

Is Real Estate the Right Career for You?

Introduction:

Real estate can be an exciting, highly profitable career if you have the right combination of skills, traits, a strong work ethic, a commitment to lifelong learning, and a focus on serving others. Unfortunately, many people are drawn to a career in real estate because they believe it's an easy way to earn some extra money or they like the idea of looking at and staging houses. They shortcut the training process and are often unprepared for the rigorous process of starting their own business. As a result, 80 percent of the new agents do not renew their licenses after their first three years.

Your Real Estate Job Description: Six Simple Words

Your job as a real estate agent can be described in six simple words:

1. Generate Leads
2. Convert Leads
3. Close Transactions

Putting it a little differently, you're the CEO of a brand new business with no customers. As an independent contractor, you will be in charge of:

- Generating your own leads (your broker doesn't do this for you)
- Creating and implementing a business plan
- Marketing your business
- Guiding your clients through the buying or selling process from start to finish.
- Mastering the inventory
- Keeping up to date on the technology
- Creating an outstanding customer experience for your clients.
- Paying your own business expenses including gasoline, insurance, MLS fees, Association fees, marketing, bookkeeping, accounting, etc.

Are you up for the challenge? Do you like the idea of being a business owner and aren't afraid of the hard work it will take to succeed? If so, take the following 10-question assessment that will help you evaluate if a career real estate sales is the right fit for you.

Answer Questions 1-9 as either “Yes” or “No.”

1. Do you have enough income to support yourself for six months with no commission income?
2. Do you plan to work full time?
3. Are you willing to door knock and cold call if that is what it takes to succeed?
4. Are you a “people person” who is comfortable striking up conversations with strangers?
5. Are you comfortable with an unpredictable environment where your schedule varies from day-to-day and where you often have to work evenings and weekends?
6. Are you a people person who prefers to communicate with people face-to-face, not just by texting or through the social media?
7. Are you a bottom line person who focuses on how a technology, strategy, or idea will help you get better results in your business?
8. Do you enjoy learning as a way to improve yourself including keeping up with technology changes?
9. Are you actively involved with your community, your place of worship, a charity, or in other activities that help others?
10. What are your income expectations for your first year in the business?

Quick Scoring:

To learn more about what each of the ten questions have to do with real estate sales success, see the “Detailed Scoring Section” directly following the Quick Scoring here:

On questions 1-9, the more “yes” answers, the better suited you are to the real estate business.

7-9: You are probably well suited for the business.

5-6: Real estate may be a good career choice, however, you will have to work harder than those agents who have higher scores.

0-4: Real estate is a probably poor choice for you.

On question 10, very few agents make more than \$25,000 their first year since it takes time to develop their pipeline of leads, put properties under contract, and close them. The best way to approach your first year in real estate is to view it more as an apprenticeship where you learning the business and developing your sales skills.

Detailed Scoring:

1. Do you have enough income to support yourself for six months with no commission income?

If you answered, “Yes” to this question, you are well positioned financially to launch a successful real estate career.

If you answered, “No,” to this question, you may have very rocky times ahead. Most businesses fail due to lack of capitalization. This is especially true in real estate. Ideally, you will need a minimum of 6-12 months of living expenses in reserve plus all the related real estate start-up costs including licensing fees, board membership dues, MLS fees, cards, announcements, signs, and other costs. You need reserves because it takes time to generate leads, to put those leads under contract, and then another 60 days before the property will close and you will receive a commission check. If you don’t have this much money in reserve, start saving until you have enough money to launch your career without the burden of additional financial pressure.

2. Do you plan to work full or part time?

If you answered, “Yes” to this question, you understand that a career in real estate requires a full time commitment.

If you answered, “No” to this question, please be aware that part time agents seldom close transactions. Moreover, over half of all licensees in the United States will not close a deal this year. To avoid having this happen to you, it's important that you plan on having real estate be a full time career—that means working 40 hours per week, not part time. Failure to do so usually results in plenty of expenses and no income to pay for them. The great news about real estate is that you can work flexible hours including evenings and weekends.

