

# Is Real Estate For You?

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Have you ever stopped to think about the vast number of people who are dissatisfied with their present jobs? Those who get up each day dreading the hours ahead? The ones who have lost all challenge and excitement with their current positions? Maybe you have thought of these people because YOU are one of them.

Wouldn't it be wonderful to get up in the morning, look yourself in the mirror, excited because not only can you decide how much money you will earn today, but you also have the ability to choose how to earn it. It can be done...in *REAL ESTATE*.

A wise man once said that Real Estate is the *BEST PAID HARD WORK* and the *POOREST PAID EASY WORK* there is ...and it's true! For those willing to make the effort; the rewards; both economic and personal, can be tremendous.

A career in Real Estate offers several major advantages. Briefly, these are:

- **THE RELATIVE EASE OF GETTING INTO THE BUSINESS**  
At the present time, a college degree, or in some states a high school diploma is not even necessary. Licensing requirements of the various states are reasonable and can be met by most individuals who apply themselves. In Texas, an individual must be a citizen of the United States or a lawfully admitted alien, 18 years of age or older and a legal resident of Texas. You must complete 60 classroom hours on the principals of real estate, 30 classroom hours in the law of agency, in the law of contracts, and in an additional core real estate course as well as another 60 hours in core courses or in related courses acceptable to the commission.
- **EQUAL OPPORTUNITIES FOR WOMEN AND MEN OF ALL AGES**  
Real Estate is the one career in which women can earn as much or more than men.
- **ABOVE AVERAGE INCOME FOR THE AMOUNT OF TIME EXPENDED**
- **NO MAJOR EXPENDITURE FOR EDUCATION, EQUIPMENT, OR FACILITIES**  
The cost of licensing, a reasonably good automobile, and the ability to support one's self during the first few months and during short-term slower markets are the only financial requisites. What other lucrative business or profession requires such a minimal investment?
- **FLEXIBLE HOURS THAT CAN BE ADJUSTED, WHEN NECESSARY, TO MEET THE INDIVIDUAL'S NEEDS AND SITUATIONS**
- **GOOD WORKING CONDITIONS**  
Most Real Estate offices offer comfortable and well-located facilities.
- **NON-CONFINING WORK**  
The salesperson is not deskbound. There is always contact with a variety of people, both outside and in the office.
- **ABUNDANT OPPORTUNITIES**  
There are always openings for conscientious Real Estate salespeople, in any community.

- **NO HEAVY PHYSICAL ACTIVITY**  
In fact, many individuals with disabilities have achieved success in the Real Estate field.
- **FULFILLMENT**  
The Real Estate business continually affords opportunities to solve peoples' problems, thus offering personal satisfaction in addition to financial rewards.

As with any career, all is not perfect, there are certain disadvantages to a career in Real Estate and it is good for anyone considering the field to be aware of them:

- **IRREGULARITY OF THE INCOME**  
Real Estate sales are often seasonal in nature. Income will vary from month to month. Provisions must be made for this, both psychologically and financially. Not only must the individual be able to cope with irregular income, but also the spouse, who may be dependent upon this income, must be willing to accept and adjust to this new fact of life.
- **FRUSTRATION OF SELLING**  
Many sales are lost for various reasons...some beyond our control. Acceptance of this fact is essential if you are to be successful. The key is to do the best job you can and accept those things not in your control.
- **DEALING WITH PEOPLE**  
While this is a joy to many, there are often times when buyers, sellers, and even fellow associates can be trying to one's soul. Patience, understanding, and acceptance are the virtues necessary to cope with this.
- **IRREGULAR HOURS**  
While this is an advantage to many, it can also be a complicating factor in family situations. Prospective buyers must often look at properties in their off-work hours. Contracts are frequently presented in the evening when both spouses are available and negotiations can often continue into the wee hours.
- **DETAIL WORK**  
Real Estate involves more detail work than most outsiders realize. Listing forms, contracts, financial details, follow-ups, staying in touch with buyers, sellers, and future prospects, thank you cards for referrals, and the many intricacies involved in a satisfactory closing are all time-consuming. These details must be handled with ease in order to become a successful practitioner.
- **LACK OF FRINGE BENEFITS**  
Most salespeople are independent contractors, not employees. An independent contractor is defined as, "One who is retained to perform a certain act, but who is subject to the control or direction of another only as to the end result and not as to how he or she performs the act." The critical feature, and what distinguishes an independent contractor from an employee, is the degree of control the employer has over such a person's activities. Since Broker/Owners cannot legally provide fringe benefits, the sales person must look to other means for insurance programs, retirement programs, and unemployment compensation.
- **LACK OF SELF DISCIPLINE**  
Many new sales associates are very excited about becoming their own boss, believing that they are very self motivated, and disciplined, only to find out later that their discipline level is lacking, and they have trouble adjusting from a structured environment

