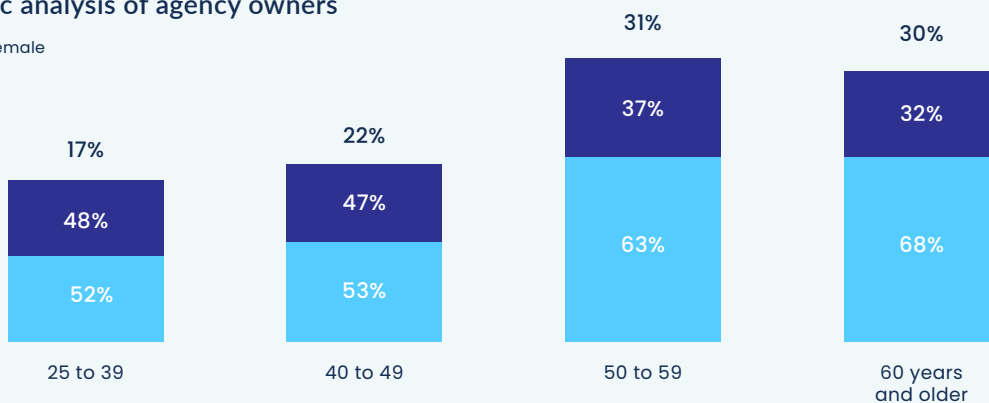


Agency owners  
Genders of agency owners



Agency owners  
Demographic analysis of agency owners

Male Female





# Ambitions and considerations of future agency owners

Agents and property managers are constantly thinking about their next career move.

The Your Future Network survey captures their relative ambitions for opening their own agency by measuring their level of appetite and the direction they would consider taking.

This year's survey found over 4 in 10 (44%) agents and property managers have ambitions of opening their own agency at some point in their career.

However, only approximately 1 in 10 (11%) are considering starting their own agency within the next five years.

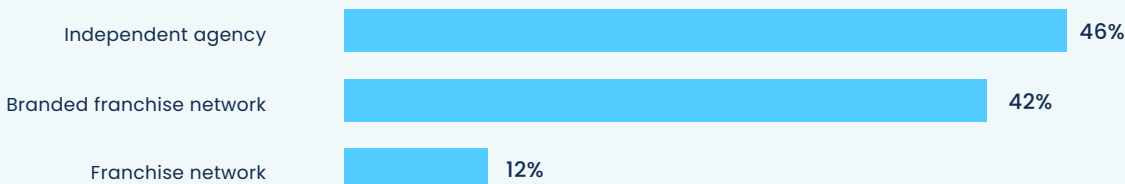
As these agents and property managers experience different environments, offices and networks, their perceptions and journey are affected.

Currently, for these ambitious agency owners, 46% are planning to open an independent agency, 42% are planning to open a branded franchise agency, and the remaining 12% are considering a franchise network model.

## Which of the following best describes your ambitions in real estate for the foreseeable future?



## If you were to start your own agency, which model would you be most likely to choose?







# The personas of real estate professionals

There are many different personalities in real estate with each having unique skills that can help to grow an agency.

The Your Future Network 2023 survey has uncovered two distinct personas among real estate professionals based on their self-assessed skills sets captured in the survey.

