

YOUR OWN BUSINESS... IN REAL ESTATE



Unlock Your Dreams

by
Lynn Davis



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There has never been a better time to enter the real estate industry.

Building a real estate business will afford you freedom and flexibility not commonly found in most nine-to-five careers. This independence certainly has its rewards in terms of job satisfaction and the opportunity for monetary success. You are rewarded in direct proportion to your efforts, and there is no limit to the amount you can earn. Real estate is a profession that everyone talks about. A high percentage of most families' net worth is tied to the property they own, and most purchase property through the help of a real estate agent. To be involved in this process is very challenging and rewarding.

I look forward to partnering with you to help create your business success!

A handwritten signature in black ink, appearing to read "John", written in a cursive style.

Has anyone ever told you that you would be good in real estate?

You should listen to them.

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FOREWORD

Since 1918, F.C. Tucker, Inc., has been providing people with an opportunity to pursue a business in real estate. The company has developed an array of services to support its sales associates and customers, including residential brokerage, relocation services, mortgage services, insurance, title insurance and home services.

This book was developed for those who are considering a business in real estate. Drawing on the company's successful 100-year history and her personal experiences as a broker and Director of Career Development, Lynn Davis has written this book to assist you in the decision-making process.

Thoughtfulness and consideration for others are two of the most important traits of a successful salesperson. At its core, selling involves leading—successful sales people have the enthusiasm to keep moving forward in such a way that others follow.

I believe what follows will serve as an excellent first step for those considering real estate brokerage.

Our hope is that reading this book will move you a step closer to achieving your goals and dreams. If a business in real estate is part of your plan, we look forward to welcoming you to a great industry.

H. James Litten
Owner and CEO
F.C. Tucker Company, Inc.

IS A REAL ESTATE BUSINESS RIGHT FOR YOU?

- I have a good sphere of influence and am visible in the community
- I am willing to invest time and effort now to gain income later
- I am honest and trustworthy
- I am willing to take required classes and training
- I want to be rewarded based on my efforts
- My family is prepared to accept a changing busy schedule
- I possess good communication skills
- I present myself with confidence and look professional
- I am motivated to succeed, whatever it takes
- I can handle setbacks and solve problems
- I am considerate
- I am willing to contact people daily
- I have a lot of physical and emotional stamina
- I am looking for a long-term career
- I am willing to be flexible about client needs
- I am an organized person and can handle details well
- I set priorities and goals. I enjoy making decisions
- I enjoy the results of hard work
- I am a good listener

If you answered yes to most of these statements, then you should read on.

**CONSIDERING
BUILDING A
REAL ESTATE BUSINESS?**

.....

**Q: WHAT IS THE
FIRST STEP?**

.....

A: GETTING A REAL ESTATE LICENSE

WHAT IS THE FIRST STEP?

The first step toward a real estate business is to become licensed. The requirements vary from state to state, and I would suggest that you contact the real estate commission in your state before proceeding. In Indiana, for example, you must be 18 years of age and have a high school diploma or equivalent, and complete 90 hours of classroom instruction in order to take a state exam. Pre-licensing schools offer classes in a variety of formats, from online to accelerated live classes. The pre-licensing course does not teach you how to sell real estate, but prepares you to take a state examination which is approximately 150 questions. You must score 75 percent to pass. The state exam takes approximately three hours, and you find out immediately if you've passed or failed. If you do not pass the exam, you can take it again as many times as you need within one year of passing the pre-licensing course.

The pre-licensing course generally costs around \$600.00. The cost of the state exam is \$53.00 (in Indiana), and then you pay a \$60.00 licensing fee that is renewable every three years. Each state varies in Continuing Education and post licensing requirements. In Indiana, you are required to get 30 hours of Post Licensing in your first two years. After that, you will need 12 hours of continuing education each year of your license renewal cycle. In the pre-licensing course, you will learn real estate terminology and agency law. You will learn about all forms of ownership and fair housing practices. You will study the license laws of your state. This information will be invaluable to you regardless of what you decide to do with your license.

You've successfully completed the licensing requirements and passed the state exam.

Now what?

**FULL TIME
OR PART TIME?**

ATTRIBUTES OF A SALESPERSON

FULL TIME OR PART TIME?

If you enjoy your current career and want to get your real estate license for your own personal use and knowledge, there is a way to make money with your license without actually selling real estate. I would suggest that you investigate referral companies which will hold your license so that you will be exempt from continuing education requirements and board of REALTORS® dues.

When you come in contact with someone who wants to buy, sell or lease property, you can contact your referral company, and the lead will be given to an active real estate agent. When the transaction closes, you will be paid a referral fee. This is a great way to earn extra income without actively selling. The fees will vary depending on the referral company.

