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3rd Edition

Success as a Real Estate Agent

for
dummies[®]
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any real estate market

—
Find, secure, and
sell more listings

—
Scripts and strategies
to use for every listing

Dirk Zeller

Founder of Real Estate Champions



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3rd Edition

by Dirk Zeller
Founder of Real Estate Champions

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Success as a Real Estate Agent For Dummies®, 3rd Edition

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Introduction

Welcome to the third edition of *Success as a Real Estate Agent For Dummies!* You're about to move into the big leagues, populated by the most successful real estate agents.

Real estate sales is the greatest business in the world. In my more than 30 years as a business owner and entrepreneur, I've yet to find a business equal to real estate sales when it comes to income potential versus capital investment. In any marketplace, a real estate agent has the opportunity to create hundreds of thousands of dollars in income. (I coach many agents and teams who earn more than \$3 million per year.) An agent's income is especially significant when viewed against the capital investment required by the business. Most agents need as little as \$2,000 to start up their practices. Compare that to any other business and you'll find that most involve sizeable investments and burdensome loans to buy equipment, lease space, create marketing pieces, develop business strategies, and hire employees — all to achieve what is usually a smaller net profit than what a real estate agent can achieve in the first few years. It's almost too good to be true!

Because of technological advances, including the Internet and social media, a new agent can create the appearance of success, marketplace stature, and marketing experience far beyond the early stages of a real estate career. This gives new agents better odds at carving out a career for themselves. The timing of your decision to enter the field of real estate or advance your career could not be better. The industry has seen a steady and exciting improvement in sales and opportunity in the last few years. New agents are entering real estate sales in very high numbers. Real estate is in a strong growth phase in which home values have risen back to peak pre-recession market pricing.

Real estate sales paved the way for me to become a millionaire at a very young age. It has provided a solid income, many investment opportunities, an exciting lifestyle, and a platform from which I've been able to help many others achieve their own goals and dreams in life.

About This Book

This book is about becoming a successful real estate agent, for sure. It's also about acquiring sales skills, marketing skills, time-management skills, people skills, technology skills, and business skills. It's about gaining more respect, achieving more recognition, making more money, and closing more sales. It's a guide that helps you achieve the goals and dreams you have for yourself and your family.

I'm delighted to share with you the keys I've found for real estate success and to help you avoid the mistakes I've made along the way. (I'm a firm believer in the idea that we often benefit more from failures than from successes — but that doesn't mean you have to repeat my failures.)

The techniques, skills, and strategies I present throughout this book are the same ones I've used and tested to perfection personally and with thousands of coaching clients and hundreds of thousands of training program participants. Although technology has had an expanding influence on the real estate market in the past decade, the foundational skills of sales, time management, marketing, and people skills have not changed as much. This is not a book of theory but of “real stuff” that works and is laid out in a hands-on, step-by-step format. You'll also find time-tested scripts in most sales-oriented chapters. These scripts are designed to move prospects and clients to do more business with you. (If you're a junior member of the grammar police, you may find that some don't perfectly align with your expectation of the English language. The objective of sales scripts, though, is not perfect sentence structure but rather maximum persuasion of the prospect or client.)

If you apply the information contained in this book with the right attitude, and if you're consistent in your practices and in your success expectations, your success in real estate sales is guaranteed.

Throughout this book I incorporate a number of style conventions, most aimed at keeping the book easy to read, with a few aimed at keeping it legally accurate:

- » Throughout this book, I use the term *real estate agent* rather than *Realtor* unless I'm talking specifically about members of the *National Association of Realtors* (NAR). *Realtor* is a registered trademark owned by the NAR, which requires that the term appear either in all capital letters or with an initial capital R. For your information, all Realtors are real estate agents, but only those real estate agents who are members of and subscribe to the association's strict code of ethics are Realtors.
- » The word *agency* describes the relationship that a real estate agent has with members of the public, or as they're sometimes called, *clients*. When clients list a home for sale, they enter a contractual relationship with the agent who will

represent their interests. That agreement is called an *agency relationship*. Every state and province has a unique set of laws stipulating how consumers and real estate agents work in an agency relationship. These agency laws have been reworked and clarified over decades. Throughout this book, when I refer to agency agreements, I'm describing the real estate agent's relationship with buyers or sellers, depending upon whether the agent is the listing agent or the selling agent.

