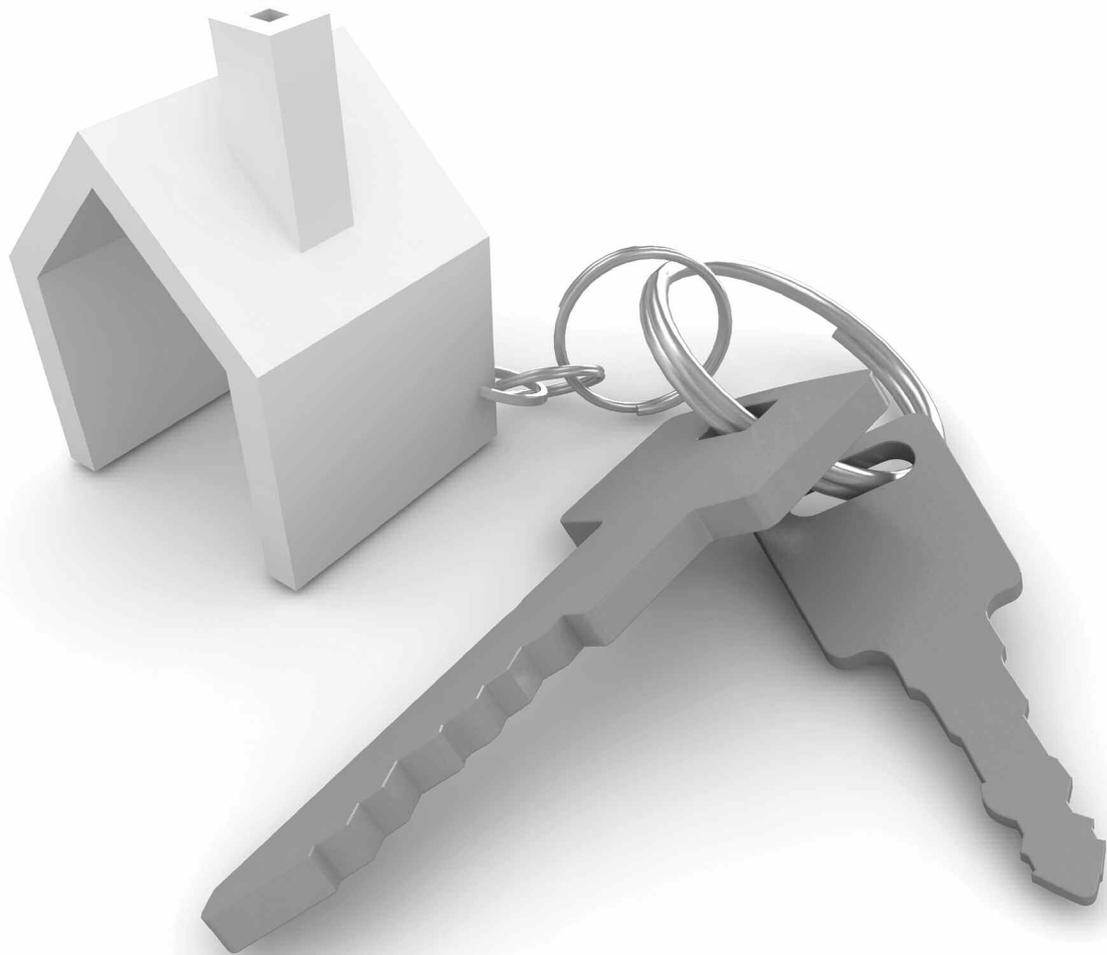


Keys to working with Real Estate Professionals



*A closer look at the current world of
Real Estate*

Market Highlight Report, Winter 2011

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Market Highlight Report

Real Estate Professionals Winter 2011

General Overview

Real estate professionals have a thorough knowledge of the real estate market in their communities. They know which neighborhoods will best fit clients' needs and budgets. They are familiar with local zoning and tax laws and know where to obtain financing for the purchase of property.

When selling property, agents arrange for title searches to verify ownership and for meetings between buyers and sellers during which they agree to the details of the transactions. In a final meeting, the new owners take possession of the property. Agents also act as intermediaries in price negotiations between buyers and sellers. They may help to arrange financing from a lender for the prospective buyer, which may make the difference between success and failure in closing a sale.