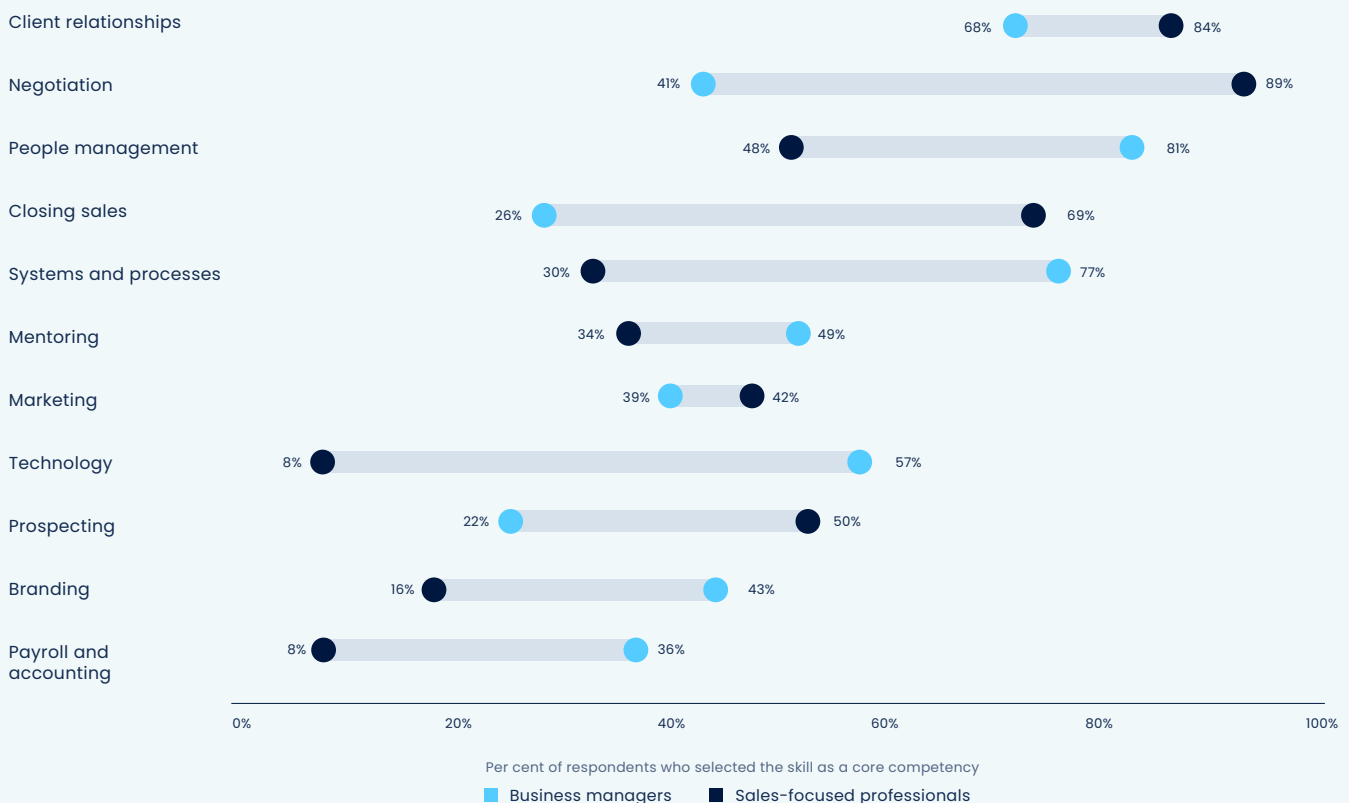
Participants were asked to select the skills they believe are their core competencies. These skills ranged from sales, branding and marketing to people management and backend services such as technology and payroll.

Based on these selections, an association analysis of these attributes identified two distinct groups - business builders and sales-focused professionals

Business managers, who make up approximately 46% of the survey sample, are more likely to be skilled in systems and processes, people management, mentoring, technology and marketing.

Meanwhile, sales-focused professionals, who make up 54% of the survey sample, are much more likely to be skilled in client relationships, negotiation, closing sales and prospecting.

Comparing skill sets of personas  
In which of the following areas are you most skilful?



# Franchise agency owners

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This section will explore the attitudes, perceptions and priorities of branded and non-branded franchise agency owners in Australia.

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# How satisfied are franchise network owners?

When evaluating the right agency model for your office, it's important to consider the experiences of other principals to evaluate the strengths and weaknesses of the model.

The Your Future Network 2023 survey found both branded and white-label franchise network owners have relatively strong satisfaction levels.

**Almost 3 in 4 (75%) branded franchise owners are satisfied or extremely satisfied with their current franchise network.**

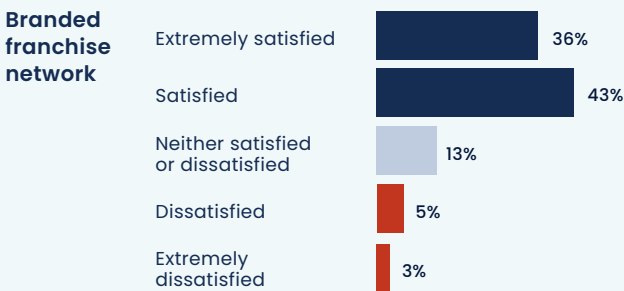
The high satisfaction level of branded franchise agencies correlate with the likelihood that these agencies will stay with this model in the long-term.

**Close to 9 in 10 (87%) of branded franchise owners believe that their current branded franchise model will best suit their agency's needs in the long term.**

White-label franchise owners are less likely to stay with their existing model, with a portion looking to move towards an independent agency.

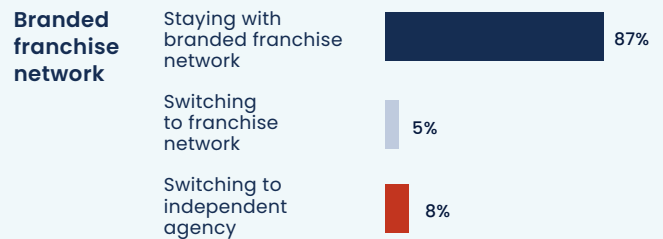
Franchise owners

**How satisfied are you with your current franchise network?**

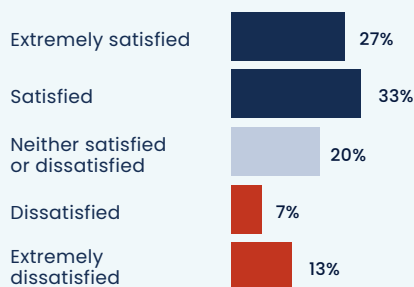


Franchise owners

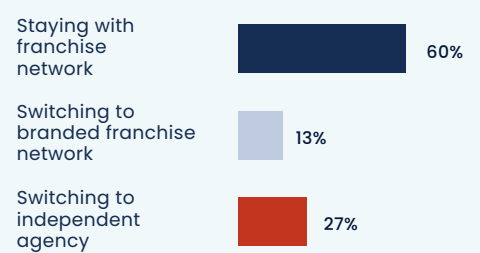
**Looking ahead, which agency model do you feel will best suit your agency's needs for the long term?**



