

The world of selling real estate

There are many different players in the residential real estate industry—property managers, publishers, builders, banks, and government agencies, to say nothing of buyers, sellers, and renters. Nevertheless, the real movers and shakers are the intermediaries, the people constantly moving between and communicating with these players: agents and brokers.

The real estate agent is the workhorse of the industry. He or she is a salesman one moment, a buyer's advocate the next; an analyst, an auctioneer, a consultant, a negotiator, and a marketer; they occasionally perform the services of an appraiser, a clerk, and a loan officer; they accommodate their clients on nights and weekends, and often works well beyond forty hours a week.

Basically, a real estate agent does a little of everything. For that, a modest real estate commission is paid (provided, of course, that the deal is closed). It's no wonder, then, that so many agents cycle in and out of the industry. It's also no wonder that demand for their services remains high even in a slow market.

Overwhelmed? Don't be, this guide will tell you everything you need to know about the challenges and essentials of being real estate agent, as well as important tips to help you get off to a strong start.

In recent years we've seen some new trends when it comes to the consumer's relationship with the real estate industry. More than ever before, the average person has access to the kinds of statistics, market analyses, technology, and expert opinions that were previously reserved for people who actively made their living as a real estate agent or broker.

Consider, for instance, this guide you're reading. Before the Internet, much of this information would only exist in the mouths of working agents or in agent licensure textbooks. Consumers had little need for this information because they trusted their real estate professional to know it.

It's a business, not a hobby

Today, Realtors are blabbing all over the blogosphere, even making a buck by telling consumers how to do their jobs. "How to Make Money in Real Estate: Five Easy Steps." "Flipping Homes for Fun and Profit." Consequently, some seem to think of becoming a real estate agent like taking up a hobby, something to occupy your down time and earn you quick cash at the same time.

But most hobbies are cheap, and even the expensive ones are about the sheer enjoyment of the activity. With a hobby, you're allowed to be careless because you don't have anything to lose. Neglect your herb garden for a few days? No big deal. Don't play your guitar for a month? It'll still be there when your fingers get the itch.

Real estate, on the other hand, is a business. It's about money, and as the market has shown in the last few years, when you get careless in real estate, you stand to lose a lot of it. As an agent, you're an independent contractor, which means it's up to you to manage your own business. Any agent who picks up your slack isn't handing it back to you.

Finally, hobbies are personal, while real estate is professional. Typically, only the people with whom you choose to share your hobbies know about them, which means they don't have a huge impact on your public image. (Unless, of course, you're still collecting Beanie Babies).

But since your conduct as a real estate agent takes place in the professional world, it has much a longer paper trail. Pretty much anyone can find out about it. Fail to satisfy a client, and you're telling

her and everyone she knows that you're unreliable—which can have serious ramifications for other areas of your life.

None of this means you shouldn't enjoy working as a Realtor. On the contrary, you're not likely to be successful if you don't. But the best agents are those who marry the pleasure they get from their work to an understanding that it's, well, work.

No matter what business you're in, selling is hard. As a real estate agent, however, the challenge is even greater because repeat customers are few and far in between.

Homes, after all, are not electronics or fashion items. They're not designed to be replaced after a year, nor do they become obsolete. People buy homes with the intention of staying put. In a perfect world, your clients won't need you again for a long time.

The sales machine: leads & listings

True, unforeseen circumstances require people to move, and according to the latest census, around 61 percent of all movers stayed within the same county, which means more than two-thirds of movers could be returning to the same Realtor. Nevertheless, altogether only 9 percent of the U.S. population changed residences between 2019-2020. That's a slight decrease since 2018.

Furthermore, these statistics vary widely depending on where you live. So how do you grow your business when demand for your services is limited? By working both sides of the real estate equation. In the old days, agents worked exclusively with sellers, listing their properties for sale and rent. Back then, your job was to get the word out about a seller's property and attract buyers. The more listings you had, the better off you were.

