

## **Choosing a real estate company that's best for you**

Before serious interviewing, you should consider what kind of real estate company you want to work for. There's no one-size-fits-all, so to find the business model, environment, and culture that's best for you, consider our following 12-Point Company Preference Checklist.

### **12-Point Company Preference Checklist**

1. Size
2. Brand Prominence
3. Facilities
4. Location
5. Training
6. Experience
7. Management
8. Administrative Support
9. Commission Schedule
10. Culture
11. Recognition for Achievement
12. Specialties

#### **1. Size**

In metropolitan areas, your choice might range from companies with less than 10 agents to companies with perhaps hundreds of agents. The larger companies might have more than one office, so office size might be a more important consideration than company size.

You might like the excitement and buzz of a large office, or you might be more comfortable with the cohesiveness of a smaller office. That's strictly a personal preference, and it's only one of your preference considerations.

#### **2. Brand Prominence**

A lot of for-sale signs in yards usually means that lots of agents work for that real estate company. It can be an advantage to tout your company's market share to sellers when attempting to list their property for sale, but you'll also be competing with people from your own company more often than if you were with a smaller office.

#### **3. Facilities**

When you walk into a prospective real estate office, ask yourself whether you would feel proud or embarrassed to bring your clients there. You will often be meeting your buyer clients at your office before showing them properties, and you will probably return there to complete paperwork if they want to buy one of the properties you showed them.

Beside the esthetics of the office, does it have adequate workspace, and would you have use of computers, copier, and fax machine? Will you have access to the office after hours? Is parking available for agents and clients?

#### **4. Location**

Consider how long it would take to drive to your prospective office. Of course, modern technology gives real estate agents a high degree of mobility, so you can check email, search Internet-based MLS, and answer calls from your

home, or on the fly. But you occasionally need to drive to your office for meetings, turning in transaction paperwork, getting forms and supplies, checking postal mail, and—most importantly—picking up your commission checks.

Your office doesn't have to be near the area in which you choose to work, but if not, you will have to explain to clients that real estate isn't as much of a neighborhood business as it was before homebuyers and sellers became so transient and mobile. Nowadays, real estate agents must be familiar with larger geographic areas than they did a few decades ago.

Whether the real estate company is located in a freestanding building, a shopping center, or in a high-rise office tower is a matter of personal preference, but one consideration would be how easy it is for your clients to find it.

There are real estate companies that provide no office space for agents, but generally compensate for that by giving you a higher commission split (more about commissions in a moment).

## **5. Training**

You will learn many real estate principles and fundamentals during your pre-license training. For example, you will learn about real estate and contract law, how to write purchase agreements, how to list property for sale, and how to finance real estate. But you must also acquire skills in such areas as sales techniques and negotiating. You'll also need guidance the first few times you evaluate someone's property, list a property for sale, and accurately structure complex purchase transactions. For these skills, you'll need advanced training after you obtain your license and/or someone who can assist you when you need help.

Companies should offer formal training for their new agents, and/or have an organized process for coaching new agents. Either way, you should know something about the background of the person or people who will be training and/or helping you.

### **Advanced career training available to you—free!**

You may take a series of free online real estate skill-based classes offered by Continuing Ed Express. Click the **Free Training** tab above to see the current course list. These classes were developed by a certified distance learning instructor with over 30 years of experience as a real estate broker and agent trainer. We offer these classes for free because we know, based on experience, they will help new agents launch their careers fast, and they will continue succeeding. And if we help our students succeed, they may return to us for continuing education courses throughout their long careers. You may sample these free mini-courses anytime you wish.

## **6. Experience**

If the company is relatively new, is it growing? Does its leadership have enough time to help new agents? If the company is mature, is it stable or in decline? You might not get specific answers to these questions in an interview, but you'll get a sense of them during the course of your conversation with the manager or broker. The experience level of the manager or broker is a more important factor, though, which leads us to the next checklist item.

## **7. Management**

In a medium or large company, your primary contact will probably be a salaried manager, but in a small or medium company, your manager might be the broker/owner. You should ask if the manager or broker also sells real estate, because his or her personal production could have a bearing on the time available to help you. Ask how many full-time and part-time agents the manager is responsible for. More than 50 full-time agents would be a very challenging workload for one manager, unless the company also has coaches or mentors to help new agents.

### **8. Administrative Support**

Some offices handle such chores as MLS listing uploads and transaction paperwork processing. The accounting department will also be important to you: ask how long after a closing you can expect to receive your commission check.

### **9. Commission Schedule**

All real estate companies need to earn a profit in order to survive, but there are various routes to that bottom line.

A traditional model, depending on market area variations, would pay around half of the commission to the agent, and the company would keep the rest to pay expenses, plus a profit. As the agent's sales volume increases throughout the calendar year, the agent's split percentage might increase. Under this model, most, if not all, the overhead office expenses are paid by the real estate company.

In the 1980s a hybrid model emerged, in which some real estate companies charged their agents overhead costs on a per-use, per-transaction, and/or per-month basis. In return for helping to stabilize the company's bottom line, the company splits the commission at a higher percentage than with the traditional model, perhaps as high as 100%. Because the financial risk shifts to the agents, this model is popular primarily with experienced agents.

### **10. Culture**

An office that is populated mostly with new agents can feel energized, but perhaps a bit chaotic at times—not to mention a strain on the manager's time. If most of the agents are seasoned, the office can feel stable, but maybe a little staid now and then. Some combination of oldies and newbies might give you the best of both worlds.

Something less tangible is a company's *vibes*. After interviewing your prospective manager or broker, ask yourself how you *feel* about him or her, and the company. Your intuition should weigh in heavily on your decision. You might also visit the company's website, find their directory, and call a couple of agents who work there. If you ask what they think about their office as a workplace for both new and experienced agents, you might further your feel for that company.

### **11. Recognition for Achievement**

Your personal goals will be important indicators of how successful you will be in real estate. A money goal makes good practical sense, but a recognition goal can be more exciting. Successful real estate companies often have programs that recognize their top producing agents, and that might inspire you more than you think.

## **12. Specialties**

Most of this discussion has been about real estate sales, but you might be more interested in leasing or property management, both of which require a real estate license. You will find those opportunities mostly at companies that specialize in them. On the other hand, you might find an interest in investment, commercial, or industrial real estate sales. Many general brokerages will allow you to work in those specialties, as well as in residential sales.

Other real estate sales specialties include farm and ranch, recreational property, lakeshore, and undeveloped land. Some agents work for new home builders, which involves different practices than re-selling existing properties. Some agents choose to work for a general brokerage, selling both new construction and re-sale properties. Ask your prospective manager if this option would be available for you.