Agents spend a significant amount of time looking for properties to buy or sell. They obtain listings—agreements by owners to place properties for sale with the firm. When listing a property for sale, agents compare the listed property with similar properties that recently sold, to determine a competitive market price for the property. Following the sale of the property, both the agent who sold it and the agent who obtained the listing receive a portion of the commission. Thus, agents who sell a property that they themselves have listed can increase their commission.

Agents may meet numerous times with prospective buyers to discuss and visit available properties. Agents identify and emphasize the most pertinent selling details. If negotiation over price becomes necessary, agents must follow their client's instructions thoroughly and may present counteroffers to reach the final sales price.

Most real estate agents sell residential property. A small number—usually employed in large or specialized firms—sell commercial, industrial, agricultural, or other types of real estate. Every specialty requires knowledge of that particular type of property and clientele. Selling, buying, or leasing business property requires an understanding of leasing practices, business trends, and the location of the property.

Education and Training

Agents must be high school graduates. In fact, as real estate transactions have become more legally complex, many firms have turned to college graduates to fill positions. A large number of agents and brokers have some college training.

Most universities, colleges, and community colleges offer various courses in real estate. Some offer associate and bachelor's degrees in real estate, but mostly they offer certificate programs. Additionally, college courses in finance, business administration, statistics, economics, law, and English are also helpful. For those who intend to start their own company, business courses such as marketing and accounting are as important as courses in real estate or finance.

Many local real estate associations that are members of the National Association of Realtors sponsor courses covering the fundamentals and legal aspects of the field. Advanced courses in mortgage financing, property development and management, and other subjects also are available. Much of the training needed to learn the practical aspects of the trade happens on the job, under the direction of an experienced agent, who may demonstrate how to use a computer to locate or list available properties and identify sources of financing.

People use the terms REALTOR® and real estate agent interchangeably, but that is incorrect. There are differences between REALTORS® and real estate agents. Although both are licensed to sell real estate, the basic difference between a real estate agent and a REALTOR® is a REALTOR® is a member of the National Association of REALTORS®. As such, the main difference that you hear a lot about -- but are likely confused about -- is that a REALTOR® must subscribe to the REALTOR® Code of Ethics.

Source: Elizabeth Weintraub. "Real Estate Agents and REALTORS? What is the difference?" About.com. 14 Dec. 14, 2010.
<http://homebuying.about.com/od/realestateagents/qt/RealtorvsAgent.htm>.

Licensing

In every State and the District of Columbia, real estate agents must be licensed. Prospective agents must pass a written examination. The examination includes questions on basic real estate transactions and the laws affecting the sale of property. Most States require candidates for the general sales license to complete between 30 and 90 hours of classroom instruction.

State licenses typically must be renewed every 1 or 2 years; usually, no examination is needed. However, many States require continuing education for license renewals.

Growth

Employment of real estate agents is expected to grow 14 percent during the 2008-18 decade, faster than average for all occupations. A growing population, particularly young adults who will be forming households in greater numbers, will require the services of real estate agents to buy their homes. Home sales will be sparked by the continuing desire for people to own their own homes and their perception that real estate will be a good investment over the long run. However, job growth will be somewhat limited by the increasing use of the Internet, which has improved the productivity of agents, and has transformed the way they do business. For example, prospective customers often can perform their own searches for properties that meet their criteria by accessing real estate information on the Internet.

Real Estate Agents in Today's Economy

In addition to job growth, a large number of job openings will arise from the need to replace workers who transfer to other occupations or leave the labor force. Real estate agents are older, on average, than most other workers, and many are expected to leave the occupation over the next decade.

Employment of real estate agents is sensitive to swings in the economy, such as a recession. During periods of declining economic activity or rising interest rates, the volume of sales and the resulting demand for sales workers fall. As a result, the income of agents and brokers declines, and many work fewer hours or leave the occupation altogether. Over the coming decade, the opportunity for part-time work is expected to decline so real estate may continue to be a viable option for many who seek such a position.

Source: Occupational Outlook Handbook, 2010-11 Edition. Bureau of Labor Statistics. 22 November 2010 <<http://www.bls.gov/oco/ocos120.htm>>.

Salaries for Real Estate Agents

1-4 years of experience earn:	\$25K – \$93K
5-9 years of experience earn:	\$39K – \$99K
10-19 years of experience earn:	\$36K - \$100K
20+ years of experience:	\$60K – \$210K

- Real estate agents who are self-employed earn approximately \$38K-\$111K annually.
- Real estate agents who work at a company earn approximately \$32K-\$93K annually.
- Real estate agents in Arizona, Florida, California, and Illinois are generally the highest paid.