**Franchise network**



**Franchise network**





# The reasons why agents choose franchise networks

Franchise networks, particularly branded franchises, offer agents and principals a nationally-recognisable brand that can be used to kick-start their presence in a market.

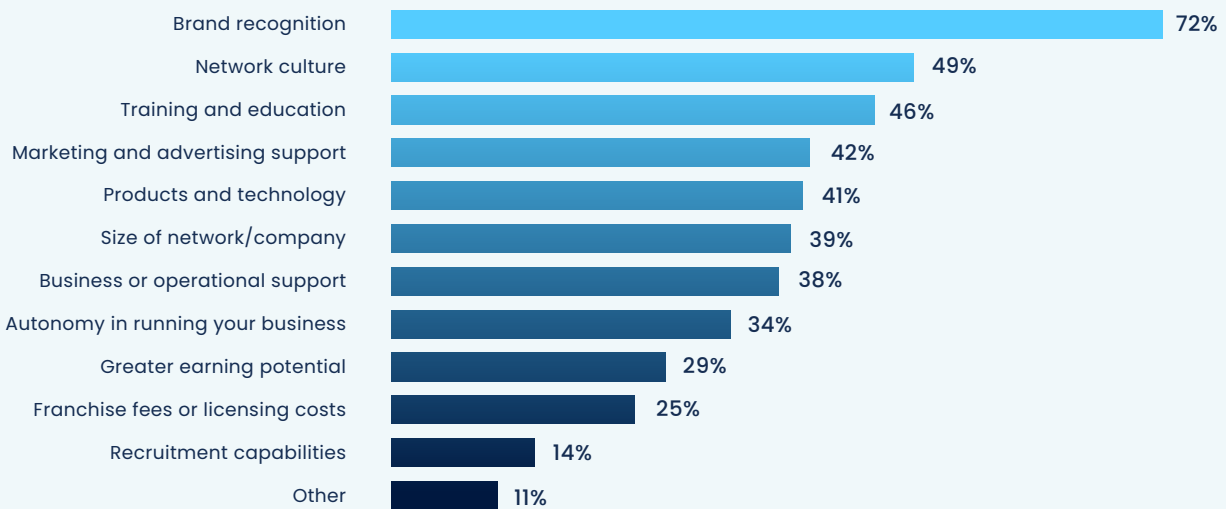
Network culture and training and education were the second-most common influencing factors guiding the decisions of the franchise agency owners.

The Your Future Network 2023 survey found **brand recognition was the most common reason for franchise owners to choose their current network**, with almost 3 in 4 of franchise agency owners selecting it as a primary reason.

**Branded franchise agency owners were 1.2x more likely to self-report that their agency's local market presence was 'above average' compared to independent agency owners.**

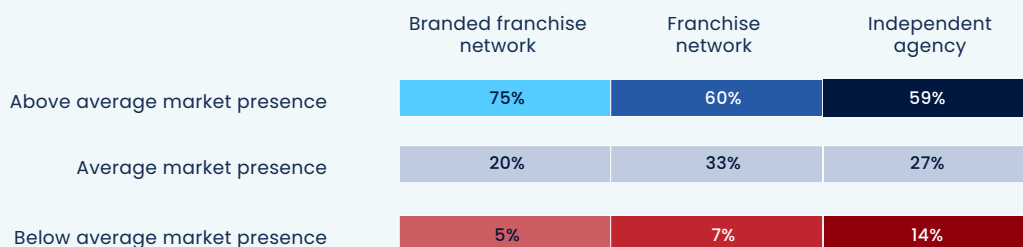
Current franchise agency owners

**What are the primary reasons you chose this current franchise network?**



Comparing branding perceptions of agency owners

**How would you describe your agency's brand in your local market/s compared to other agents?**





# Why future agency owners are considering franchise networks

The choice of model for a prospective agency owner is a key decision they need to make in their journey of starting their own office.

