



# Real Estate Agent Surplus Forces Change in Southern California Brokerages

The Smith Patton Group, November 21, 2006

URL: <http://www.pr9.net/business/realestate/4785november.html>

*Changing real estate market and high supply of real estate agents forges a new real estate brokerage model which enables many agents to survive in otherwise difficult market.*

PR9.NET November 21, 2006 - Irvine, CA — The California Department of Real Estate (DRE) reported that there are currently nearly 495,000 real estate agents licensed in the state with historically high numbers of new agents continuing to be licensed. The combination of a very high number of agents and a supply-burdened market has created an increasingly competitive market in which many agents and offices will not survive.

Within the past 2 weeks alone, Orange County offices of Century 21 in Aliso Viejo, Lake Forest and Costa Mesa have been shut down, and many other major brokerages are following suit. Increasing numbers of agents are being repositioned, leaving the area, or leaving the real estate profession altogether.

Lee Lorenzen, owner of The Smith Patton Realty Group Companies (including Leent Lending Associates and Kensington Escrow), concludes, "This is a very serious issue for career agents. We anticipate, given the current sales market and increased agent competition, that high numbers of lower volume agents will be unable to make a living as they have in the past few years. This side of the cyclical housing market will undoubtedly affect many families who have depended on that additional income to make ends meet. On a wider scale, it will have a significant downward effect on the local economy."

To support agents in this moderating market, The Smith Patton Group is leading the way in abolishing brokerage commission splits to agents, in turn creating competitive leverage for those agents. Bottom line? Significant savings to the agent, which ultimately trickle down to home buyers and sellers. The formation of the flat fee approach is ground-breaking as it offers real estate professionals a new and drastically different pricing structure than agents have been subject to elsewhere. Traditional brokerages have typically charged agents 10-40% commission splits in addition to various high fees, but most agents simply cannot survive this pricing anymore given today's market.

Lorenzen continues, "The Smith Patton Group pricing structure empowers new and existing agents with a significant competitive advantage in the marketplace over other agents who are subject to exorbitant brokerage commission splits and fees. Our agents have the flexibility to charge clients less and yet they net more money per transaction. It's a win-win situation for the agent and the consumer. Agents who were previously surviving are now thriving in their financial freedom."

The Smith Patton Group is an Irvine-based full service and training brokerage and is now actively hiring new and seasoned agents in the Orange County, CA area. The Smith Patton Group corporate offices are located at 56 Maxwell, Irvine, CA 92618. For more information, research and documentation, check out The Smith Patton Group on the web at [www.SmithPatton.com](http://www.SmithPatton.com).

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## About The Smith Patton Group

The Smith Patton Group is a full service real estate brokerage which is changing the cost of doing business for agents and associate brokers. With NO COMMISSION SPLITS and NO TRANSACTION FEE\* agents are able to earn more and survive in a low volume market. Smith Patton offers complete training programs for new agents, marketing support including free websites and a template database, and a brand new location in the Irvine Spectrum with conference center, wireless docking stations and print center.

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