

# What They *Don't* TEACH YOU IN PRE-LICENSE SCHOOL

by Carla Cross



## *Everything* you need to know about real estate sales

- Actions to take NOW to hit the ground running
- The 5 best interview questions most agents don't ask
- 10 facts brokers won't tell you
- The technology you need NOW
- Tips to choose the right company

MAKE \$ IN 30 DAYS WITH THE SUPERSTAR  
FIRST-FOUR WEEKS SCHEDULE



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# Introduction

What is success to you? Is it having the money to fulfill your dreams? Security for your family? The ability to help others to make a positive change in their lives? A career in real estate can give you not only security but also financial rewards and prestige. In addition, you will enjoy emotional satisfaction as you help customers and clients enjoy a better life.

For most Americans, the equity in their homes is the only substantial “savings account” they have to finance retirement. Real estate professionals help buyers and sellers with the personal and often difficult decisions concerning this unique investment.

## ***This book is for would-be and newer agents who want great success—FAST!***

This book is for two groups of people: would-be agents and newer agents—especially those in their first year in the business. In this book are facts and considerations that you need to choose real estate as a career, and to start your careers *FAST* toward great and continued success.

This book is *NOT* for those who want merely to get a real estate license and sell a couple of homes. That’s not a career; that’s an avocation, and you don’t need the advice in this book. But, if you’re serious about a *real* career in real estate, or you’re starting your career and want to start it right, this book is written for *YOU*.

## ***For those already in the business: This book will help you get back on track to the success you expected and deserve.***

### **Two Goals of This Book**

My first goal is to *give you the straight scoop on what it takes to succeed* in this business. No fluff—no sales pitches, just the facts, so you can make good decisions.

My second goal is to *answer common questions* of would-be and new agents, such as:

1. Should you have a mentor—and how to choose one.
2. Should you become an assistant before selling real estate?

3. What should you look for in a manager?
4. What “sales spiels” should you be wary of in the interview?
5. Do you need a peer coach—and what to look for in one.
6. What are the fatal mistakes new agents make that cause failure?
7. Should you join an office with many/few new agents?
8. How to figure out your expenses so you don't run out of money just before you make that first sale!
9. How to project what your income will be in 3 months.
10. How you can research companies and offices to find out what they probably won't tell you in the interview.
11. Who should you follow—the top producer? Or not...
12. What tech priorities should you have—and how should you get ready with the right technology before you hit the ground running?
13. What are the most important things you can do before getting licensed that allow you to hit the ground running?

## What You'll Find Here

1. A game plan to succeed (a proven business start-up plan and time management).
2. Advice to keep you on track as you search companies, interview managers, and start your career.
3. Answers to most-asked questions would-be and new agents ask.
4. “Secrets” brokers may not tell you—but you need to know to make the right decisions.
5. Success tips: You'll see a symbol with specific success tips I think are important for you to implement to succeed fast.
6. Checklists, including: What to do right now to get ready to launch your career so you're up and running *fast*.
7. Why you need a sales course—and what should be in it.
8. How to create a budget and manage your money your first 3 months in the business.
9. Most common misconceptions about real estate sales—so you won't make the mistakes most “rookies” make.

## Symbols in This Book



Within and at the end of each chapter, I've listed "Big Ideas," concepts important to your success.



When you see the To Do symbol, you'll know it's an action or series of actions to implement. At the end of most chapters, I have put a list of action items, Get a Jump-Start to Success.



This symbol indicates a "bright idea" for you to consider as you start your business.



This symbol indicates there's an interview tip for you. There are dozens of these throughout the book, plus a whole chapter on interviewing so you ask the right questions to get the "straight scoop."



## Preface

### ***Dramatic changes in the industry mean you need new strategies to succeed.***

Real estate is much different now compared to when I started in the business. Here are some changes that directly impact how you must do business to succeed at a high level.

**Increased Competition for the Client.** Competition for the client has gotten tougher in the past few years. Why? Because a Realtor's® average years in the business has steadily risen, from the late 1980s to today, according to a National Association of Realtors® survey. It is now 11 years.

Agents are staying in the business longer, and successful agents are getting better each day at capturing and keeping their clientele to generate return and referral business. Seminar and coaching “gurus” specialize in teaching agents that the best source of new business is old business—your former clients. So, it may be harder for the new agent to get started in the business because of fewer “unattached” clients. In this book, I'll show you exactly how to break through this barrier to make money *fast*.

**Note:** *The National Association of Realtors® (NAR) is the professional organization for real estate salespeople. Almost all serious salespeople are Realtors®.*

*Many statistics used in this book are from [The National Association of Realtors® Research Group](#). See Appendix B for more information.*



*I suggest you get a copy of the NAR report on buyers and sellers, too, to help you educate your clients on trends and state of the market.*

**The Professional Realtor® Emerges.** It costs more than ever to start a career in real estate. Operating costs have increased dramatically, too. So, agents who stick with it, invest in themselves and in the business, are the agents making most of the money. We're seeing the emergence of a group of committed, dedicated business people who sell real estate—and make an attractive living doing it. I call these people “careerists” because real estate sales is a serious career choice for them.

Careerists expect real estate sales to give them an income equal to that of other professions they could enter. Willing to invest their personal and financial resources to be successful, the best agents look at real estate as an attractive opportunity to be in business for themselves. In this book, you will discover how you can take advantage of these and other trends to build a dynamic real estate career.