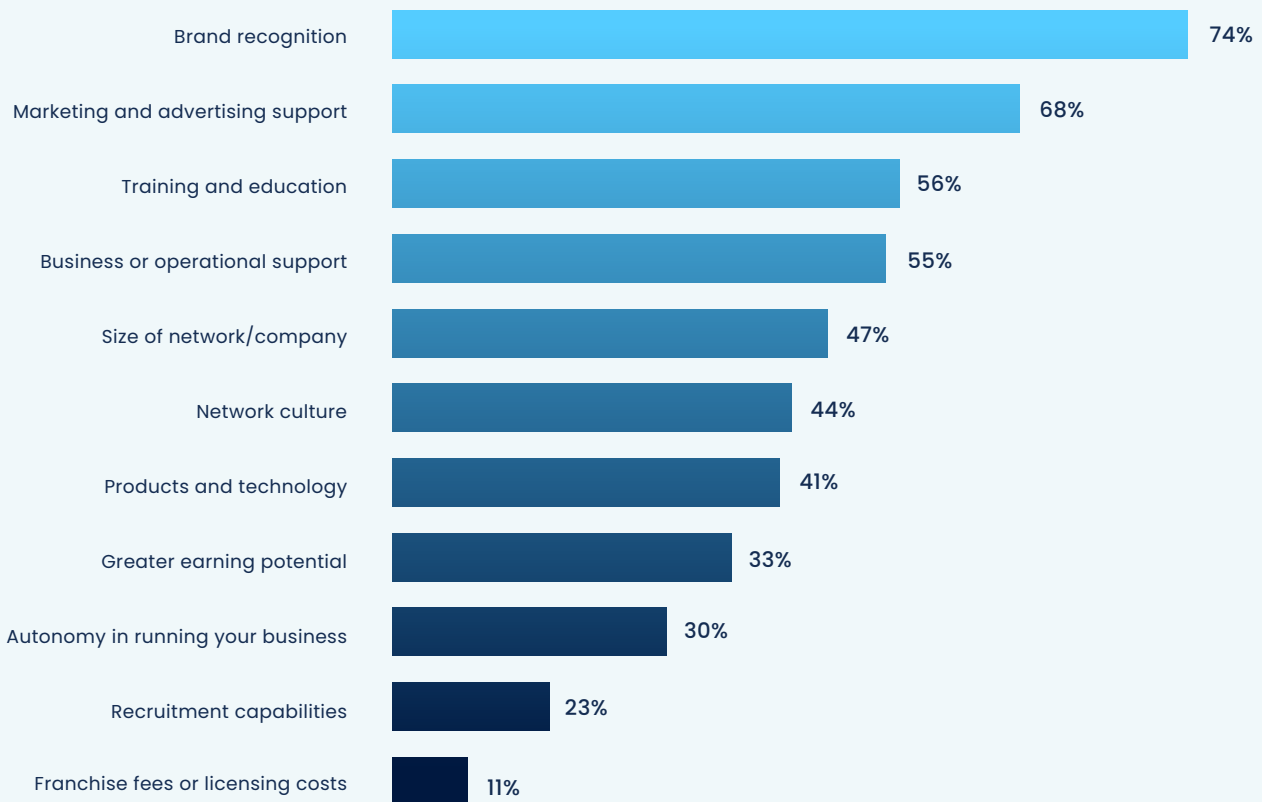
Real estate agents and property managers who are considering opening their own franchise agency placed brand and marketing-related attributes as their primary reasons for considering the model.

Brand recognition and marketing and advertising support were the two most commonly referenced factors driving future agency owners towards branded franchises.

Training and education and business or operational support were also highly valued by these participants.

Future agency owners

**What are the primary reasons you would choose to open a franchise network agency?**





# How instant and recognisable brand equity can kick-start your agency's growth

Human beings have a natural inclination towards familiarity. We tend to trust and feel more comfortable with things we are familiar with.

When customers encounter a brand repeatedly through various touch points such as advertising, social media, or word of mouth, it creates a sense of familiarity. This familiarity builds a foundation of trust, as customers perceive the brand as a reliable and consistent presence in their lives.

A recognisable brand is often associated with consistency – consistency in delivering quality products or services, maintaining a cohesive brand identity, and meeting customer expectations.

The Your Future Network 2023 survey found that principals of branded franchise agencies reported having relatively higher levels of brand awareness compared to other agents in their marketplace.

The data highlights a stark difference in the level of self-reported 'local' brand awareness between early-stage branded and independent offices.

**Of the 'early-stage' branded agencies, 94% reported their local brand awareness to be on par with or high compared to other agents in their local area.**

**Meanwhile, only 59% of independent agencies in the same cohort reported their brand awareness as on par with or higher than other agencies.**

		Branded franchise network Brand's time in market			Franchise network Brand's time in market			Independent offices Brand's time in market		
		0 to 3 years	4 to 10 years	10+ years	0 to 3 years	4 to 10 years	10+ years	0 to 3 years	4 to 10 years	10+ years
Self-assessed brand awareness	High	63%	71%	86%	60%	40%	80%	59%	57%	63%
	Moderate	31%	24%	11%	40%	40%	20%	18%	13%	11%
	Low	6%	6%	4%		20%		24%	30%	26%



# How sales experts can be empowered by branded franchise networks

Extraordinary sales agents are the backbone of any successful agency. Their expertise, dedication, and client relationships are key drivers of business growth. However, managing the administrative aspects of running an agency, such as payroll, technology and branding can often distract sales experts from their primary focus: finding the right buyers for their vendors.