into a non-structured environment. The more successful associates have become so, by structuring their own system that works for them. Simply put, they *PLAN THEIR WORK...AND WORK THEIR PLAN*.

These disadvantages and problem areas are major contributors to the relatively high turnover in the field of Real Estate. Basically, there are four primary reasons for turnover:

1. Not understanding what the Real Estate business is about before entering.
2. Inadequate or irregular cash flow and/or reserves
3. Lack of training or education.
4. Failure to *PLAN THEIR WORK AND WORK THEIR PLAN*.

### **Who should consider a Career in Real Estate?**

A study of the backgrounds of Real Estate agents showed that in the Real Estate business, the only previous occupation that appeared with any degree of regularity was teaching. Teachers sell ideas; they are accustomed to working with people and achieving fulfillment by helping others learn. It is a logical, progressive step for teachers to pursue a career in Real Estate, particularly if they are looking for or need a higher income. Many other people enter the Real Estate field from related occupations. Builders, mortgage brokers, secretaries in brokerage firms, or title company employees are people who witness the day-to-day operation of the Real Estate business and are attracted to it. People looking for the ultimate in job security often consider Real Estate, or those who have completed one career and are not ready to retire. In reality, a successful Real Estate agent can come from anywhere.

If we were to create the ideal, successful Real Estate salesperson, there are several qualities we would look for. The first of these is *EMPATHY*. Empathy is the ability to understand why the other person talks and thinks as he or she does. It is the ability to walk in the other person's shoes—to understand differences objectively, without condemning or becoming angry. Empathy is not sympathy. People with empathy know what it is; people who don't have it do not understand it. Fortunately, empathy can be learned. Learn to ask questions. Be concerned. Be sincerely interested. Ask, "Let me be sure I understand you correctly..." and "Is what you are saying...?" When dealing with Real Estate prospects, for instance, it is absolutely essential to understand their real wants and desires. Otherwise, how can you fulfill those needs and help them reach their objectives?

The second desirable trait for a Real Estate salesperson is a *MODERATELY STRONG EGO DRIVE*. An ego drive is the satisfaction one gets from making a sale, whether it be Real Estate, Girl Scout cookies, encyclopedias, or an idea at a PTA or civic club meeting. It is the taste of success that keeps a person going back for more. It may be, but is not necessarily, the need or desire for money. People who have never sold anything may not realize that they have the innate ability to sell, but if it is there, it makes for a winner. A good dose of ego drive is desirable, but certainly not essential for success in the Real Estate business. Many successful Real Estate people do not have an ounce of ego drive, but through proper training and use of their empathy have become top producers. The person with too much ego drive and no empathy, who sells at any price, becomes the high-pressure salesperson disliked by most.

*DETERMINATION* or *PERSISTENCE* is another important element in Real Estate success. When a person is determined, he or she will learn the necessary techniques and method that will insure success. Detail orientation is another quality that will be helpful in achieving success. Former military personnel are detail oriented. Those who do not have it will overlook many important items and; consequently, lose sales. The salesperson that has not done a good job of staying in touch with the prospects wakes up one morning to find that the particular prospect has already bought...from someone else.

Sex does not determine Real Estate success. Women occupy a large segment of the Real Estate industry, primarily in the residential field. One reason is that Real Estate presents an equal opportunity for earning, regardless of sex. In fact, there are more women top producers in residential Real Estate than men. Where else can a woman go into a whole new field that is going to produce the kind of income she would like – without going back to college? Many women, who have raised their children and would like a new challenge, find that Real Estate provides them both a meaningful and fulfilling career.