## **New Company Trends Impact the New Agent's Income and Expenses**

Company profitability is an ongoing concern, so owners are taking measures to assure that profitability stabilizes for a long-term, positive financial picture. Owners are attempting to cut expenses and increase agent productivity. Many companies are adding fees to agents for things such as “marketing” and “technology” to increase company bottom lines.

**Note:** *For a much more comprehensive view of the newest real estate trends, see my business start-up plan book for the new agent, [Up and Running in 30 Days](#) (The Real Estate Education Co., fourth edition). I've also created an 8-week online course based on the *Up and Running* principles, which provides the training and coaching to assure you get started fast and succeed at a high level. See [Up and Running in Real Estate](#).*

Sometimes agents get caught in a company where the fees continue to escalate while the services remain the same or diminish. (See the questions in the interview process, Chapter 9, so you can protect yourself from escalating fees.)

Since the late 1980s, companies have increasingly given more of the gross commission dollars to the agents. So, company income from revenue units (sales/listings sold) has dropped. To increase revenue, owners must increase the numbers of sales and/or increase the number of agents to make a profit. Some owners are again decreasing the amount of commission dollars the agent receives so owners can be more profitable.

Using the questions in the interview process in Chapter 9 will reveal the company trends in this area so you know how that company responds to decreased income.

## Why You Can Trust the Principles in This Book

I have seen all types of people enter the real estate sales profession during my over 30 years of real estate experience as a salesperson, trainer, and broker-manager for three large companies. I have seen the commonalities that create success, and I have seen the common habits that create failure.

In this book, I give you my conclusions from all these years and all these people. Three distinct experiences are foundation blocks in this book.

- 1. Creating a comprehensive company training program taught me what new agents need:** One of my most valuable experiences was as a Director of Professional Development for one of the largest companies in the United States. I was hired to create a comprehensive training program for the 3,000 agents in this company. One of these programs was for new agents. So, for 4 years, I worked with and observed 40 to 50 or more new agents every month—a total of about 2,500 new real estate agents.
- 2. Traveling the country teaching and consulting showed me what companies do right—and wrong—with new agents:** My experience as an instructor of Graduate Realtor Institute (GRI) and Certified Real Estate Broker (CRB) courses and my experience as an international speaker has given me the opportunity to visit and study

top companies and agents internationally. I've studied what companies do to create success, and what they do (sometimes unwittingly) to create failure. I've summarized these in this book.

### **3. Managing three real estate offices taught me how to inform, interview, and coach new agents:**

My two decades as a manager put me in front of hundreds of prospective agents. When I started my management career, I found that the would-be agent was hungry for information. Unfortunately, what this person usually got from managers during the “interview process” was not factual information. Instead, they got a “sales job.”

Eager agents said “yes” to the first job offer they got because they were flattered someone would hire them. (After they started in the business, they found most managers will hire *anyone*—not so flattering!) Because they jumped at the first job offer, they started into the business without knowing the requirements of the job.

To help agents make good decisions, I tried to fill that gap by collecting more and more information to give to these would-be agents. I assembled it in a packet that I used in the interview process. Still, I wished I had a better way to educate prospective agents about real estate. So, I started asking agents who had been with me 6 months, “What do you wish you'd known before you started the business?” Then, I'd add that information to the packet.

Finally, one day, an agent said, “Carla, you've got to write a book.” This book sprang, largely, from the suggestions newer agents gave me, and from my observations of them for nearly 30 years.

## **Survey Shows Most New Agents Have Unrealistic Expectations That Lead to Failure**

From these experiences, I felt that most new agents had unrealistic expectations about short-term real estate earnings, the work involved, and the profit potential. I use the word “felt” because I had no proof that agents had off-center perceptions. To test my feelings, I decided to survey new agents to get hard data. The resulting survey in Appendix C shows what new agents expect from their careers. Here are several thought-provoking conclusions:

- New agents expect a sale much more quickly than surveys show buyers actually make buying decisions. (A buyer takes 12 weeks and looks at 10 homes, according to a recent Realtor® survey, to make a buying decision. However, most agents expect to make a sale in the first 30 days of business—even if they have no prospects!)
- The majority of new agents expect incomes their first year to be higher than the median for all agents, for all years in the business.
- The majority of new agents didn't know how many sales it took to make the money they intended to make their first year, so they had no way to plan the amount of sales work they needed to do (they had no business start-up plan at all).
- About 50 percent of the agents could go without income for 6 months (see this book to find out whether that's good—or bad—news).
- The majority (71 percent) of new agents didn't know their manager's minimum expectations of them, so they had no mutual expectations for success.

After I finished my survey, I really had a mission—to inform the prospective agent about real estate as a career. In addition, I needed to provide new agents a start-up business plan and realistic facts about time frames and expenses. (That's [Up and Running in 30 Days](#) and [Up and Running in Real Estate](#).) I found so many misperceptions that would damage or destroy the new agent's career that I wrote this book—with fervor! I know that the information here will be invaluable to new agents—and to owners, managers, and trainers.

The next decade holds fantastic opportunity for dedicated real estate salespeople. Not only can careerists make large incomes, they also can set the standards of practice for an industry that

*Because I have a special place in my heart for new and developing agents, I've created a blog just for new and achieving agents. See [Up and Running in 30 Days](#) for tips for success.*

has been working hard to promote professionalism. You have the opportunity to develop your individual talents and provide the level of service customers and clients expect in this decade. I want to extend my best wishes to you as you investigate this vibrant, exciting, and challenging career.