This is where branded franchise networks can help specific types of agents and principals alleviate these concerns and empower real estate sales experts to excel in their core competencies.

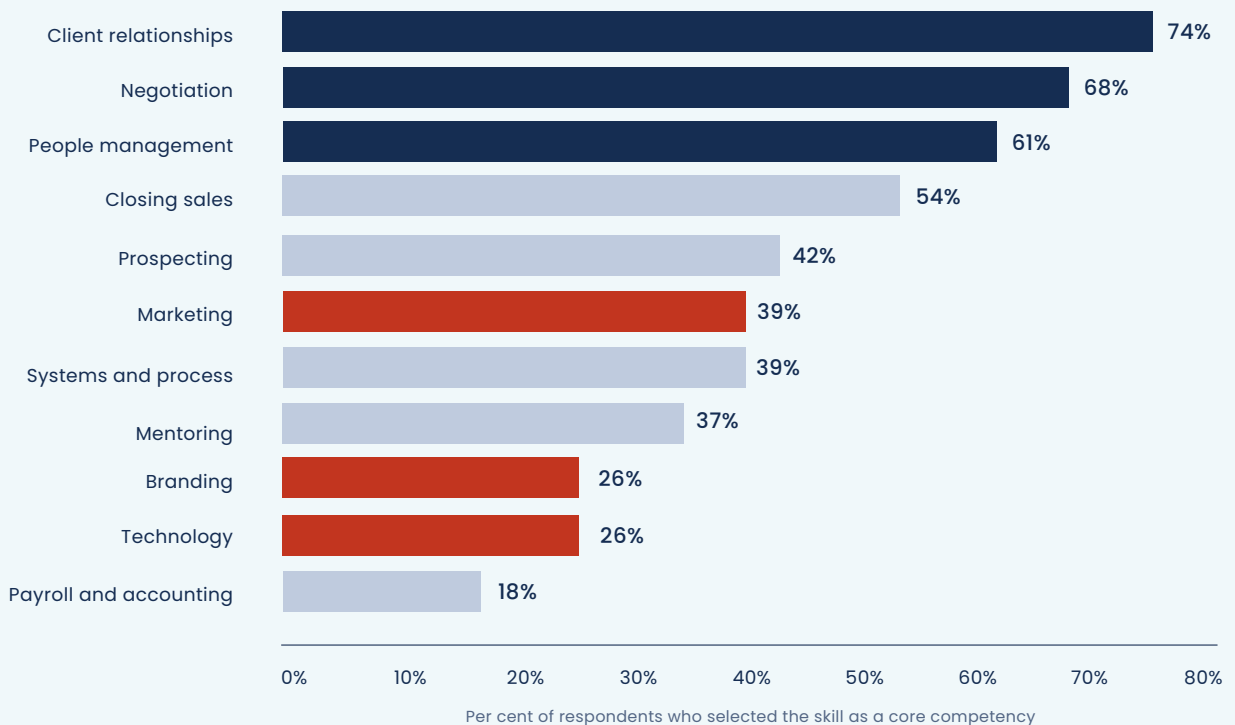
The Your Future Network 2023 survey found that the most common skills for branded franchise agency principals relate to sales and people management.

Meanwhile, **less than 1 in 2 branded franchise owners placed technology, branding and/or marketing as a core competency.**

With marketing and branding playing a key role in developing a business over the long term, branded franchise models can help agents stay focused on their core skill sets while still reaping the benefits of a strong brand.

Current franchise agency owners

Which of the following areas are you most skilful?



# Independent agency owners

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This section will explore the attitudes, perceptions and priorities of independent agency owners in Australia.





# How satisfied are independent agency owners?

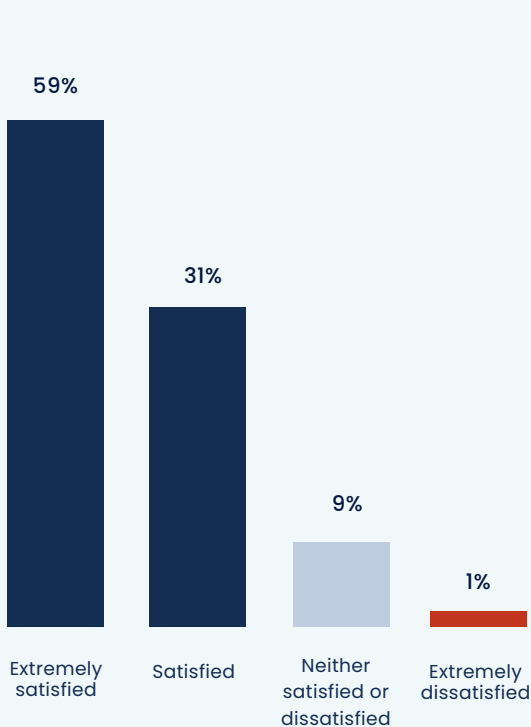
When evaluating the right agency model for your office, it's important to consider the experiences of other principals to evaluate the strengths and weaknesses of the model.