Age is no barrier to entering the Real Estate field. There is no retirement age; many enter the industry after retirement. There is no such thing as “being over the hill.” Many good Real Estate salespersons have gone long past what would be considered retirement time in any other field or business. Young men and women, likewise, are able to achieve a substantial income much earlier than they would in professions where, for instance, they would need six or eight years of formal college training.

Be aware that very often persons who have spent many years in another profession enter Real Estate expecting to make, in their first year, as much as they were making in their past professions which they spent years building. That is an unfair expectation that will cause discouragement. However, it is exciting to know that with consistent hard work and planning that the income level can as much as double and sometimes triple your first years in the industry.

### **What Income is Possible?**

There is a direct relationship between the number of hours one spends actively working in the field of Real Estate and the dollar rewards. Income will vary according to the geographic area, type of property, price range and frequency of sales. Commission rates, which vary from area to area, company to company and even transaction to transaction, also have a direct bearing on income. There are no standardized commission rates in the Real Estate industry; commissions are largely determined by the fixed overhead and services offered by the company.

As a rule of thumb, after the first few months of indoctrination and training, the individual who is working on a full-time basis in residential Real Estate should be able to produce a minimum income in excess of two to three times the minimum wage...and it should increase annually thereafter, as stated above. Notice; though, that it is a rule of thumb. When calculating income from Real Estate sales commissions; variables, such as the commission rate, commission division, and commissions paid for listing and selling and cooperative commissions with other offices must all be considered.

With the assistance of a manager, the conscientious salesperson may estimate annual “listing” income by determining the number of listings he or she proposes to obtain, then computing the percentage of these listings that should sell and close, and figuring the commission dollars that the salesperson will earn, based on the average sales price in the area. Then estimate annual “sales” income by determining the number of sales that will be made by the salesperson and again, based on the average sales price in the area, figure the sales together to compute the total proposed annual income. Remember that the salesperson receives only a part of each commission; the remainder goes to the broker for the cost of operating the office. What most sales associates don’t realize is that with as few as two closed transactions per month they can earn an income competitive with most college degree professionals.

Fortunately, there is no upper limit to a salesperson’s level of income. Every city has a number of residential sales people earning \$50,000 to \$100,000 and more. This represents from three to six million dollars in closed sales volume. Obviously, this income is not achieved in the first year. The salesperson’s development of better work techniques, increasing referrals and repeat business, and inflation will affect the rate of increased earnings. As in many businesses, it is estimated that 20 % of Real Estate salespeople produce 80 % of the income *THERE IS A VERY LITTLE DIFFERENCE BETWEEN A TOP PRODUCER AND A MEDIOCRE PRODUCER*. It could be that one extra call per day that does it. There is always room at the top. *REMEMBER, SUCCESSFUL SALESPEOPLE CONSISTENTLY DO WHAT UNSUCCESSFUL SALESPEOPLE ARE NOT WILLING TO DO.*

### **How Long Does it Take to Make Money?**

Once a license to sell Real Estate is obtained, you should be prepared to support yourself for a period of several months after beginning your Real Estate career. You may be fortunate enough to make a sale your first week in the business, but don’t count on it. Even with good luck or persistence, the first sale will take some time to close. If you make a sale immediately, it may take four to six weeks or more from the time the sales contract is written to the closing of the transaction. Closing can occur in a matter of a few days under exceptional circumstances, but if the property must be refinanced, for instance, it takes longer. Many times, sellers or buyers need to delay closing or occupancy for a variety of reasons. The salesperson who makes a sale during the first week of work may be at a disadvantage, thinking that this is going to happen consistently during his or her career. Depending on economic and market conditions, a percentage of all transactions fall through for various reasons, such as buyers or properties not qualifying for new financing or a buyer simply changing his or her mind for one reason or another.

If you know nothing about the working of a Real Estate office, you will need to become familiar with the tools, forms, guidelines, and listings of the office. The licensing procedure, itself, does not teach the techniques of listing Real Estate, negotiating contracts, obtaining financing, holding open houses, or acquiring prospects. These are learned on the job, through office training programs, or attending sales training seminars. Cassette tapes, videotapes, books, and other training materials can be used to learn or sharpen sales skills. Sometimes, friends, relatives, and previous business associates are not willing to turn over their Real Estate activities to the brand new practitioner. To obtain these referrals, which can be an excellent source of business, knowledge and proficiency is an absolute necessity.

