

21 THINGS

I WISH MY BROKER HAD TOLD ME

PRACTICAL ADVICE FOR
NEW REAL ESTATE
PROFESSIONALS

3rd Edition

Dearborn[®]
Real Estate Education



ERICA RAMUS

21 Things I Wish My Broker Had Told Me

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Practical Advice for New Real Estate Professionals

Erica Ramus

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21 THINGS I WISH MY BROKER HAD TOLD ME, THIRD EDITION

©2023 Kaplan North America, LLC

Published by DF Institute, LLC, d/b/a Dearborn Real Estate Education and Kaplan Real Estate Education

1515 West Cypress Creek Road
Fort Lauderdale, Florida 33309

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ISBN: 978-1-0788-2948-9

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Preface

If you're reading this book with the hope that it is *the* book that will make you an instant success in real estate, a bit of warning: That book probably doesn't exist. If you're reading this book with the hope of becoming more comfortable with the real estate industry and maybe gaining a few insights and picking up a few tips along the way, you're reading the right book.

The purpose of this book is to get the new sales associate into the passing lane as quickly as possible, whether you're just starting out or you are down the road a ways.

It's important to remember that there are many pathways into the real estate business and not a single one of them is a guaranteed success or a guaranteed failure.

An executive from another profession who comes into real estate seems to have no better shot at making it big than a former homemaker who would like to make a bit of money now that the children are grown. Students straight out of college seem to do no better—and no worse—than retirees. And foreign-born people, who might think seeking a new career is a difficult prospect, can as easily find a home in the American real estate business as anyone else.

But everyone in the industry is equally able to fail.

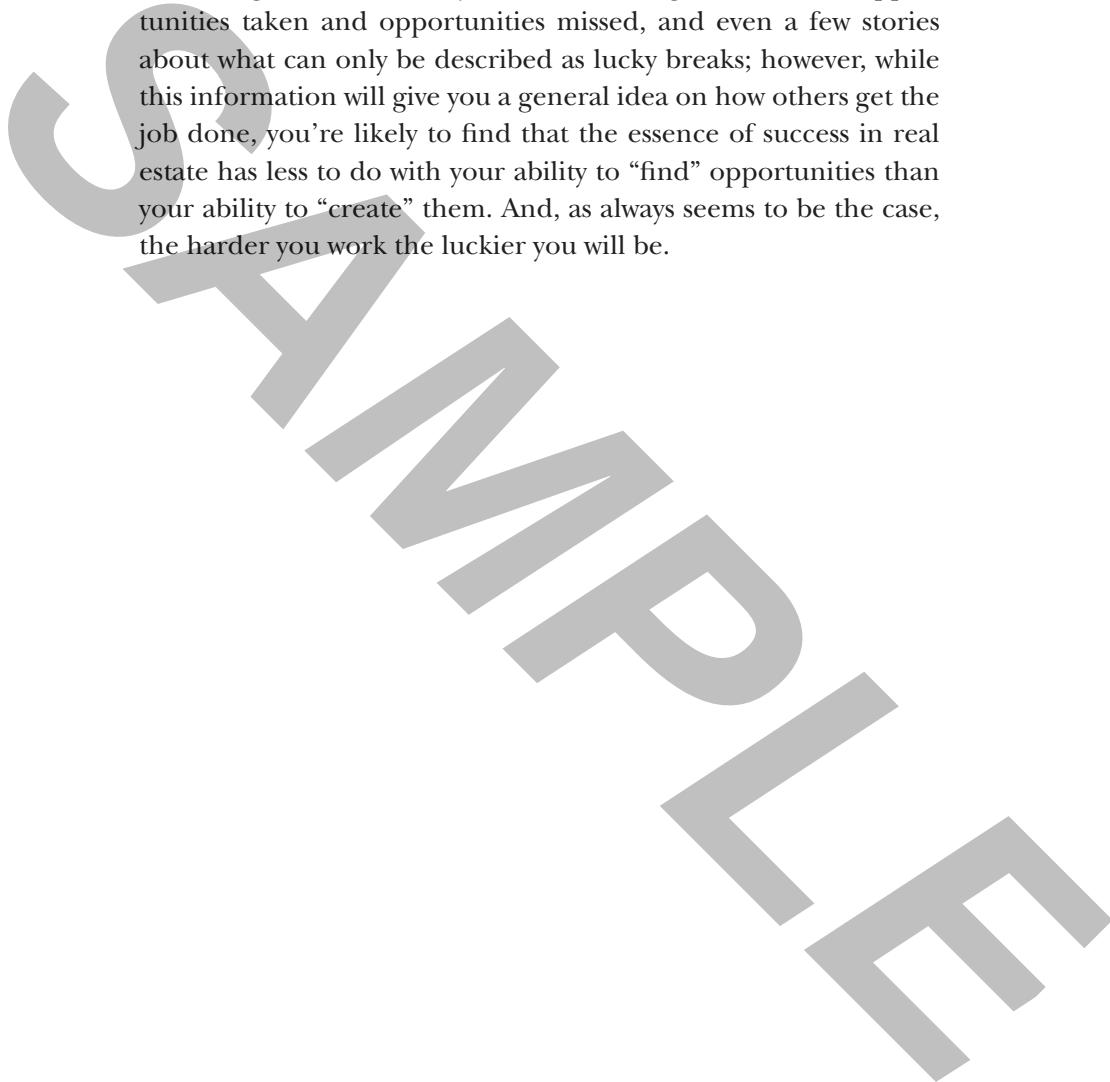
That is one of the most interesting features of this business. The normal filters just don't seem to fit. Being at the top of your class doesn't mean much. Nor does being at the bottom, provided you can pass the exam. The nation's top real estate educators agree that there is just no way of knowing by simply looking out over the classroom which students will succeed in the business and which will not. Much depends on your personal motivation, how aggressive you are, your personality, and what model of selling you follow.

