

The Attraction of Real Estate

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- ◆ The real estate agent is an entrepreneur
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- ◆ The many roles the agent plays
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Real estate agents are a sneaky bunch. They know they've found utopia, but you'd never know it by speaking with them. People ask, "How do you like what you do?" The agent grimaces, "It's a lot of hard work. There's no rest for the real estate agent." As she walks away, proud to have guarded her secret and her market once again, a smile washes back over her. The truth is the real estate profession confers a bundle of rewards that its members jealously guard.

One reason real estate agents are smiling is that they have discovered a profession that calls to the entrepreneur. It is, so to speak, outside of the traditional career box. Where other careers set very specific criteria for its members, real estate has few. College education? Not required. High school diploma? Not really. Nine to five, five days a week? Nope. Suit and

tie? Not for a second. Starter salary with little incremental increases along the way? Definitely not. A boss and the typical working-class hierarchy? Absolutely not. Act a

**FYI!**

Are you too old to make real estate your profession?

The average age of real estate agents has increased from age 42 in 1978 to age 52 in 2002. Almost a third of brokers (as opposed to agents) are 60 years old, and 16 percent of brokers are over 60. Only 12 percent of sales agents are under the age of 35, compared to 29 percent in 1978.

certain way, portray a certain image? No, just be who you are. Respected professional? Yes, especially if you practice according to *The New Ideal* presented in this book. Yes, it can be utopia, but don't let anyone know.

Despite the agent's vow to secrecy, real estate has become the number one profession people turn to when their careers prove less than fulfilling. This chapter speaks to the reasons why the real estate profession has emerged as the favored arena for people changing careers. Although the many career options available to the agent are described in Chapter 2, residential sales is featured throughout this book because 80 percent of agents choose to practice in this field.

The Satisfaction of the Job

Now let's take a look at exactly why it is that real estate sales draws people in droves and rewards them so well when they arrive. The factors described at the beginning of this chapter sound like reason enough. No set hours, no boss, and the potential for unlimited pay sound like a terrific offer. The truth is that these are the perks that draw people to the profession, but it's not the factors that keep them. Agents find that there is something more satisfying that lurks behind those big checks at the close of each escrow.

We find that the greatest reward of all is making a difference in our clients' lives. We come to find that our jobs are far more than that of a salesman pitching his product. When we encounter our clients, they are often faced with major life transitions like buying a first home, relocating, getting married, divorcing, starting a business, coping with the death of a loved one, or retiring.

We seem to join their lives in an effort to help them define and obtain property to give them shelter, fill their needs, and provide investment return. No little job, indeed. When it comes right down to it, we discover that our job is to help clients define their most basic core needs and convert them into real estate answers.

It sounds like an impossible job, but we translate our client's needs into rooms and gardens and communities. We help with financial deliberations and transform those

assessments into real estate investments. Our role turns out to be one of assisting clients with key life decisions and doing everything possible to make the process seamless, meaningful, and rewarding.

That's why many of us who enter the door of real estate, especially sales, have been through many of our own life transitions and other career portals. We have lived a lot of life and want to mentor others through the process in our work. We usually have a good deal of experience in the belly of life. Although education in its traditional sense isn't required to become an agent, life's extended curriculum of varied experience *is* important if you want to become a successful real estate agent.

The Inside Scoop

The typical agent is a 52-year-old married female, although there is nearly an equal gender split between males and females.

Qualifications for the Job

One of the best advantages of a career in real estate is that it is not bound by the rigid traditional structures that shroud other careers. Real estate is outside of the traditional box, both in terms of its educational requirements and in terms of the practice of the profession itself. Because of these aspects, the real estate career is made for those with an entrepreneurial state of mind.

To qualify for the real estate exam, you are required to complete a certain number of real estate courses. It generally takes two to six months to complete the courses. If you have a college degree or are licensed in a related profession, this time frame is much shorter. Often the real estate licensee is not even required to have a high school diploma.

The facts show, however, that 51 percent of agents have Bachelor's degrees or advanced degrees, 7 percent have no college education, and the rest have some college education. In other words, although the licensing boards do not have high educational standards, agents tend to be well-educated.

In most states there are two levels of real estate agents. The first is an agent or broker associate; the second is a broker. Most people first take the agent's exam and apprentice as an agent for



FYI!

To determine your state's licensing requirements, go to your state regulatory board's website. An Internet search for "(name of your state) real estate commission" or "(name of your state) real estate department" should bring you to the site. Apprenticeship requirements to be eligible for a broker's license also vary by state.

a year or two before taking the broker's exam. Broker licensing is optional, but it is required if you want to work for yourself or employ others. Chapters 4 and 5 describe prelicensing requirements and the licensing exam itself.

The Call to Real Estate

Many of us spend years in training or obtaining educational degrees in one career only to find our way into real estate when boredom sets in. Some people want to do more than the same job everyday in a highly structured environment, and others feel they are ignoring aspects of themselves, such as their interpersonal skills, a passion for their job, and use of their more creative talents. Others find that as they get older, regular jobs carry income ceilings while in real estate income seems to rise with age.

In fact, many agents come to real estate as a second, third, or even fifth profession. A recent survey by the National Association of Realtors revealed that real estate was a first career for only 7 percent of agents. That means that 93 percent of us came from other professions.

In my case, I obtained my law degree, practiced law, and found my passion in real estate after spending years cultivating just one facet of my professional side. Real estate gave me the key to unlock the diversity of my talents and unleash a multifaceted, far more authentic persona.

The same is true of many other professionals dissatisfied with their career choices. Real estate acts like a magnet to those in career transition. The divergent spectrum of roles offered by the real estate career and its liberal working environment make real

estate the choice for those who have felt restricted in other professions. Its financial reward is also a factor because the potential money you can make in the real estate field is staggering.