Once the salesperson gets his or her feet on the ground, masters the basics, sets a work pace and develops a pattern of work; then sales, closing, and income will stabilize. In spite of all the variables and pitfalls, the Real Estate business is much more scientific, predictable, and consistent than most people realize.

### **What are the Hours?**

You decided the hours you work in the Real Estate business. Most salespeople are considered, and treated as, independent contractors under the guidance, but not the direction, of the broker. They may come and go as they wish. But, as pointed out during the discussion of income, there is a direct correlation between the hours spent working and the income received. However, there is seldom a direct correlation between the exact proportion of time spent on any given transaction and the earnings from that particular sale. For every sale made, there are several that are not made. For every listing that sells, several are not sold before the listing contract expires. Much time is invested with out compensation. Of course, with proper training and guidance, non-income producing time can be reduced.

In residential sales the individual who desires maximum income can anticipate working up to fifty or more hours per week for fifty weeks per year. Voices will cry out with many exceptions, both up and down the pay and time scales, but it is true that a person can expect a better than average income by working many productive hours. However, it is not only a question of working long and hard, it is also learning to work "smart." Learn, practice, listen, and profit from what you hear. You will find that your income will dramatically increase.

In spite of what may be considered long work hours in today's society, these hours can be flexible and allow ample time for personal activities. In fact, as you start in this business, it is strongly urged that you budget free time and plan it just as you would work time. *WORKAHOLICS* don't know when to stop and they keep up a pace that eventually causes "burnout," weakens their production, or does both. The hours in Real Estate are irregular. The Real Estate Salesperson will often work into the night while presenting contracts or counteroffer or making listing presentations. It takes understanding from cooperative spouses and children to accept and adjust accordingly. And yet, many parents and homemakers have successful Real Estate careers because of careful planning and organization. To succeed *YOU MUST BE ORGANIZED*. Saturdays, Sundays, and evenings are considered by many in residential Real Estate to be their most productive time. It is when homebuyers and sellers are often available. Today, however, the sophisticated home buyer, such as the corporate transferee will be flown into a new city at company expense, with his or her spouse, and settle down to the full time job of looking for a new home together. The casual Sunday afternoon lookers have virtually disappeared...they have gone to the beach or are glued to the television set. Commercial Real Estate people follow the stereotyped 9-5 routine more consistently than residential salespeople. But working 9-5, in the residential field, will never produce maximum income. *REMEMBER: REAL ESTATE IS THE HIGHEST PAID HARD WORK AND LOWEST PAID EASY WORK YOU WILL FIND!*

**SHOULD YOU THEN CONSIDER A CAREER IN REAL ESTATE?** If you are seeking a new career, which offers challenge, flexibility, and unlimited earnings, maybe you should give it serious consideration. To help you further determine if it is for you, take the following self-evaluation test. Score yourself as accurately as possible on each of the questions on the scale of 1 to 7 as show below. Scoring summary is at the end of the test.

The scale of 1 to 7 is as follows:

NEVER	SOMETIMES				ALWAYS		
1	2	3	4	5	6	7	

**CIRCLE THE NUMBERS THAT BEST ANSWER THE QUESTIONS FOR YOU, AND THEN, FOLLOW INSTRUCTIONS AT THE END OF THE TEST.**

- |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| 1. I can work by a specific daily plan.   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 2. I can maintain a record of my results in relation to my objectives.                          | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 3. In my present position, I feel I have a reachable goal.                                      | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 4. I am a self-starter  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 5. I am happy with the amount of money I will make next year in my current job.                 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 6. I respect others interests and talk with them in terms of those.                             | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 7. I can generally “break the ice” with new people.   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8. I am imaginative and creative when it comes to my work.                                      | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 9. In every job I’ve had, I felt that I was being paid in direct proportion to my contribution. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 10. I can cope with helping to solve others’ problems.  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 11. I generally know when someone has made a decision even before they tell me.                 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

