

THE REAL DEAL

SOUTH FLORIDA REAL ESTATE NEWS

July 05, 2019

<https://therealdeal.com/miami/2019/07/05/fine-print-no-more-new-florida-advertising-rules-kick-in-for-agent-teams/>

Fine print no more: New Florida advertising rules kick in for agent teams

To avoid confusion, the firm name's font size must be equal to that of a team name

By E.B. Solomont and Katherine Kallergis



(Credit: Douglas Elliman)

What's in a name? The Florida Real Estate Commission wants you to know.

New advertising regulations enacted this month require agents to adhere to a slew of new rules concerning team names — including one that requires the company logo to be at least as large as their own team.

Effective July 1, the FREC rules allow agents to call themselves a “team” or “group,” but prohibit the words “agency,” “associates” or any other word “suggesting the team or group is a separate real estate brokerage or company.”

Sources told *The Real Deal* that the new rules promote transparency in terms of the agent-brokerage relationship — but some also see the change as something of a demotion for top agents, whose star power has made them household names.

“It is amazing that when you look at an ad, it can be like, ‘What company is it? Is it the agent’s company?’” said Carmen D’Angelo Jr. of Premier Estate Properties in Boca Raton. “I hate to say, it has to be clarified to the public who you’re dealing with.”

Star power

The brokerage world is full of agents who enjoy name recognition — like Jill Eber and Jill Hertzberg of Coldwell Banker, better known as “The Jills” and now part of the Jills Zeder Group, or Oren and Tal Alexander of Douglas Elliman, with their eponymous “Alexander Team.”

The phenomenon isn’t limited to Florida, either, thanks to high-profile agents like Ryan Serhant of Nest Seekers International in New York City or Tracy Tutor of Elliman Josh Flagg of Rodeo Realty in Los Angeles, both of whom appear on Bravo’s “Million Dollar Listing.”

But although star agents are known to reel in big business for firms, a competing school of thought is that agents benefit from their association with a recognizable brokerage brand.

“The agents are with us because of the company — they like the brand, they like the support,” said Phil Gutman, president of Brown Harris Stevens’ Miami brokerage, adding that BHS intentionally invests in building up its own name. BHS’ reputation, he said, is an asset to agents who are pitching new business, and for that reason the firm’s marketing materials are designed to feature the agent’s name prominently without overshadowing the brokerage.

“More professional”

The concept of agent teams has been around for two decades, but they only spiked in popularity over the past few years. A 2018 survey by the National Association of Realtors found 26 percent of agents are on teams.

But teams have also put a strain on firms. A study last year by Imprev, a marketing firm based in suburban Seattle, found that 64 percent of brokerage heads said teams cut into their firm’s profits. And 52 percent of brokerage heads said they view teams as a competitive threat.

In Florida, the new advertising rule was designed to reduce consumer confusion.

Beth Butler, president of Compass’ Florida region, said the rule will be a tough one to swallow for agents at firms like eXp Realty, which haven’t invested a lot of money in building their own corporate brand. (Instead, agents at outfits like eXp are given a lot of autonomy to run their own businesses.) “It will be interesting to see how some of these changes will impact their models,” Butler told *The Real Deal* earlier this year.

Bill Hernandez, who heads Elliman’s Bill and Bryan Team in Miami Beach with Bryan Sereny, said without rules to clarify what firms top agents are associated with, less-reputable agents have preyed on consumer’s naivete.

“We had competition in South-of-Fifth,” said Hernandez, describing an agent who scooped up a domain name online. “When a buyer sees that online, they think they’re working for an exclusive company — and they’re not.”

In addition to policing bad actors — and bolstering the firm’s brand — the new Florida rule underscores the fact that listing agreements are between the seller and the brokerage firm.

At the end of the day, Hernandez said, the firm has the fiduciary responsibility to act in the client’s best interest. “Remember, anybody can get a real estate license,” he said. “We need these [regulations] in place to make our business more professional.”

Equal billing

Nancy Klock Corey, regional vice president of Coldwell Banker in Southeast Florida, said she has been reminding agents on a weekly basis of the new advertising rules. Corey oversees 19 Coldwell Banker offices and 1,700 agents, including The Jills Zeder Group.

Corey said that because of the merger in March between The Jills and the Zeder Team, formerly at EWM Realty International, the new group rolled out new ads and marketing materials ahead of time. Corey said agents are supposed to clear marketing materials with their managers, but if they haven’t, “obviously we wouldn’t know.”

Alex Miranda, who in May joined Compass with his team of 14 agents, said the reality is that if an agent has an issue giving equal billing to their firm, they should switch firms.

“You should be proud of where you work,” said Miranda, who leads the Alex & Joe Team with his husband, Joe Padula. “If you’re proud, it’s because you think the company is adding value.”