The Your Future Network 2023 survey found 9 in 10 (90%) independent agency owners are satisfied or extremely satisfied with their status as an independent agency.

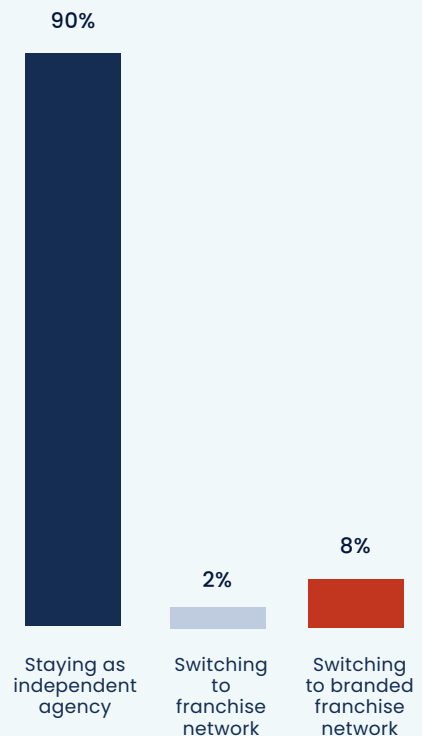
The high satisfaction level of independent agency owners correlates with the likelihood that these agencies will stay with this model in the long term.

**Almost all, 9 in 10 (90%), independent agency owners surveyed believe the independent agency model best suits their long-term needs.**

Independent agency owners  
How satisfied are you with your status as an independent agency?



Independent agency owners  
Looking ahead, which agency model do you feel will best suit your agency's needs for the long term?





# Why agents choose to open independent offices

Real estate agents are often drawn to the idea of opening their own independent offices, seeking the freedom and autonomy to shape their businesses according to their vision and goals.

This entrepreneurial path allows agents to build their personal brand, make independent decisions, and potentially increase their take-home earnings.

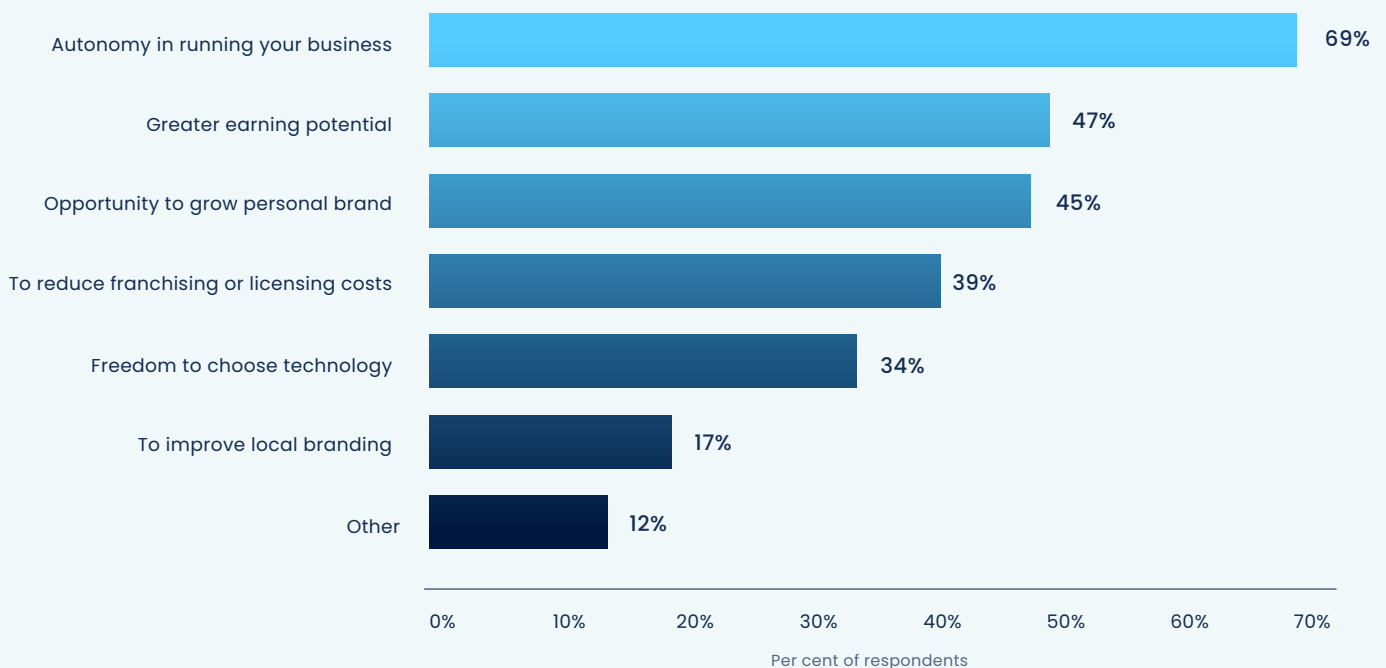
Independence provides agents with the flexibility to make decisions aligned with their business objectives. They can choose their own strategies, set commission structures, and determine their target market.