- » Bulleted and numbered lists present important information in a quick-skim format. Watch for lists marked by numbers or check marks. They contain essential facts to remember, steps to take, or advice to follow.
- » Whenever I introduce a new term, I *italicize* it and follow it up with a brief definition.

Foolish Assumptions

As I compressed a career's worth of real estate experience and coaching advice into these pages, I had to make the following assumptions about you, the reader:

- » You're already a licensed real estate agent. If you haven't yet taken the real estate license exam, consider the book *Real Estate License Exams For Dummies*, 3rd Edition, by John A. Yoegel (Wiley, 2017).
- » You're looking to rev up your real estate business, whether you're just starting out or have been in the business for a while. You may be deciding which real estate company to join. Or you've already launched your career with a good company and are now looking for advice on how to climb the success curve faster and higher. Or maybe you're interested in refining specific skills, such as prospecting, selling, running your business more efficiently, or building customer loyalty.

Icons Used in This Book

This wouldn't be a *For Dummies* book without the handy symbols that sit in the outer margin to alert you to valuable information and advice. Watch for these icons:



REMEMBER

When you see this icon, highlight the accompanying information in your brain. Jot it down, etch it in your memory, and consider it essential to your success.



TIP

The light bulb marks on-target advice and tried-and-true approaches that save time, money, and trouble as you achieve real estate success.



WARNING

When there's a danger to avoid or just a bad idea to steer clear of, this icon sits in the margin issuing a warning sign.

Beyond the Book

In addition to the material in the print or e-book you're reading right now, this product also comes with some access-anywhere goodies on the web. Go to www.dummies.com and search for "success as a real estate agent" to find these goodies. To view this book's Cheat Sheet, simply go to www.dummies.com and search for "**Success as a Real Estate Agent For Dummies Cheat Sheet**" in the Search box.

Where to Go from Here

The beauty of this book is that you can start wherever makes the most sense for you.

If you're a newcomer to the field of real estate sales, I suggest that you start with Part 1, in which I consolidate all the start-up information that you're likely to be looking for.

If you've been in the trenches for a while and simply aren't having as much success as you'd like, start with Chapter 3 or 4 and go from there.

If you're pressed for time, facing a crucial issue, or grappling with a particular problem or question, turn to the table of contents or index to look up exactly the advice you're seeking.

Wherever you start, get out a pad of yellow sticky notes, a highlighter pen, or your note-taking app and get ready to make this book — and all the information it contains — your own key to success. I send you off with my very best wishes!

1

Showing Up for Your Own Success Story

IN THIS PART . . .

Get an overview of the skills you need to swing the odds for success your way. Find out the basic fundamentals that place agents on the right path to reach their target.

Navigate the process of evaluating, choosing, and joining a real estate company.

Discover how to act and work like a top-producing agent to make your goals a reality.

Research and understand the marketplace in which you're working.

IN THIS CHAPTER

- » Defining financial success
- » Understanding the role and importance of a professional real estate agent
- » Knowing the importance of lead-generation and sales skills
- » Building your success as a listing agent
- » Choosing the right path to real estate success

Chapter 1

Skills and Strategies of a Successful Agent

Each agent defines success slightly differently. Some agents set their goals in dollars, some are attracted to the opportunity to be their own bosses and build their own businesses, and some want the personal control and freedom that a real estate career allows. Achieving success, however, requires the same basic fundamentals regardless of what motivates your move into real estate. Agents who build successful businesses share four common attributes:

- » **They're consistent.** They perform success-producing activities day in and day out. Instead of working in spurts — making 50 prospecting calls in two days and then walking away from the phone for two weeks — they proceed methodically and steadily, day after day, to achieve their goals. And, instead of slamming their Facebook friends with a barrage of posts over a two-week span, they consistently post, engage, respond, and add value multiple times a week. They balance the personal postings that create a window into their personal life with business postings periodically to deliver interesting and relevant value.
- » **They believe in the law of accumulation.** The law of accumulation is the principle that says with constant effort everything in life, whether positive or

negative, compounds itself over time. No agent becomes an overnight success, but with consistency, success-oriented activities accumulate momentum and power and lead to success every time. I read an article on Warren Buffett recently. It said 90 percent of his wealth was accumulated after he was 50 years old! That's compounding!