Even more bothersome, test scores on state exams are not a good indicator of success. A high test score does not necessarily mean success. Even passing the exam on the first attempt does not mean you will thrive as a sales associate. Many people try and try

again to pass the exam and feel like complete failures. Yet once they do pass the exam and receive their license, within a year and a half, some are selling millions of dollars' worth of real estate.

Go figure.

Throughout this book you will find insights, stories of opportunities taken and opportunities missed, and even a few stories about what can only be described as lucky breaks; however, while this information will give you a general idea on how others get the job done, you're likely to find that the essence of success in real estate has less to do with your ability to "find" opportunities than your ability to "create" them. And, as always seems to be the case, the harder you work the luckier you will be.



About the Author

Erica Ramus started in the real estate business in 2000 and has owned her own brokerage firm in Pennsylvania since 2007. She earned her master's degree in real estate and has taught pre-licensing and continuing education courses for Penn State University in the past. She is a columnist for *Inman News* and has been a featured speaker at Inman Connect. She's presented at Tech Edge and Broker Summit for the National Association of REALTORS®. She is an instructor for local associations and assists small- to mid-sized brokers who need help starting up or growing their business.

sample

Acknowledgments

We'd like to thank former *21 Things* author Frank Cook for blessing us with his musings for well over a decade. His material stood the test of time, and his wit and wisdom made him a joy to work with.

sample

There Is No “Normal Day” in Real Estate

What do I do all day?

When I set out to write this section, my original intention was to capture “a day in the life of a real estate salesperson” by itemizing a sample schedule of any given ordinary day. As I began to write, I realized this is an impossible task. There is no *average* day. Each day in an agent’s life is different from the next, and if you want a predictable routine that never changes, this is not the field for you. If you are able to go with the flow and enjoy or even thrive on change, then welcome aboard. Your day will bend and twist with each call and client.

You might begin your day with a calendar and task list in hand, and before the second cup of coffee you may be on a totally different path for the day. What starts out as a pretty light schedule (only one buyer appointment in the morning and a closing in the afternoon) can jam up quickly to squeeze in unexpected calls (“The pipes froze at your vacant listing! Quick—get a plumber over there!”). After spending 45 minutes on three calls assuring your panicked seller that you are handling the situation, you hear from a buyer who found “just four more” houses they want to add to their showing list today. Then you discover that a closing document you finally get to review (late!) has incorrect figures,

and back it must go to be corrected and reviewed by all parties in question. Well, that day's carefully planned schedule has gone right out the window!

Throughout any given day as an agent, closings will be scheduled, then cancelled, then moved from morning to afternoon. Buyers will show up two hours late for an appointment and expect you to simply move the showings around (*"We hit traffic, sorry!"*). Sellers who have moved away will ask you to run over and check the house to be sure lights were not left on and the house is secured—even though you just got home and it's way past your work hours for the evening.

This unpredictability may be okay—as long as you can be flexible. You may even enjoy the adventure of not knowing what each day will bring next. If so, you're perfect for real estate. Welcome to the circus! You'll rarely be bored in this business.

About Those Flexible Hours....

Some people are attracted to real estate because they believe the work hours are flexible and they can work around their own activities. This is true—but only to an extent. Most agents are independent contractors, which means they do not have regular 9-to-5 hourly or salaried positions. In many firms, you can set your own hours and come and go as you please. Typically, it is you, not the broker, who will dictate your work schedule.

You can certainly decide to work 9 am to 3 pm during the week, but if a seller says "Come list my house at 6 pm" you will have a decision to make: Either list the house at 6 or stick to your ideal work schedule and not get the listing. You can say, "I don't work Sundays" but when a ready/willing/able buyer only has Sunday off, you either work Sunday or he finds another agent.

We'll talk later in this book about work/life balance and scheduling. Right now, just know that this business is not like working in a store or a factory where you go in at 7 am and walk out at 3 pm having "put in your shift"—which probably looks a lot like what you did yesterday and the day before.

So, what is it exactly we do every day?