Today, however, it's also common to work with the buyer. In this scenario, success is all about leads, people who are interested in buying a home. Once you've found a lead, your job is to turn him from a prospect to a customer by helping him secure the home he'd like to rent or purchase.

This usually means you're a matchmaker, connecting buyers with listings your agency already has. You could also be an advocate, helping them browse someone else's listings. In either case, the arrangement is basically the same: agents use their experience to ensure that buyers don't get screwed. Instead of selling a property, you're selling your expertise.

So which is more important, leads or listings? That depends on your location. But regardless of the figures, it's crucial to keep a close eye on both. In a difficult market and a changing industry, the best path to success for an agent is to be adaptable and willing to work with sellers and buyers. Concentrate solely on one, and you'll find yourself struggling to keep your business afloat.

Every agent is glued to his iPhone or laptop screen these days. However, it's important to remember on the other side of all those zeroes and ones are real people, and they're the ones who keep your business going.

Relationships are your bread and butter—and when we say that, we're not talking about the little dinner rolls you fill up on before your meal arrives.

Relationships are gold

To understand how to maximize your relationships as a real estate agent, start by asking the basic questions: who do you know, and who knows you? The answers will go far in revealing the extent of your sphere of influence, the collection of people for whom you and your business have weight. The greater your sphere of influence, the more of a magnet you become for prospects—and the better your chances of turning them into customers.

The cliché goes that real estate is all about location, location, location. This isn't just about inventory: it's about involvement. To maximize your business, you need to participate in your community. Join your local Realtor's association. Coach a little league team. Attend town government meetings. Get exposure in the flesh, and make sure people know what you do.

By showing you're interested in the life of your community, you demonstrate that you have a personal stake in all the business you do as a real estate agent. You should also treat everyone you meet with the same courtesy and attention, no matter who they are or what they can do for you—after all, you never know who may become a customer.

Knowing and being known by as many people as possible is crucial, especially when there aren't a lot of prospects to go around. But while quantity is good, quality is even better. Visibility is great, but if your only goal is to get everyone and anyone on the hook, knowing everybody in town will actually work against you. Your reputation in your community greatly influences your trade. People obviously want to work with agents they trust.

The most sustainable business model is one in which your transactions with others are always mutually beneficial. Real estate is about making money; but focus too much on your profit margins, and you'll find you have fewer and fewer customers looking to hand theirs over.

Finally, once you've established your relationships, it's vital to keep them up, whether or not they're making you money right now. Follow up with recent customers to see how they're settling in. Distribute an email newsletter to all your clients. Send personalized notes and birthday cards. Use social media and maintain a presence online. If you feel like you haven't spoken to an old customer in a while, send them an email to ask how they're doing. The gesture only takes a minute or two, and it can pay huge dividends in the long run.

Each contact you make has a value, and each customer has a lifetime value. Lose contact with your prospects, leads and customers, and you'll be squandering your greatest asset.

You are a brand

It's often said that as a salesman, you're not just selling your product: you're selling yourself. That's why as a real estate agent, it's important to develop a personality.

We're not saying you don't have one: we're just suggesting that you lean into it. Whether you're a pet lover, a motorcycle enthusiast, a foodie or an online gamer, don't hide your personality: embrace it.

You're in *real* estate—so, for God's sake, be real. Your personality fosters relationships, which builds your reputation, which generates leads. You get the picture.

Getting involved in the life of a community helps build your relationships, but it's important that your involvement be consistent with who you are as a person. Enthusiasm is difficult to fake, so if something you say or do doesn't ring true to you, people will pick up on it.

If you're an avid carnivore, for instance, looking for leads at an ASPCA meeting probably isn't a good idea—and in fact, it may cause both the people you meet and the people you already know to think of you as a hypocrite.