- » **They're lifelong learners.** The most successful agents never quit improving. Their passion for improvement is acute, and they commit the time, resources, and energy it takes to constantly enhance their skills and performance. You're reading this book because you have a desire to be better, but that quest can't stop with this book. It must continue with additional reading, watching, listening, and attending events to improve your skills, strategies, and systems.
- » **They're self-disciplined.** They have the ability to motivate themselves to do the activities that must be done. Successful agents show up daily and put in a full day of work on highly productive actions such as prospecting, lead generation, and lead follow-up. They make themselves do things they don't want to do so they can have things in life that they truly want. Personal discipline is a fundamental building block for success. One of the greatest things about being a real estate agent is being an independent contractor. You're the master of your domain. You're the only one who can "require" you to show up to work. That also has a downside if you can't force or discipline yourself to do the harder success-producing actions.

MY OWN INAUSPICIOUS BEGINNING

As an original dummy in real estate sales, I'm the perfect author for this book. On my very first listing presentation, I went to the wrong house. Can you imagine arriving at the wrong address for your first presentation? The worst part is that the man who answered the door let me in. To this day, I'm not sure why he let me in and let me begin my listing presentation. I was nearly halfway through my presentation before I figured out the mistake! He just sat quietly listening to me talk about listing his home. He actually did have an interest in selling his home in the near future, so he just listened. I finally realized I was in the wrong house when I glanced over and saw the address on a piece of mail on the table. I had transposed a number on the address, which put me in the wrong house. All the while, the real seller was waiting for me down the street. The good news was that I successfully listed the man's home a few months later.

In the end, it really doesn't matter where you start in your career or what mistakes you make in the early stages. Everyone makes mistakes in new endeavors. What matters most is having a plan or process that keeps you moving down the track toward your goals. Most people would have quit with such a rocky start as mine. However, the sure way to lose is to quit. The only way you win is to keep going.

You're already on the road to real estate success, demonstrated by the fact that you picked up this book to discover what it takes to become a great agent. This first chapter sets you on your way to success by providing an overview of the key skills that successful real estate agents pursue and possess.

Having Goal Objectives and Sales and Income Targets

One of the first steps toward success is knowing what you want out of your real estate career. However, “financial independence” is not a specific enough answer.

I've been in real estate, either working in direct sales or teaching, speaking, training, writing, or coaching people, for nearly 30 years. I've spoken to sales audiences on five different continents. I've met hundreds of thousands of agents, and nearly every one started selling real estate with the same goal of financial independence. Countless times I've asked the question, “Tell me, how do you define financial independence?” What I usually hear in response is some variation of “So I don't have to worry about money anymore.”



REMEMBER

The key to eliminating money worries is establishing a financial goal — an actual number — that you need to accumulate in order to achieve the quality of life you want to enjoy. Financial independence boils down to a number. (It can be a gross number, net income, created annually or monthly from your asset base.) Set that number in your mind and then launch your career with the intention to achieve your goal by a specific date.

By having your financial goal in mind, you find clarity and can see past the hard work that lies ahead of you. When you have to endure the rejection, competition, disloyal customers, and challenges that are inevitable along the way, your knowledge about the wealth you're working to achieve helps you weather the storms of the business.

I must share that this focusing on your financial independence number is more real to me today than ever. I realize these steps I just shared with you I did myself 30 years ago. I created a plan as I exactly have described for you. I have worked that plan for 30 years and it has compounded to the point where I don't have to work. The financial piece of the puzzle has been accomplished. I choose to work because I enjoy what I do, not because I need the money it brings. That is true freedom and financial independence. I wish that for you as well.

Acting Like a Top Producer from Day One

Real estate agents join doctors, dentists, attorneys, accountants, and financial planners in the ranks of licensed professionals who provide guidance and counsel to clients. The big difference is that most real estate agents don't view themselves as top-level, highly paid professionals. Many agents, along with a good portion of the public, perceive themselves as real estate tour guides, as home inventory access providers, or even as mere cogs in the wheel of the property sale transaction. The best agents, however, know and act differently.

The Internet and the open access to real estate information have accentuated the view that agents are simply home access providers. Consumers in the real estate market are able to find so much information online that they often view themselves as the experts and agents as simply the key masters. The increasing strength online of third-party sources of real estate information like Zillow, Trulia, and Realtor.com has created another gap between agents and consumers. I'm not advocating a return to the dark ages of MLS books the size of a local telephone book with property information printed biweekly. That is certainly a bygone era. But, to succeed in these technological times, we must expand our offerings and showcase that our services go well beyond basic real estate information and access into homes. We must clearly communicate with the online consumers what they don't have access to, what information they are lacking, along with our benefits and value — even in their early researching period.