The successful agent finds that he or she often plays the role of decorator, coach, architect, therapist, financial advisor, lawyer, and friend. Real estate is the only profession where you can tap into all aspects of who you are and do it for a living.

The practice of real estate also escapes the traditional working class structure. While the traditional professions are engaged in structured working schedules, real estate has no set hours of operation. Real estate is listed, sold, exchanged, and managed at all times.



FYI!

Real estate encourages you to draw on your life experiences as you mentor your clients through theirs. The person who chooses the field of real estate understands that you can make a living and do what makes you feel good at the same time. In fact, you are almost guaranteed to earn a better living if you enjoy what you do.

The *for sale* sign is always out. Your schedule is earmarked by autonomy and flexibility in determining how and when to render your services.

Real Estate Has No Hierarchy

Real estate professionals are not bound by the traditional choice between self-employment and working for a company. In real estate, you can do both. You join an office within which you work for yourself at your own pace. The office already has a foundation for building your career in place. You just step into the framework and carve out your own niche. Incorporating *floor time* and office meetings is the basis of your schedule, but other than that your schedule is up to your own making.

Real estate also steers clear of the corporate structure that governs most other professions. In a hierarchical structure, centralized power often inhibits creativity in its professionals. The last thing you're supposed to be is your creative, passionate self. The traditional chain of command regulates and instructs its workers. If you step too far from your box, you are pushed back into its confines.

In real estate there are guides, not rules. Office management has very little hold on you because you're making money for them, not the other way around. The result is a far more relaxed environment where there is no real gap between economics and creativity. In real estate, making money and being creative go hand in hand.

Because of these characteristics, people with an entrepreneurial mindset thrive in the real estate industry. Your expertise is derived more from having lived a full life than from years of traditional academia. This high degree of flexibility and autonomy makes real estate the ideal profession for people with an entrepreneurial spirit seeking the ultimate in independence. It also presents the biggest challenge for the undisciplined person.



Real Estate Lingo

Floor time is the rotation of agents to respond to inquiries that come from advertisements and signs. These agents get the walk-in traffic and phone calls to the office where no agent in particular is requested. Now that most agents have direct lines, floor time is fast becoming something of the past.



Caution

Always remember, you make money for your office, not the other way around. New agents often find that they did not stockpile enough funds to get them through their first year in their new career. You should aim at starting your new real estate career with six months of living expenses on hand.

Financial Reward

Another aspect of real estate that attracts consumers and agents alike is its self-sustaining nature. As a natural resource, it is perpetual in its ability to nurture itself under the loving care of Mother Nature. In addition, its consistent appreciation and long-term and short-term tax benefits make it a highly respected commodity and the symbol of the American dream and the icon of inter-generational inheritance.

As agents, we act as its caretaker in our roles as its transfer agents. Our job is to safeguard its tender between purveyors as it travels the chain of supply and demand. When we perform our job, sustainability is built into our profession just as it is built into the earth itself. Its appreciation not only serves our clients, it rewards us with higher commissions and our own personal investments.

Because of these inherent factors, real estate rewards its caretakers' social ability, organization, and determination with the potential for immense financial abundance.

The Inside Scoop

National median appreciation for 2002 was 6.8 percent. California's appreciation for 2002 was 16 percent, nearly triple the national average. During this same period, the Dow Jones Industrial average dropped 17 percent while the NASDAQ slid 31.5 percent.

The Inside Scoop

The National Association of Realtors reports that the average time agents spent per transaction in 2002 was 20 hours. For an average home price of \$160,000 and a commission of 3 percent for just one side of the transaction, the agent earned \$240.00 an hour.

When you join the ranks of the real estate entrepreneur, there is no limit to how much you can earn in both money and personal fulfillment. The doors are open, ready for you to reap the limits of your own personal capacity.

Few professions can provide similar rewards without presenting a litany of rules regulating its members' behavior. You can enter the real estate door with just a few months of study, pass the real estate exam, and earn a hardy commission, all in less than six months. There are few other careers where you can net six figures the first year working for yourself and have no set hours and no college degree.

It is not just the commission you earn that marks your success. The financial expertise you gain as an agent is a valuable asset. Not only are you learning how to handle high-stakes deals, but you also learn the tax significance and mathematics of buying and selling properties.

Because of this exposure to a market that continually offers investment opportunities, real estate can become a primary choice of investment, allowing

you to personally take advantage of its profit potential. Real estate becomes your own thoroughfare to personal and financial abundance, as it sets you up for income streams that will sustain you for the rest of your life. It is no longer just your clients that prosper from your acquired acumen. You step into an investor state of mind as you learn to treat real estate as a profitable long-term investment instead of a short-term source of commission income.

Although this chapter highlights why real estate attracts a wide array of professionals, we will concentrate on the many challenges that face the agent throughout the rest of this book. The profession is not without its downside, but with the concepts presented in this book you will be prepared to encounter them in a confident, empowered manner.

The Inside Scoop

Read any of the *Rich Dad, Poor Dad* books by Robert Kiyosaki. These books will lead you to adopt an investor state of mind through looking for long-term investment as opposed to short-term return.

The Least You Need to Know

- ◆ Real estate is an ideal field for someone who wants to be independent, have a flexible schedule, and enjoy an unlimited income potential.
- ◆ Your career in real estate gives you the ability to become an entrepreneur, develop rewarding client relationships, and ensure future income streams.
- ◆ It can take as little as three months of study to get a real estate agent license.
- ◆ Helping clients with their real estate decisions can be very rewarding in terms of personal satisfaction and financial reward.