Instead, you're better off finding opportunities to broadcast yourself to people with whom you have common ground. As far as those opportunities go, some say it's better to keep politics and religion out of business, and in many cases those people are right. But politics and religion build strong communities, and depending on where you are, getting involved can have huge benefits. At the same time, it's important for you to decide what you're comfortable wearing on your sleeve.

Finally, we're talking about work here, so it's important to see personality in a professional context. In general, moderation and a sense of boundaries are keys to success. Come on too strong or get too personal in your dealings with clients, and you may end up alienating more people than you connect with. Instead, let customers be the ones to open up to you, and they'll often be happier for it—after all, many people enjoy talking about themselves more than anything else.

Work it like you want it

The fact of the matter is, things have changed, and as a new agent, you'll have to accept that more than anyone. The days of plenty are over, and that means the only way to be a successful agent is to have hustle.

Talk to any top producing agent about their work habits, and you'll find he or she is an incredibly hard worker. Successful businesses don't create themselves, and being a Realtor is no exception. There's a direct correlation between how hard you work and how successful you will be.

Still, having hustle doesn't simply mean working twelve-hour days from Monday to Friday. After all, working in real estate isn't just about putting in a lot of time—it's about putting in the *right* time and doing what's necessary to close the deal.

Because of this, hustle is also about being prepared to work at a moment's notice. It's about getting a phone call from a potential buyer at eight o'clock on a Friday night, when you're sprawled out on the couch watching a movie, and not thinking twice about contacting your client to set up a meeting.

Are we saying you should neglect your responsibility to your family or your spouse for the sake of work? Of course not. But if the benefits of working outweigh the benefits of whatever you happen to be doing when an opportunity presents itself, you need to be prepared to suck it up.

If this all sounds incredibly difficult, here's a bit of encouragement: most people, and in particular most agents, don't work hard enough. If they did, they'd all be top producers. So don't worry about competing with every agent on the planet. If you work hard enough, you'll be in a class of your own.

Measure, analyze, and evaluate

We've discussed the importance of hustle in becoming a successful agent. But no matter how hard you work, if you don't measure your performance, you won't know whether that labor is yielding results. This is not just a fact of real estate: it's a fact of life. When I first started studying martial arts, I was interested in being as strong as possible. Like any seven-year-old, I figured strength equated to ability. As time passed, however, I began to observe moments where my movements were effortless and had nothing to do with strength.

To a certain extent, we improve subconsciously. Through repetition, we learn how to perform a function more swiftly and more efficiently; through observation, we internalize better practices and adopt them, often without even realizing it. Through sheer muscle memory, I was able to make some strides as a martial artist. But it wasn't until I took the time to perform the same move over and over in front of a mirror that I showed real improvement.

The most significant gains come from consciously reflecting on the way we do things and actively questioning whether that's what works best. The top quarterbacks spend hours watching film, examining their throw and looking for missed opportunities. The best teachers don't wait for their annual evaluation to determine if they're doing all they can for their students. Instead, they ask themselves that question after every lesson.

Similarly, as a real estate agent, you should constantly be examining and measuring your performance. You can do this in several ways. First and foremost, consider keeping a daily journal to record your impressions of that day's work. Keep count of how many prospects you talked to and how those conversations went.

At the end of the day, determine what you accomplished. Did you get enough done? If not, why might that be? No need to get incredibly detailed: just get into the habit of jotting down a few ideas. You'll have time to organize them into something more coherent later.

You can also learn a lot about your performance by taking a long view on your prospects. Track them from beginning to end and figure out what your pipeline looks like. Are some parts of your sales strategy working better than others? Do you tend to lose prospects at a particular stage? If so, you might need to change your approach.

Finally, crunch the numbers to see the results of your work is really getting you in black and white. Check your prospects against the numbers you have and the numbers you need. Getting a lot of leads, but not making a lot of sales? You may be better off devoting more time to fewer clients. How many closings do you need to make a living? Compare your stats to that number and set goals accordingly.