Many people get their real estate license and just want to sell part time. I personally do not feel this is the most professional way to enter the business, but many companies associate with part-time sales people, depending on your flexibility. There have been very successful real estate agents who got started on a part-time basis.

Many career paths have failed because people didn't know exactly what was expected of them.

DO YOU HAVE WHAT IT TAKES TO BECOME A SUCCESSFUL REAL ESTATE PROFESSIONAL?

I have come up with a list that I review with each person I interview. This might help you decide if you should make a commitment to this very rewarding career.

ATTRIBUTES OF A REAL ESTATE SALESPERSON

ORGANIZATIONAL SKILLS

Real estate is a business where rewards are in direct proportion to effort. The more organized and consistent the efforts, the greater the rewards.

COMMUNICATION SKILLS

A key element of a sales associate's success is the ability to identify, understand and meet a client's needs. Communication skills, especially listening skills enable this to happen.

CONFIDENCE

Great sales associates know they have the skills necessary to help people realize their real estate goals.

EMOTIONAL STAMINA

The sales profession requires the ability to overcome resistance and maintain a positive attitude.

PHYSICAL STAMINA

Listing and selling property requires hard work and flexible hours.

RELATIONSHIP SUPPORT

Great sales associates are supported by the confidence, trust and understanding of their families. Their families have a clear knowledge of the demanding nature of the real estate business.

FINANCIAL STABILITY

Savings that will ensure a new associate can live comfortably for the first few months in the industry enables the associate to concentrate on real estate and not commissions.

TEAM PLAYER

The real estate sales associate is an independent contractor who interacts on a daily basis with a variety of professionals. A sales associate is independent but, is also an important part of the company team.

CHANGE MANAGER

Accepting change and adapting quickly is imperative in the fast paced and ever changing world of real estate.

SERVICE ORIENTED

Great real estate associates realize that service to the client is what guarantees success.

THE INTERVIEW

**WHAT ARE YOU LOOKING FOR IN
A COMPANY?**

Ask what is expected of you. This will help you determine if you have chosen the right company.

You've asked yourself the questions, you've determined you have the right attributes, now...who do you work for?

Whether you're contemplating which school to attend or you've passed your state exam, once you have made the commitment to pursue a real estate business, you can begin interviewing with real estate companies.

INTERVIEWING TIPS

- Prepare a resume
- Dress professionally
- Prepare a list of questions to ask
- Be on time
- After the interview, always send a thank you note

Remember, you never get a second chance to make a good first impression.

GOOD QUESTIONS TO ASK WHEN SELECTING A COMPANY

- What training is available and is there a fee?
- Are there minimum standards?
- Are agents full-time or part-time?
- What type of facilities and resources are available?
- Do the managers sell?
- Is the firm independently owned or part of a franchise?
- What will my expenses be?
- What does the company provide to me?
- Is there a coaching program?
- What are typical earnings of a first year associate?
- How am I compensated?
- How accessible is management?
- Is continuing education offered?

A good pre-licensing school will provide you with a complete list of questions for a successful interview. A good interviewer will cover all these questions and more.

THE INTERVIEW

Companies may ask you to fill out an application. An up-to-date resume will assist in completing this form.

Some companies will require more than one interview. Ask about the process up front so you know what to expect. Larger companies with multiple offices may have a Career or Business Director who will conduct the initial interview and answer most of your questions. This streamlines the process and helps you determine if this company is the right choice for you, and if it is, which office will provide the best environment to ensure your success.

DURING THE INITIAL INTERVIEW I AM MAINLY LOOKING FOR

- High Energy
- Past Job Successes
- Good Communication Skills
- Financial Security
- Realistic Expectations

Plan to spend about an hour in the initial interview to make sure all of your questions have been answered. After the initial interview, you may be notified that there is no opportunity available at this time. It is important that your time is not wasted if you do not meet the expectations of the company with which you are interviewing. If you have interviewed with a Career or Business Director first and he/she believes there is a possibility of association, the second interview would be in the branch office you choose.

*You have gone through the interview process
and you have been offered a position.*

What's next?

EXPENSES

**WHAT SHOULD YOU
EXPECT AFTER THE
INTERVIEW?**

I think it is important to know exactly how much your new business is going to cost you! The expenses should be completely covered in your initial interview, but here is a basic list of what to expect as an independent contractor (though all companies differ, of course):

- Board of REALTORS® Dues (including national, state and local)
- Errors and Omissions Insurance
- Multiple Listing Fees
- Insurance (Health, Disability and Auto)
- Taxes
- Personal Promotion and Advertising
- Company or Franchise Fees
- Lock Box Fees
- Automobile
- Coaching/Training

Be sure the company you associate with explains exactly what they provide and what you will be charged for. This list varies greatly throughout the industry.