REMEMBER

Real estate agents are fiduciary representatives and financial advisors — not people paid to unlock front doors of houses for prospective buyers. A *fiduciary* is someone who is hired to represent the interests of another. A fiduciary owes another person a special relationship of honesty, commitment, exclusivity in representation, ethical treatment, and protection. Build your real estate business with a strong belief in the service and benefits you provide your clients, and you'll provide a vital professional service while being recognized as the valuable professional you are.

Serving your professional representation

Real estate agents represent the interests of their clients. As an agent, you're bound by honor, ethics, and duty to work on your client's behalf to achieve the defined and desired results. This involves the following functions:

- » **Defining the client's objective:** To serve as a good fiduciary representative, you need to start with a clear understanding of the objectives your client is aiming to achieve through the sale or purchase of property. Too many agents get into trouble by starting out with uncertainty about the interests of the people they're representing.



REMEMBER

» **Delivering counsel:** In the same way that attorneys counsel clients on the most effective way to proceed legally, it's your job to offer similarly frank counsel so that your clients reach the real estate outcomes they seek. That counsel can vary based on the clients' goals and objectives, as well as the state of the marketplace. You will counsel a client differently in a seller's market than in a buyer's market. Turn to Chapter 3 to understand how market conditions influence what to say and do.

An attorney may encourage a client to proceed with a lawsuit when the client has a high probability of winning, or she may recommend an out-of-court settlement when odds point toward a court loss that could leave the client with nothing but legal bills to pay. Likewise, you need to be able to steer your clients toward good decisions regarding the value of their homes, the pricing strategies they adopt, the marketing approaches they follow, and the way their contract is negotiated in order to maximize their financial advantage.

» **Diagnosing problems and offering solutions:** A good agent, like a good doctor, spends a great deal of time examining situations, determining problems, and prescribing solutions. In an agent's case, the focus is on the condition and health of the home a client is trying to buy or sell. The examination involves an analysis of the property's condition, location, neighborhood, school district, curb appeal, landscaping, market competitiveness, market demand, availability for showing, and value versus price. The diagnosis involves an unvarnished analysis of what a home is worth and what changes or corrections are necessary.

Some say that agents should present all the options available to their clients and then recommend the course of action they feel is best. By doing this, agents allow their clients to make the final decision. Although many experts praise the virtues of this approach, I prefer the diagnostic and prescriptive approach because it positions you better as the expert. When clients make poor choices such as setting the wrong price on their home or making an initial offer that is too low, you may still receive some or all of the blame even though they chose the wrong option. No matter the style of your counsel to a client, whether more advisory or assertive, your success in guiding your clients to a successful outcome is based on your expert analysis and application of the variables to the marketplace.



WARNING

Many agents get into trouble because they lack the conviction to tell clients the truths they don't want to hear. If a home is overpriced or not ready for showing, or if an offer is too low for seller consideration, it's the agent's job to speak up with sound advice. In these situations, you could get blamed for a poor outcome. You may also run the risk of doing all this work and not getting compensated for the time you invested.

To prepare yourself for the task, flip to Chapter 12, which helps you determine and advise sellers regarding a home's ideal price; Chapter 13, which helps you counsel clients regarding changes they need to make before showing their

property; and Chapter 15, which helps you counsel clients through the final purchase or sale negotiation.

» **Troubleshooting:** Unavoidably, many times you have to be the bearer of bad news. Market conditions may shift, and the price on a seller's home may need to come down. A buyer may need to sweeten initial offers to gain seller attention. A loan request may be rejected, or you may need to confront sellers because the animal smells in their home may be turning buyers away. Or, a home that buyers really want may end up selling to someone else.

At times like these, your calm attitude, solution-oriented approach, and strong agent-client relationship will win the day. Chapter 16 is full of advice for achieving and maintaining the kind of relationship excellence that smoothes your transactions and leads to long-lasting and loyal clients.



TIP

Making the right financial decisions

When you help clients make real estate decisions, your advice has a long-lasting effect on your clients' financial health and wealth. Their decisions based on your counsel will affect their short-term equity as well as their long-term financial independence. According to a study by the Society of Actuaries, the equity in one's home on average represents 70 percent of one's total assets. In most cases, home equity is the single largest asset that people own. Your ability to guide clients to properties that match their needs and desires, that fit within their budgets, and that give them long-term gain from minimal initial investment impacts their financial health and wealth for years to come.