I'd like to say that after my brute strength revelation, I spent the next few years overhauling my martial arts technique. Alas, I still have the tendency to rely on my strength and size. This brings us to the last step in the self-evaluation process: implementation. If you're not going to try to correct the mistakes and inefficiencies you've worked hard to uncover in your business practices, what's the point of seeking them out?

Start making a weekly list of skills you plan to work on or solutions you plan to try out. At the end of the week, evaluate your progress. Did you practice what you set out to practice? Did the corrections you made lead to more prospects, more sales, more success? If not, why do you think that is, and what else could you try next week?

Make no mistake, self-evaluation is usually not fun, and it can add a lot of work to an already hectic schedule. But if you're really committed to being a successful real estate agent, you'll find the time—and soon, you'll see the results.

Use the technology, or be used by it

Let us tell you what you already know: the Internet has transformed the entire real estate industry. Twenty years ago, potential real estate buyers were largely in the dark about their choices; all they had were a string of abbreviations and a grainy photograph of a property's exterior.

Real estate professionals, on the other hand, were wizards. They had a secret, mysterious knowledge of their trade, and clients could benefit from that knowledge for a price.

Welcome to the twenty-first century. Today, there are no secrets. Buyers can view live video feeds of the area, read reviews of your agency, get perspectives on the neighborhood from current residents, access government stats on traffic and environmental hazards, check the seller's asking price against trends for the surrounding area, take virtual tours of every room, even sign contracts digitally.

Nevertheless, if clients now have increased access to information, agents also have increased access to potential clients. Social media and marketing technology are changing the way agents interact with their clients. Ten years ago, Facebook didn't exist; today, more than 80 percent of real estate professionals are using the service in their jobs.

This has led not just to changes in communication, but more importantly, to changes in advertising and marketing. The Internet has come to dominate real estate marketing. That means there are increased opportunities to reach potential clients more quickly, more efficiently, and more cheaply.

On the other hand, this also means there's more pressure on agents to adopt the new tools. But agents who complain by responding that they "just don't understand technology" are ignoring their business sense. Fads and trends become norms on the Internet for a reason: because they make life easier, they make life better, and they make people money. True, there's a learning curve, particularly for agents who didn't come of age with the Internet; but that's no excuse for ignoring it.

An effective real estate agent keeps current and continues to educate himself on the ways technology is being adopted and adapted to the industry. That means humbling yourself and asking people in the know, who are often younger. There are also more formal ways to educate yourself. Read books. Take classes. Go to conferences. Put in the time.

Finally, it's important to remember that when it comes to technology, just because you have to understand it doesn't mean you have to be an expert. You always have the option of recruiting someone else to handle your technology for you. Nevertheless, you'll have to know enough to be sure that you're not throwing your money away. Hiring someone to build your website will be a waste of time if what they produce is based on the demands of last year's customers. This brings to mind a final point about technology: perhaps the biggest challenge of using it is the fact that it's always changing. But that's all the more reason to be active about adopting it. Don't wait for some grand epiphany: search for knowledge. It's part of your job.

Know your market

Though more real estate professionals are beginning to work internationally thanks to globalization and the ease of communication, most agents continue to work close to home. This brings us to an important and often-overlooked fact about the real estate industry—namely, that it isn't a single industry at all, but rather a collection of local and regional markets.

Though in many ways we're no longer limited by geography and boundaries, the real estate profession is still regulated at the state level, not the federal level. True, some of the differences in laws practices between states may seem arbitrary; others, however, exist for a good reason. But regardless of how you feel about this reality, you must accept it and plan accordingly.

