



## Is a Real Estate Career Right for You?

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# Exploring if a Real Estate Career is right for you

Around here we are getting excited about the New Year and I thought you and your career are getting ready to do the same! We were hoping you wanted to swing by the office sometime to talk about what our office can offer you. Here you will find tips to get started in a real estate career.

We believe in making the most of the moments. That's why we're always celebrating all the successes with our agents and looking to add agents to our family. I'd love to share a little more about what makes us special and how we might be a good fit for you as well!

We look forward to speaking with you soon!



# Reasons for choosing a Real Estate Career

- **A Passion for Real Estate**

One of the top reasons for exploring real estate is because of the excitement of seeing homes. Some get a thrill from touring properties and imagining how to transform spaces and build lives within them. They can easily foresee ways to increase property values through a few well chosen upgrades, The thought of doing that for a living is exciting because it taps into the dream most of us have, which is to earn a living doing what we already love. The gratification of helping someone make smart real estate decisions is a great feeling.

- **Distinct Career Path**

The more experience you have, the more you're likely to earn. You can take your experience in any number of directions, like property management, real estate investing, corporate real estate, or switch from residential to commercial property sales. In paying close attention to optional career paths and accumulating skills needed, you open up more opportunities for



- **More Independence**

Rather you are a new parent or you want the flexibility to work from home, to be your own boss, and develop a work schedule that is tailored to family life or you are nearing retirement age and want to supplement your income.

Real Estate can do that!

**“Part of my success has come from the ability for me to grow as a professional and grow personally. The freedom I have been given to do this in a way that works for me has been critical to my success”**

# Your Day as a Real Estate Agent

## **Your Day ~ Typical Day to Day will consist of:**

Develop marketing ideas for listings and yourself as a realtor

Follow up on leads/inquiries

Network as much as possible

Meet with clients, via telephone or in person

Get involved with local events as much as time allows

# How much can an agent earn?

- 1) As an independent contractor, you'll usually be responsible for your own health insurance, errors and omissions insurance, automobile expenses, any marketing and or advertising. According to the National Association of REALTORS® 2016 Member Profile Report, the median gross income of REALTOR (remember, not every real estate agent is a REALTOR) was \$39,200 in 2015. Those with 16 years or more experience earned the highest income: approximately \$73,400 on average.
- 2) How much will you make when you sell a property? On real estate reality television, we often see agents sell a home for \$400,000 at a 6% commission rate. That would be \$24,000 with just one transaction. Or, Would it be?

Commissions are typically paid by the property sells and by law, are negotiable. "Standard" commissions usually range from 3% to 7% for residential sales. This commission is then split between the buyer's agent and the seller's agent.

- 3) Real estate is a relationship based business. Selling home is directly correlated to how well you network and make connections, and your ability to turn those connections into transactions. In your 1st year, as you are just starting to build your business, this is often difficult. Try to make a point of connecting with as many as 5 people every day.

**Unlike salaried or wage-paying jobs, a commission-based job like real estate allows you to get back in income what you put into it in effort and energy.**

## Understanding the real estate licensing process

Before you can become an agent, you need to become licensed. Depending on the pre-licensing program you choose and your dedication to your studies, this process could take weeks or months. The requirements for real estate licensing vary widely from state to state.

### Steps to getting your real estate license:

- Understand eligibility requirements- each state is different.
- Pre-licensing education - all states require some sort of real estate pre-licensing education
- Choose the right pre-licensing school - Be sure school of choice is accredited in your state.
- Take the real estate license exam - In most cases a 3rd party will administer your licensing exam.
- The application process - Once you have completed all requirements and passed your exam you can apply for a real estate license. Be sure you know the deadlines in your state.
- Cost - The total cost will vary depending on your state's requirements.

You can look up your states specific requirements [here](#)

## What role will education play in my real estate career?

Real estate education falls into several different buckets: pre-licensing education, post-licensing education, continuing education, and professional development.

- Post-licensing education: Required courses to obtain your real estate license.
- Post-licensing education: The courses many states require you to complete after you obtain your real estate license. There is generally a timeframe from 6 to 12 months after you become licensed in which you must complete post-licensing requirements.
- Continuing education: Each state requires you to complete a certain number of continuing education hours in order to renew your real estate license. The duration of your license, and the credit hours you must take, vary from state to state. However, most states require license renewal every two years.
- Professional development: From taking specialization and designation courses to attending online webinars or seminars on topics of interest, professional development education is not required by your state, but gives you the opportunity to learn more about different areas of real estate. It helps you set yourself apart from your peers.

