Competitor Update For Recruiting October 2024

@properties is #1 in Chicago While Its Christie's Franchise Adds Luxury Play

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After a strong regional brokerage decided to buy franchising rights to a luxury franchise in 2021, things got complicated.

Logo Combinations: @property and Christie's

The parent company

Three affiliates using variations of @properties and Christie's branding

What was "@properties" is now "@properties Christie's International Real Estate" – a RE/MAX competitor on several levels:

- @properties is perennially the #1 brokerage in Chicagoland, with 5,000 agents and 58 offices. Its agents averaged 6.7 transaction sides and $4.3 million in volume in 2023 (Source: RISMedia Power Broker Report).
- Christie's International Real Estate is now franchising instead of simply licensing its name to brokerages as before @properties purchased it from the Christie's company that is best known for the famed Christie's auction house.

Both operate under the @World holding company. The company purchased rights to the Christie's worldwide real estate luxury brand in December 2021 and began franchising. It rebranded to become @properties Christie's International Real Estate in 2022. The brokerage leverages the luxury pedigree of Christie's, while the Christie's franchisees and non-franchise affiliates have access to the brokerage's pl@tform technology.

The Brokerage – Holding Off Compass
@properties is #1 in Chicago market share (based on listing sides) – only slightly ahead of RE/MAX. It also leads in sales volume, though #2 Compass is closing the gap each year.

For the 12 months through September in Chicago, @properties had 10.3% of listing sides, followed by RE/MAX (9.9%); Coldwell Banker (7.9%), Keller Williams (6.9%) and Compass (5.9%). In volume, @properties is #1 followed by Compass, RE/MAX, Coldwell Banker and Keller Williams (Source: RE/MAX LLC data).

@properties is focused on the Chicago suburbs and feeder markets after having maxed out market share in some areas. It is also concentrating on high-end properties (Source: TheRealDeal).

In 2023, its average sale price was $641,759. @properties is a traditional model. While the exact splits aren't known, it is likely that they range from 50% to 90% depending on the agent's production. In early 2023, @properties instituted a new agent services fee of 1% of GCI that is tied to the agent's commission split. Example: An agent on a 75%/25% split pays 75 cents of every dollar of the fee.

Its proprietary pl@tform is an end-to-end system with a CRM, CMA and a heavy focus on marketing tools. In September, a business planning and productivity tool called "Pipeline" was added to rate the status of prospects such as "warm" or "under contract."

Founded in 2000, @properties portrays itself as innovative but has an old-time feel in some ways. Bowing to a long-time sales tradition, it gives a Rolex watch (estimated $10,000 value) to agents the first year that they reach $10 million in sales volume.

The brokerage side of the company generates ancillary income from mortgage lending, title insurance, and closing services.

The Luxury Franchise – Ex-Christie's Licensee Valued Independence
The Christie's International Real Estate franchise has had its challenges. It had 41 franchises at year-end, compared to 39 two years earlier (includes three company owned). During the same time period, competing luxury franchisor The Agency grew from 38 franchisees to 77 (includes 35 company-owned).

Christie's franchisees sign up for 10 years and pay a royalty fee of 3% to 6% of gross revenues, "depending on whether your protected territory is exclusive and other factors." The monthly $50 "user technology fee" per agent has apparently been dropped, according to the company's 2024 franchise disclosure document.

Among the Christie's affiliates lost have been brokerages who were happy to be licensed to use the Christie's name but didn't want to be franchisees. Example: The 2,000-agent First Team brokerage of SoCal dropped its Christie's affiliation one year ago. Founder Cameron Merage explained, "Christie's will be a great franchise, but First Team is something different from that. We felt that our independence is what got us to where we are today and what will enable us to continue innovating on behalf of our agents."