It's a good idea to have several months' reserve income because you will be paid on straight commission and not until the transaction closes. It can take a few months to start seeing the rewards!

TRAINING PROGRAM

SELECTING A COMPANY

WHAT IS EXPECTED OF YOU?

The best way to get off to a good start in the real estate business is to select a company with a thorough training program that will build your self-confidence and expose you to all of the situations you will encounter once you begin to sell and list.

Donna Kreps, President of Residential Real Estate at the F.C. Tucker Company, explains *“Great development programs inspire agents to understand their drive to be successful by helping them find their personal “why”. A strong relationship between the brokerage and the agent should include a mix of group coaching, personal coaching and training from a wide variety of instructors on essential sales skills. Combine that with a robust approach to gaining contractual experience, and agents will be well on their way to sales success!”*

THESE BASIC TOPICS SHOULD BE COVERED

WORKING WITH BUYERS

- Financing
- Contracts and Forms
- How to Effectively Show Property

WORKING WITH SELLERS

- Marketing
- Developing a Professional Listing Presentation
- Staging

BUSINESS DEVELOPMENT

- Sphere of Influence
- Open Houses
- Opportunity Time
- Expired Listings
- For Sale by Owners
- Target Marketing
- Corporate Calling
- Working with Builders

TECHNOLOGY TRAINING

Utilize technological advances to increase productivity and profitability.

BUSINESS PLANNING

Create a sound business plan that includes goals and the strategies to achieve them.

Your training program should help you identify ways to build your business and develop a referral base so that you can find your niche in your market.

It is also important for new sales associates to have a coach/mentor in the beginning of their business. A coach/mentor should meet with a new agent at least once a week for the first few weeks he or she is in the business. During the coaching sessions, the coach/mentor should provide instruction about building a sound business plan, scheduling activities and skill developing opportunities.

A successful coaching program allows a new agent to jump-start their career quickly by developing business almost immediately.

A good company should also provide continued opportunities for professional growth.

Can you live up to the commitment?

HOW MUCH CAN I EARN? GREAT QUESTION!

One of the most appealing reasons to enter the real estate profession is that you have unlimited income potential. Though each company has its own compensation options, one basic plan is to start on a 50/50 split until the agent reaches a certain income level. Then he/she enters a bonus situation at a much higher split. This is definitely an area to cover in the interview. Top companies boast that average productivity per associate to be more than 3 million and average incomes range to more than \$60,000 annually.

Use this as a comparison when interviewing with different companies in your area. Here's a simple example of how you would get paid on a 50/50 split:

- You sell a home for \$200,000.00
- 7% commission is charged
- \$14,000.00 is the total commission
- \$7,000.00 goes to the company that sells the property
- \$7,000.00 goes to the company that lists the property

If you are on a 50/50 split, you will receive \$3,500.00 minus any other fees your company may charge. You will also pay a franchise fee if you are with a franchise company. Payment occurs upon closing the transaction.

NOW... YOU BE THE JUDGE!

Take this easy self-evaluation test to see if a real estate business is for you!

DISAGREE — 1 2 3 4 5 6 7 8 9 10 — AGREE

- ___ 1. I am a self-starter; I am self-motivated
- ___ 2. I adapt well to change and learn quickly
- ___ 3. I am at ease with all types of people and speak easily with others
- ___ 4. Taking care of the needs of others is important to me
- ___ 5. Being "on call" for my clients doesn't bother me
- ___ 6. I would be comfortable joining civic and/or social organizations to promote myself and my business
- ___ 7. I like to solve problems, even tough ones
- ___ 8. People would describe me as an extrovert, but I'm also a good listener
- ___ 9. Asking friends and even strangers for referrals or leads would be comfortable for me
- ___ 10. My family would be very supportive of my working flexible hours and on weekends

___ **TOTAL SCORE**

SCORING

100-90

You should consider a business in real estate seriously! You have the makings of a superstar.

89-70

Chances are you have what it takes to be successful, but will need to work on maintaining a focused consistent effort during the start-up period and when times are slower.

69-50

You may lack the necessary traits to be a top sales associate. Your day-to-day performance will determine if you have a future in this demanding business.

49 and below

You probably won't be happy in a real estate business.

Based on the information provided in this booklet, you probably already have a good idea whether or not you would make a great sales associate.

*“In most jobs, you are paid what the job is worth.
In real estate, you are paid what you are worth.”*

~Doug Dickmann

Director, Tucker School of Real Estate

“This is the greatest job in the world!”

~Bif Ward

Billion dollar producer for F.C. Tucker Company, Inc.



Lynn Davis is Senior Vice President and Director of Career Development at the F.C. Tucker Company. She has given real estate career advice to over 15,000 candidates, empowering them to build a successful business in real estate.



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