Seek out great teachers

We talked about learning and improving from reflecting on and measuring your own performance. One of your greatest assets as a real estate agent is self-reliance. But you should still look elsewhere for guidance and support, especially if you're new to the game. Let's get philosophical for a second here. We live in a subjective world. Everything you experience is colored by the unique flavor of your consciousness. This means that we all see the world differently, but it also means we all see ourselves differently. That goes for your reflection in the mirror as well as your sense of your abilities. This has major implications for your work as a real estate agent. Confidence is an important quality in a salesman; but too much confidence can alienate your prospects—and if there's a truth about confidence, it's that the person who has too much doesn't know it.

The only way to solve this problem is to “average” your perspective as an agent with those of the agents around you—and the top performers are the ones who have done this work for themselves. Start by building and maintaining your relationships with your fellow agents and brokers, the people you see every day. You'll not only strengthen the network of contacts you need to be an effective salesman—you'll also have access to their hard-earned wisdom. Listen to horror stories as well as their success stories. Find time to ask questions. If an experienced agent doesn't have time to help you during work hours, offer to buy him or her a beer afterwards. Worried about your rapport with prospects? Have someone whose opinion you trust listen to one of your sales calls. He or she may be able to point out a tic or mistake that you're unable to see. Not getting the response you want from your advertising? Get feedback from someone who has it figured out.

Next, you should widen your focus. Step outside your office and find out which agents are the best and/or most visible in your community or region. Do your research. What are they doing that others aren't? How do they market themselves? What tools do they use? Look at their numbers. How much business are they doing, and where are they doing it? You may say that because agents are independent contractors, they won't be ready to divulge their sales secrets. True, it's not in their best interest to tell you everything. But if there's one thing people in real estate love, it's being viewed as an expert. By consulting a peer, you're telling him that he is worth consulting. You're validating his years of hard work. Plus, the people you'll be asking for help are already successful at what they do. That doesn't mean they'll give up their edge completely, but it does mean they can afford to help the little guy. In truth, the secret that most people are keeping is that they don't really know what they're doing. If they have real wisdom, they'll have no problem sharing some of it with you.

As a realtor, you have both added freedom and added responsibility. Your business is your business, but it's your business. Still, working for yourself doesn't mean working alone. Unless you choose to earn an additional broker's license and work completely independently, you'll almost certainly be working under a broker at an agency. That being said, just because you can hang your license anywhere doesn't mean you should. Before committing to a broker, you'll want to make sure you have the right fit. Start by doing some research on the company's earnings. Clearly, it's important that your agency be profitable—but how successful are they in your niche? If you find you work primarily with buyers, an agency made up of seller's agents probably won't help you; if you're most comfortable selling to middle-class families, an agency with primarily high-end listings may not be the right place.

Choose your broker/business partner wisely

In choosing a broker, as in cultivating your personal relationships, visibility and reputation are also crucial. If you're going to tie yourself to an agency, you want to make sure they're going to help you get noticed and gain clients' trust, particularly when you don't have many contacts of your own. The most profitable agency in your region may have a reputation for being full of shysters and snake-oil salesmen; a big, international franchise may sound like the ticket, but people in your area may be more comfortable and more experienced in dealing with local, family-owned establishments. Furthermore, there's a reason plenty of real estate brokers don't opt into a major chain: they're expensive. Franchises can charge local thousands of dollars as an initiation fee. They can also charge renewal fees and get additional income by marking up "business & promotional items." All of these costs will affect your bottom line as an agent. Additionally, depending on where you are, a big name may not amount to much at all. That is, RE/MAX may have offices in 82 countries, but if everyone in a twenty-mile radius knows "Big" Jim Sullivan at Sullivan Realty, you'd probably be better off with him.

You can do this!

Hopefully, the tips we've given you will help you get off to a strong start. But as any seasoned veteran will tell you, this is by no means an exhaustive account of the potential challenges you'll face as a real estate agent. It may be a while before you start closing deals regularly, and you can be sure you'll have your share of failures and awkward or embarrassing moments. But don't get discouraged. Like many jobs that require a high degree of social interaction, real estate is best learned by doing, by interacting with as many leads, clients, agents, and brokers as possible. So get to work!