While there are upfront costs and risks, independence can lead to significant financial rewards. Agents have the autonomy to set their commission rates, manage expenses, and determine their income potential.

With an established brand and a loyal client base, independent agents can enjoy higher profit margins and retain a greater share of their earnings.

The Your Future Network 2023 survey found the majority of independent agency owners primarily chose this model for greater autonomy in running their business.

## What are the primary reasons you chose to open an independent office?





# Why future agency owners are considering opening independent offices

For agents and property managers considering opening their own independent office, there are a range of factors they need to consider before taking the leap.

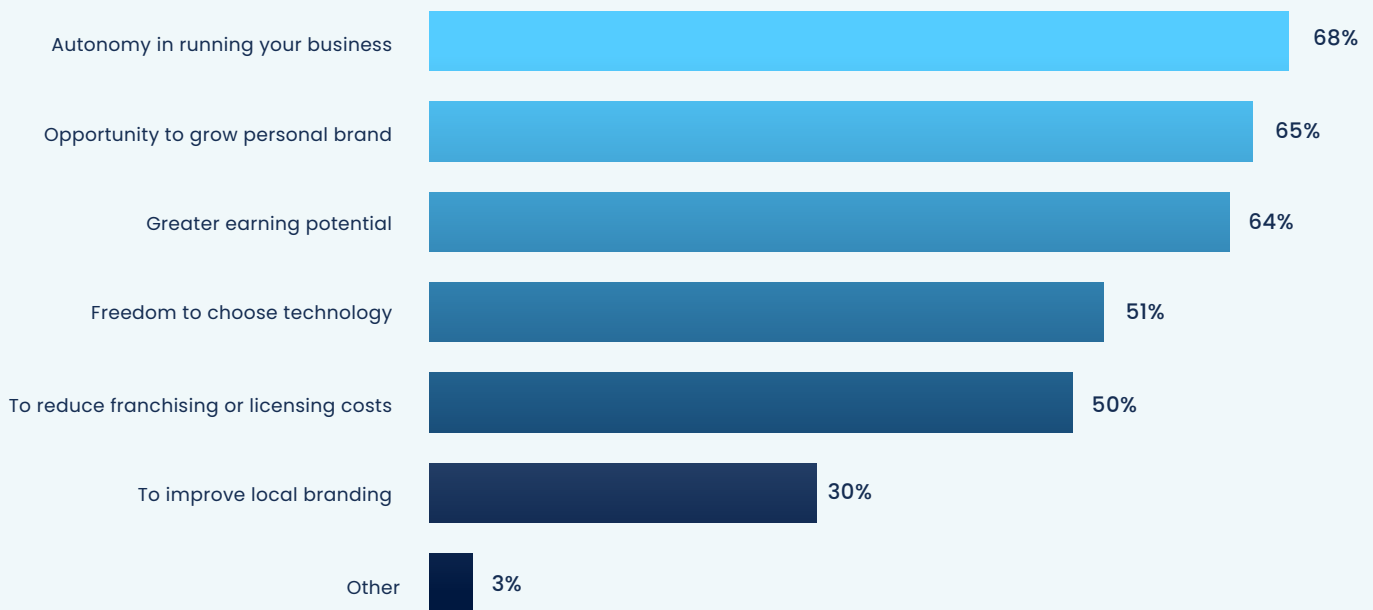
The Your Future Network 2023 survey found the top three reasons driving these agents toward opening an independent office are autonomy, personal brand growth, and perceived greater earning potential.

Around 50% of respondents mentioned reducing franchising or licensing costs as a reason to open an independent office. These insights highlight the priorities of these

prospective agency owners as being focused on having a standalone asset that they can control and build independently for greater earning potential.

Improving local branding received a lower response rate, with 30% of respondents selecting this option. While not as prominent as the other factors, enhancing local branding can still be a motivating factor for some agents seeking to establish a strong presence in their local market and differentiate themselves from competitors.

## What are the primary reasons you would choose to open an independent office?





# The **skill sets** of successful independent agency owners

The Your Future Network 2023 survey identified that there are generally two distinct personas of agency owners in real estate – a sales-focused visionary and a business builder.

Without the support available in franchise network models, independent agency owners must craft their business from scratch including branding, marketing, systems and processes, and payroll and technology.

This generally encourages the people in the 'business builder' category to be more attracted to this model.

However, the data highlighted that there are only small differences in the self-assessed skill sets of agency owners across both models.

