



Career Guide: **Real Estate**

Over 5 million people in the United States work in some aspect of real estate. Those individuals include residential real estate salespeople and/or brokers, commercial brokers, licensed assistants, mortgage loan originators, construction contractors, property managers, title representatives, appraisers, brokerage and leasing agents, and real estate developers. More than 33% of our global financial assets are connected in some way to real estate!

Real estate is an exciting career for a lot of reasons. Real estate professionals offer a service that impacts our daily lives and provides fulfilling opportunities to help people with one of the most important purchases of their life.

What Makes Someone Successful in Real Estate?

Real estate is about sales, and it requires individuals with a combination of negotiation and people skills. People who are successful in real estate will generally have these qualities:

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A love of working with people

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Enjoy sales

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Strong communication skills

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Good analytical skills

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Ability to problem-solve

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Strong initiator

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Enjoy being social

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Career Opportunities

If you are interested in beginning a career in real estate, there are many ways to get started. **The first step is to get your real estate license** and sign on with a brokerage. Each state has different licensing requirements, so check your state regulatory agency's website for details. Normally, a set number of education hours and passing a license exam are required.

Residential real estate sales professionals serve both buyers and sellers in a transaction. Both the agent representing the buyer and the agent representing the seller charge a commission. The commission varies between companies, but it is normal for each side of the transaction to receive 2-3% of the property's selling price.

Real estate firms that specialize in commercial property rely on agents to sell hotels, office space, and other types of commercial real estate. Commercial agents often work in a specific area, like retail office spaces, apartments, shopping centers, industrial real estate, or hospitality property.

Appraisal is the area of real estate responsible for fair property value assessments. Most appraisers work for an appraisal company or bank and use comparative market data or estimated property cash flow to determine value. Because appraisers are needed for refinancing as well as new sales, they tend to stay busy.

Owners of investment properties often hire **professional property managers** to look after their property. Managers take care of tenants, find renters, establish rental prices, and coordinate leases.

Property managers should be good with people, have good negotiation skills, and be able to analyze the market.

Unlimited Earning Potential

Though compensation plans can vary, in general, **you'll be paid a commission** on the purchase price of property you sell or lease. For example, if you list and sell a property, the commission will be paid to your principal broker, who then splits it with you. If you list the property and another broker sells it, the total commission is first split between the two principal brokers (listing and selling), who then distribute the appropriate percentages to you and the other agent.

When a company gives you an idea about an average first-year income, keep in mind that it really is just an average. Some agents come to the office every day even if they don't have "floor duty." You'd be surprised how many leads they receive on those days, sometimes because the duty agents are on the telephone, or might be showing property to walk-in clients.

Earnings vary according to geographic area, specialization, and market conditions, as well as an agent's experience, training, skills, and contacts. Most importantly, the effort you put in determines how much you bring home. **It's simple: the harder you work, the more you make.**

Selecting a Real Estate Firm

Real estate principal brokers and managers are usually in recruiting mode. If they have desk space available, many are looking for people who are licensed, have a good work ethic, and fit their company culture. Some firms may want you to work full-time in real estate; other companies may allow you to work part-time. A few companies allow agents to hang their license with the firm, even if they don't work on a regular basis. This allows someone to maintain an active real estate license, rather than go "inactive."



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Sometimes, new licensees entering the business have already decided on a company they plan to work for and choose not to interview with any others. OnCourse Learning recommends that you interview with several companies before you make your final decision. Here are some suggestions on where to start:

- **Figure out the area you want to concentrate on and look for which company has the most “For Sale” signs. The company that has the most signs is not necessarily the best choice for you, but it is definitely worth talking to someone at that agency.**
- **Look at local real estate publications—the free magazines you see at grocery stores and other businesses. Which ads seem to pop out at you?**
- **Think about local news and advertising. Does any real estate agency stand out, or seem to have their name mentioned a lot in the news or media?**
- **Do you have any friends or neighbors in real estate whom you could talk to about their company? What do they recommend?**
- **If your market is small, talk to as many companies as you can.**

Things to Ask when Interviewing

- **Do you offer training to people who are new to the real estate business?**
- **Is floor duty available?**
- **Does the company advertise? Do they offer a website?**
- **What about commission percentage and payments?**

Most real estate professionals starting out are independent contractors, not employees. That status gives you a lot of freedom, but it also means you are responsible for your own expenses—real estate is your business. It is important for you to know exactly what kinds of training the company has to offer new licensees and what benefits they offer their agents.

A successful real estate career is dependent on your desire to succeed and your willingness to hang in there until things start to take off. Just how fast things start moving depends a lot on your work habits, but choosing the right company will help get you started off on the right foot in your new career.