3. Are you willing to door knock and cold call if that is what it takes to succeed?

If you answered, “Yes” to this question, there is a high probability that you have the drive that it takes to succeed in the real estate business. Unlike most jobs where your employer tells you when, how, and where you will work, as a real estate professional, you will be responsible for making these decisions yourself.

If you answered, “No” to this question, you may have difficulty forcing yourself to do what is required to negotiate deals and close transactions. Specifically, you will probably have challenges with the confrontational parts of the business such as door knocking, negotiating transactions, and handling angry clients.

4. Are you a “people person” who is comfortable striking up a conversation with strangers?

If you answered, “Yes” to this question, you probably have the people skills it takes to succeed in the real estate business. Being able to meet new people easily is the first step in lead generation. Moreover, maintaining good relationships is absolutely essential for building a referral-based business.

If you answered, “No” to this question, you may have challenges generating a repeat and referral business. Agents who fail to stay in touch with past clients almost never develop a referral-based business. The result is that they must work 4-5 times harder to consistently generate new leads as compared to those agents who have referral based businesses.

5. Are you comfortable with an unpredictable environment where your schedule varies from day-to-day and where you often have to work evenings and weekends?

If you answered, “Yes” to this question, the unpredictability of the business and of your income will probably not be an issue for you. On the other hand, if you’re not strong at setting up systems, the resulting chaos can lead you to lose both transactions and clients. Going paperless and working with a transaction coordinator are ways to bring more order to your business and to close more deals.

If you answered, “No” to this question, the unpredictability of the business and of your income will be a challenge for you. Your path to real estate sales success will be by developing strong systems. Concentrate on setting these up as quickly as possible. Avoid becoming so caught up in setting up your systems, however, that you fail to engage in doing lead generation.

6. Are you a people person who prefers to communicate with people face-to-face, not just by texting or through the social media?

If you answered, “Yes” to this question, your face-to-face skills are a real plus. On the other hand, agents must be able to adapt to how the client wants to communicate. This means that if the client wants you to use email, texting, Skype, or the social media, you must be able to adjust to their style—not the other way around.

If you answered, “No” to this question, the current research shows that agents who rely on exclusively on digital communication and are uncomfortable in face-to-face situations, usually leave the business quickly. Real estate always has been and still is a face-to-face business.

7. Are you a bottom line person who focuses on how a technology, strategy, or idea will help you get better results in your business?

If you answered, “Yes” to this question, you are probably what Target Training International calls a “high utilitarian.” Their research shows that 71 percent of the successful salespeople in Germany and 72 percent of the successful salespeople in the United States score high on this factor. Putting it a little bit differently, if you’re someone who is highly practical, your probability of succeeding in real estate is very high.

If you answered, “No” to this question, as well as “No” are Questions #5 and #6, there’s a high probability that you may find real estate sales a poor fit for you. If you are a detail-focused person, you may do well as an assistant,

transaction coordinator, title officer, or with some other aspect of the business where these skills are mandatory.

8. Do you enjoy learning as a way to improve yourself including keeping up with technology changes?

If you answered, “Yes,” to this question, your “learning mindset” is critical for real estate sales success. Laws, regulations, and technology constantly change. Also, no matter how long you have been in the business, there is always something new to learn.

If you answered “No,” to this question, real estate may not be a good fit for you. The best agents are those who constantly seek to improve themselves, stay on top of the latest technology changes, as well as staying abreast of industry related changes.

9. Are you actively involved with your community, your place of worship, a charity, or in other activities that help others?

If you answered, “Yes” to this question, this is a characteristic that almost all top agents share. In fact, close to 70 percent of the agents interviewed for the book, *Billion Dollar Agent: Lessons Learned*, cited that they were actively involved in activities that involved some sort of assistance to others.

If you answered “No,” to this question, the survey data from close to 300 Texas Broker/Managers was conclusive: agents who focus exclusively on commissions normally don’t last very long in the business.