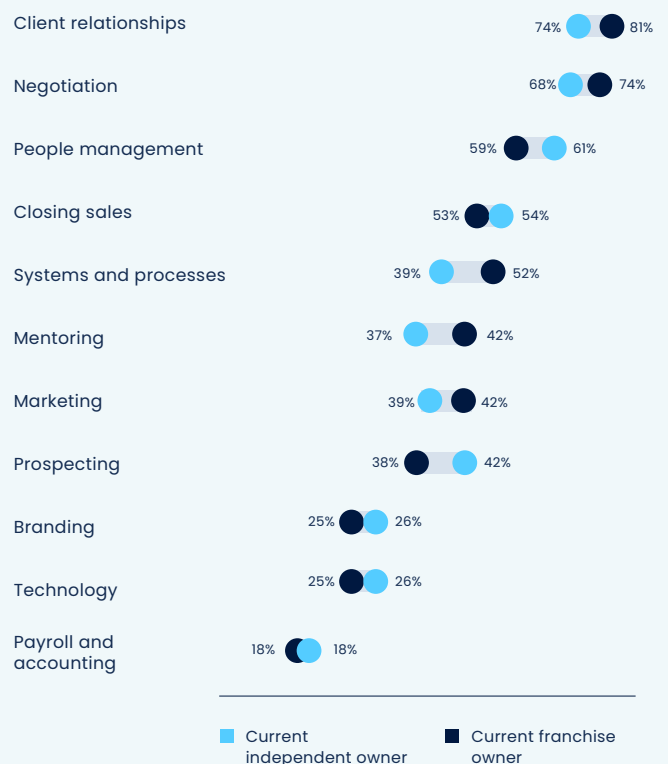
The primary statistically significant difference between independent and franchise agency owners was found in systems and processes.

**Independent agency owners are 1.3x more likely to declare that they are skilful in designing and implementing systems and processes compared to franchise owners.**

Independent agency owners  
In which of the following areas are you most skilful?



Comparing independent to franchise owners  
In which of the following areas are you most skilful?



■ Current independent owner    ■ Current franchise owner



# The ‘personal’ touch of smaller, independent offices

Independent agencies are often established by agents or property managers with a strong understanding of business acumen and a connection to their local community through an established personal brand.

Throughout the Your Future Network 2023 survey, interviewed independent agency owners shared their experiences on how their business has been able to expand, grow, and succeed in this model.

These experiences reflect the desire for freedom in building their business and to offer unique and boutique experiences for their clients.

These interview comments will help shape your understanding around whether an independent agency model could be right for you.

## How has being an independent agency supported the growth of your agency or office?

“ *Locals supporting locals. Starting out with zero properties to manage meant that I did not have to worry about overheads to start with.* ”

“ *My business is based on my tribe and being independent has allowed me to focus on my personal brand and business values which has increasing appeal to my personal growing tribe. The growth is organic and consistent.* ”

“ *The freedom of choice, not following a particular style, not looking like everyone else [and] being able to stand out. Although the costs of running your own office is very high but worth it.* ”

“ *It's complete freedom to be creative and assist clients in an unusual way ... and provide that personalised service no big brands can match.* ”

“ *Everything we do in our community is self-generated. People know us for us, not the franchise we were operating under. We create long-lasting relationships and referral based relationships.* ”

“ *Consistently dealing with the Principal directly from appraisal to settlement. Good rapport and relationships with repeat clients.* ”

“ *Clients like dealing with the founder/principal directly and respect my knowledge and years in the business and years as an owner.* ”

# Brought to you by



Agile Market Intelligence is a market research firm specialising in Australian business professionals to guide informed decision making across a range of markets.

Agile Market Intelligence's deep understanding of business audiences coupled with our robust qualitative research methodologies produce dynamic market intelligence from the source.

## Raine&Horne®

As a fourth generation, and proudly 100% Australian owned family business, we've been at the forefront of real estate in Australia since 1883. We continue today with the same focus, culture and ethics that has helped build our reputation as an Australian Superbrand. Even with such long-standing tenure and history, we are continually evolving to ensure we remain ahead of the pack and leaders within the market.

In 2023, we celebrated our 140<sup>th</sup> year in business, making us one of the oldest privately-owned firms in the Southern Hemisphere. Our experience and reputation are without question, that's why we sell over \$10 billion worth of property each year and manage over 120,000 properties across Australia.



### **Market intelligence that Australia's real estate principals and agents count on.**

Australia's residential real estate industry (the rental, hiring and real estate services sector) incorporates over 10,000 of the most innovative and dynamic SMEs in the country, and supports the employment of over 76,000 agents and 218,000 Australians (or 1.7% of the total workforce). Since 2009 Australia's real estate agencies, principals and agents have trusted REB (Real Estate Business) for information and insights critical to their business. REB provides leadership, insights, recognition and interpretation to keep agents engaged, driven and inspired. In particular, REB's rankings, including the REB Top 100 Agents, are universally recognised as the measure for success in real estate and are a highly coveted accolade that agents across the nation aspire for.



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