REMEMBER

Your influence as a wealth advisor reaches far beyond clients who are in a position to own investment real estate. In your early years, many of your clients may be first-time buyers who are taking their first steps into the world of major financial transactions. Advise them well and they'll remain clients and word-of-mouth ambassadors for years to come. See Chapter 16 for more information about keeping clients for life.

Avoiding the role of Designated Door Opener

Before the advances of the Internet, the consumer's only avenue to information about homes for sale was through a real estate agent. Every other week, agents received phonebook-sized periodicals presenting information on properties for sale, with each new entry accompanied by a small, grainy, black-and-white picture. I know that seems hard to imagine in our information-rich technological world.

AGENTS AS NECESSARY EVILS: A MIND-SET THAT COMES AND GOES

The mind-set that agents are overpaid and unnecessary to the real estate sale process continues to gain traction. This mind-set gains momentum especially when a robust market leads to low home inventories and the quick sale of homes that often receive multiple offers during the short time they're on the market. Sellers feel that their home will sell no matter who lists it, so they go cheaper.

This mind-set has increased in intensity and breadth with expanded online access to real estate information. It has been further developed as companies like Zillow and Trulia grant broader information services in the real estate industry segment.

When times are booming, a segment of consumers and new homebuilders begins to question the value of the agent's services against the associated fees. During the best of market times, some homebuilders even go so far as to sell their houses without allowing agent representation — or compensation.

The silver lining is that when times are good, so many properties are moving that the few listings affected by the agent-is-unnecessary mind-set hardly limit opportunity. Plus, booms don't last forever. When the market swings back and forth, as it will many times during your career, you need to be prepared to adjust your offerings. The ability to master your present marketplace trends while working to prepare for the next market shift is the skill of elite agents.

Today, consumers can go online instead of going to a real estate office to launch their real estate searches. With a few keystrokes and mouse clicks, they have access to a greatly expanded version of the kind of information that agents used to control. There are tens of thousands of sites that offer access to real estate information and access to properties for sale. However, when consumers discover a home they want to see, they must contact either the owner or an agent to gain inside access. This is where things get tricky.

Fifteen years ago, only 8 percent of buyers found the home they wanted to purchase on their own through the Internet. Last year, 44 percent of buyers found their home online themselves and then contacted a real estate agent. The consumer is clearly doing more online research and finding what they want.



WARNING

Often a consumer signs off the web and contacts an agent to get inside the home, as if the agent is simply an entry device. As an agent, you need to demonstrate special skills to engage the customer. Then you need to add value to your skills by having inside market knowledge, keeping up with trends in the marketplace, being aware of technological advances, and having other properties you know

about that might be similar to the property that has created the inquiry. With this added know-how, you have an edge over other agents, which allows you to convert the inquiry into a committed buyer client for your business.

Securing Customers and Clients

Imagine that you're on the game show *Jeopardy!*, and you're given just seconds to provide the most important response of your career. Imagine that you're asked to write down the question that prompts the answer: *The function that makes or breaks a real estate agent's success.* (If this book contained music, you know what tune would be playing right now.) Okay, time's up. How did you respond?

The moneymaking reply is: *What is creating customers?* How did you score?

Did you answer: *What is customer service?* If so, you gave the same answer that more than 95 percent of new agents give. In fact, more than 90 percent of experienced agents don't win points with their answers, either. Only a rare few agents see customer creation as the golden approach that it is.

Rule #1: It's about lead generation

You have to be excellent at customer development *and* customer service. However, in terms of priority, you have to first be exemplary at lead generation. Following are a few reasons:



REMEMBER

- » **You can't serve customers if you don't create customers in the first place.** And because customer-service excellence results from customer-service experience, customer development is a necessary prerequisite to outstanding customer service.
- » **Most consumers have been provided with such poor service that their expectations are remarkably low.** When service providers do what they say they'll do in the agreed-upon timeframe, consumers are generally content with the service they receive. An Internet-based customer, which is a growing segment, wants ease of service, faster service, and lower-cost service. The truth is that competing on the first two is better than the lower-cost service model. The real estate industry is more personalized in the service it renders than many other Internet-based businesses. Responsiveness is one of the keys to success in the Internet realm. Certainly you want to develop the kind of expertise that delivers exemplary, outstanding service, but if you commit from the get-go to do what you said you'd do when you said you'd do it, your delivery will be better than most.