# Select a real estate broker.

**What makes a good real estate brokerage?** You are required to work on behalf of a broker once you're licensed. In some states, you will need a brokerage to sponsor you to take the licensing test. How do you find the broker best suited to your needs? Here are some important steps to keep the search moving forward:

- **Search the way a client would** - Explore your community as though you were a potential client an out of town buyer or a local resident looking to sell. Who has the most visibility in the market? Who has the most yard-signs, the best advertising, the most compelling website? Visibility can help you estimate the brokerage's market share. Often, this directly correlates to the number of leads and the amount of activity going on in that office.
- **Understanding size, location and office amenities** - Would you like the buzz and excitement of a large office, or would you prefer the personal attention that might be easier to get at a smaller office? This comes down to your personal preference. Small brokerages often have a sense of community and teamwork, which larger brokerages might lack. On the other hand, large brokerages often have robust training programs. Smaller offices may help you with training, but in a less formal way.
- **Explore training and support opportunities** - Not all brokerages provide the same training and support. While you will learn a tremendous amount of information in your pre-licensing studies, you'll need to acquire skills that can only come with time and experience, which a great mentor can provide. Administrative support is also important. Does the brokerage have an administrative person who can help with appointments, contract, earnest money deposits, etc.? Some offices even provide administrative support for duties like MLS listing uploads and transaction paperwork.

# Start up costs for Agents

**Agent start-up costs** - Any discussion about start up costs and expenses that go along with being a real estate agent must take into account the brokerage that you choose to work with. While some brokerages often called 'full service' brokerages cover many of the expenses that come with being an agent, your take home commission split is often much less, compared to brokerages that don't cover those services. Let's assume you're paying all of the expenses, such as desk fees, signage, and MLS fees yourself. Keep in mind that as an independent contractor, the majority of these expenses are deductible as business expenses on your tax return.

**Expenses ~ What to expect** - As a new agent, your expenses would be similar to those of starting any new business. Some are specific to real estate, while others are more generic. Here's a list of the most common:

- ⇒ Pre-licensing education
- ⇒ Testing fees
- ⇒ License fees
- ⇒ MLS fees
- ⇒ IDX fees for website search capabilities
- ⇒ Computer hardware/software
- ⇒ Business cards and other marketing materials
- ⇒ Signage
- ⇒ Auto expenses relating to work
- ⇒ Continuing Education
- ⇒ Client entertainment, such as lunches, closing gifts etc.
- ⇒ Health Insurance
- ⇒ Networking and or community involvement

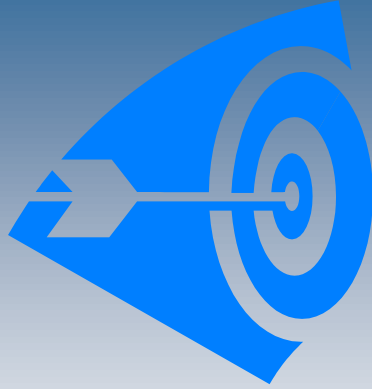
# Developing A business plan

One of the most important steps to starting a sustainable business is Developing a business plan. Your business plan will guide you through the coming year. How much can you expect to earn? How should you budget? How many transactions will you need in order to reach your income goals? How should you be allocating your money toward marketing, education/courses, and other expenses that may arise. All of this should be addressed in your business plan.

Step # 1 Goals & Mission Statement ~ Business plan should detail goals, both long and short term. Articulating your mission is important. This will allow you to start each day with a purpose.

Step # 2 Develop your marketing strategy ~ Before you start laying out the specific details of your marketing strategy, decide what kind of mailers you are going to use and the number of business cards you will need to order. How will your mailers stand out?

Step # 3 Organize your finances ~ Having a sound financial plan as you begin your career will be vital to your success, especially in view of all the expenses you will incur in the 1st year.



# Your 1st year in real estate

*Never be afraid to ask for help. All agents and brokers have been new agents. Your 1st year will be exciting and if you can keep any challenges in focus, you can navigate them with ease.*

*Your Broker and senior agents can be great resources.*

No agents have quite the same experiences, or face the same challenges in their first year of business but you can expect to face some events and engage in a few standard activities. Your challenge will be to get the ball rolling, stay focused, master your studies and partner with a brokerage that will provide mentorship, guidance and resources.

As you begin your first year its important to put yourself out there by networking, attending events in your local area and connecting with friends and family.

Expanding your real estate knowledge by working with a seasoned agent or mentor in your brokerage to get personally acquainted with your local market. Take professional development classes that will further your education, even if the classes you choose are not part of a certification program. Agents are salespeople. Nothing is more important to mastering the art of the sale than practice and experience. Take advantage of your brokerages resources.

# LEAVE YOUR MARK

## Our Mission Is to Empower You to Leave Your Mark

Go for it. Reach beyond the ordinary. Shine brightly and let our North Star lead you to success. At **Coldwell Banker®**, our mission is to empower you with all the marketing tools, support and inspiration you'll need to make a lasting impression. Together, let's light up your future and color your world wonderful!



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