What We Do

What we do every day may surprise you. It is so much more than just opening a door and selling a house. On any given day, you may market a listing, prospect for clients, and, of course, do endless paperwork and administrative tasks. You might attend networking events or host an open house. You'll make lots of phone calls and send emails to check in on transactions. Was the appraisal ordered yet? When is the home inspector scheduled? What is our reply-to deadline to get that back to the other agent? All of these are your responsibilities as you move from pending to closed sale. An agent working for a buyer has to arrange all the showings for a buyer tour, gain access codes, and download MLS sheets and property disclosures prior to the showings. Then you actually show the properties (which is only a small portion of your time). Afterwards, you figure out which (if any) homes the buyer is interested in, get answers to the questions they have about that particular property, and hopefully sit down and write an offer on one. Your work is only beginning once you find the house.

You help the buyer craft an intelligent offer on the property. You explain inspections and maybe loan choices. You negotiate the purchase price and terms with the other agent. You work with the lender to start the loan process, and then help the buyer order inspections and navigate another round of negotiating after the inspections come in. Then arrange for the appraisal, handle any lender required repairs, and help the buyer send documents back and forth to the lender if necessary.

If the appraisal comes in low, you search for comparable sales the appraiser may have missed. If repairs are required by the lender, you figure out who will handle the repairs and which party will pay for them. Then you work with the title officer to order the title and handle any bumps in the road to a clear title.

With sellers, putting the sign in the yard and the property in the MLS is the easy part. Then there's coordinating showings. "Most of the time, the listing agent is not showing the home," we explain to the confused seller who thinks their agent should naturally be at every showing. You will also handle print and online advertising, send reports to the seller and review all offers that come in,

present offers, negotiate with buyer's agents and move through inspections and appraisal contingencies.

Throughout the whole process, whether you have the buyer or seller, you become very closely tied to your client for the weeks (or months, or longer) until the transaction hopefully comes to a successful close. I worked with one buyer client for three years before we made it to closing, and with one seller it took over four years to sell in a down market. You will become very familiar with each other, and in some cases, you will not just create a client for life (every agent's goal!), but a friend as well.

We learn our clients' schedules and patterns, and their family situations. We sit with them during very personal moments, going over their finances to figure out how much they will actually net at closing, and we help them navigate what is often a stressful and emotional time.

What Makes It All Worth It

You will see your client in good times and in bad. You'll help them through distressed times (divorce) and happy times (growing family). You'll see foreclosures and short sales, but also tears of happiness when someone finds their dream home.

One of my most treasured closings was for a \$10,000 home built in the 1800s that sat on old coal lands. The house sat on what we call a "patch," which is land owned by the coal company, on the outskirts of a mining town, where in years past the coal miners lived. I sold this little stick-frame house with crooked floors and three tiny bedrooms to a young man with two children. Another agent had showed him houses, but when she realized he was struggling to come up with the cash to purchase, she stopped working with him.

I helped guide him through a few financial hurdles and explained the buying process. He cried at closing. He was so happy to be able to move his children into a house where they had a yard, and where they could safely ride their bicycles that was not on a major highway (where they had lived before). It was just a \$10,000 old coal patch house, but to him it was his dream. I've sold homes

for much more money since then. But to this day if that man sees me on the street in town, he goes out of his way to give me a hug and thank me for helping him purchase that house. That was 20 years ago, but we're friends on Facebook now, and he sends me updates on where his children are and his family's milestones.

In a nutshell, that is what we do. We guide people through, in many cases, what may be the largest financial transaction they ever make. We are there for people when they are at their best and their worst. Some days you'll feel like a marriage counselor, and other days you'll be part referee/part best friend from high school. Welcome to real estate. The trick is knowing what your part is, and how to do your job to get the client across the finish line without you personally crossing any lines.

Some days you'll love what you do and enjoy working with a particular client. Other days you'll want to bang your head on the desk and plot how to pass the client off to someone else. It's okay. We all go through it.

When you're new and hungry, you're more likely to work with the frustrating clients, but when you are successful, you'll have the luxury of picking and choosing your clients. And when you do make it in this business, you will indeed be able to say the words, "Maybe you need to call another agent," rather than work with someone who makes you want to tear your hair out.



21 THINGS YOU HAVE TO KNOW.

A “must-read” for new real estate agents getting into the business!

21 THINGS I WISH MY BROKER HAD TOLD ME 3rd Edition features:

- Candid stories from countless transactions—the wins, the losses, the messes
- Budgeting and finances on an irregular paycheck
- Practical advice on working with competitors and your clients
- Setting boundaries between your career and personal life
- The realities of real estate you haven’t considered

Erica Ramus has been in real estate since 2000 and has owned her own brokerage firm since 2007. She earned her master's degree in real estate and has taught pre-licensing and continuing education courses for Penn State University in the past. She is a columnist for Inman News and has been a featured speaker at Inman Connect. She has presented at Tech Edge and Broker Summit for the National Association of REALTORS®. She is an instructor for local associations and assists small- to mid-sized brokers who need help starting up or growing their businesses.

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ISBN: 978-1-0788-2948-9



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