Source: Payscale.com. 14 November 2010. Payscale.com. 14 November 2010. <<http://www.payscale.com/research/US/Job=realtor/Salary>>.

Key Issues

Workplace Stress

Careercast.com, a well respected website for finding job opportunities, lists real estate agents in the top 10 in its list of most stressful jobs of 2010. This is no surprise with the erratic hours and stresses of the industry. Stress is coming from all sides; whether it is the angry home seller, the needy buyer, the uptight home inspector, strict mortgage lender, etc. Agents also have the stresses of staying on top of their game; the minute they slip there is another agent there ready and willing to take over the buyer or listing. Careercast measured the amount of stress mainly on three “Mega Factors” impacting office anxiety the most: work environment, job competitiveness and risk. Real estate agents scored a 191 of 200 for stress rank, while Careercast also ranked time pressure high and competition very high. Office stress is linked with low productivity, increased illness and obesity.

Source: The 10 Most Stressful Jobs of 2010 22 November 2010. <<http://www.careercast.com/jobs/content/ten-most-stressful-jobs-2010-jobs-rated-9>>.

Exposure to Contamination

One of the roles of real estate agents is to detect any contamination problems that may be present in a property with potential to sell. Mold contamination is a subject of increasing concern. Mold contamination generally arises in buildings that have been poorly constructed or lack adequate ventilation. Different types of mold may breed in the

air circulation systems and walls of a structure. While the presence of moisture and mold can result in significant physical damage to the structure, several types of mold are also toxic and can cause a variety of medical conditions.

Source: Environmental Issues in Real Estate Transactions. 22 November 2010.
< <http://library.findlaw.com/2002/Dec/13/132436.html>>.

Market Challenge

Real estate agents and brokers typically work more than a standard 40-hour week, often working evenings and weekends for the convenience of clients. Although the hours are long and frequently irregular, most agents and brokers have the freedom to determine their own schedule. However, because a lot of demands are placed on them by their own clients, banks or their local offices, they generally tend to be a fairly demanding group. In other words, it's very important to schedule appointments at their convenience and to deliver on or ahead of schedule.

Real estate professionals spend much of their time away from their desks—showing properties to customers, analyzing properties for sale, meeting with prospective clients, or researching the real estate market. Advances in telecommunications and the ability to retrieve data about properties over the Internet allow many real estate brokers and sales agents to work out of their homes instead of real estate offices.

The downturn in many real estate markets across the country has had the effect of separating the wheat from the chafe when it comes to successful real estate professionals. According to one mortgage officer recently interviewed who has worked closely with dozens of real estate professionals in the last 10 years, "The agents that are still in the business, after nearly four years of relative upheaval, have more or less weathered the storm."

Source: Occupational Outlook Handbook, 2010-11 Edition. Bureau of Labor Statistics. 14 December 2010. <http://www.bls.gov/oco/ocos120.htm>.

Networking with Real Estate Agents

Very similar to financial services professionals, real estate agents must build their business by doing a good job for their clients and getting personal introductions and referrals to more prospects. As one professional networker, Jeffrey Gitomer is quoted as saying, "It's not who you know, it's who knows you!" Dean Guadagni, a real estate professional and blogger out of Northern California says that after networking through at least 600 events and meeting approximately 1,800 people at those events, only about 10 of them really get how to be a good networker. Picking up on Consultant Jeffrey Gitomer's advice, Dean Guadagni suggests in his blog that effective networkers must 1) give first before asking, and 2) help others seek what they want as you get what you want. Just like in a lot of sales professions, most real estate professionals don't live by these two principals. However, if *you* can demonstrate these two principles in your dealings with real estate professionals, they will immediately see you as a different kind of business person; several cuts above the kind with whom they may typically interact.

Another important way to connect with real estate professionals is to get to know the professional advisors they know and trust. They may know a lot of mortgage officers, appraisers, real estate attorneys or CPAs but there are probably only a few to whom they give consistent business. Get to know who makes up their “virtual” team and see if you can add some value to those professionals’ businesses as well.

Social media and digital marketing has already changed this industry forever and the changes have just begun to take hold. Be sure to be up-to-date on the latest technology that real estate agents are using to get their messages out and provide feedback, positive interaction and digital introductions whenever possible. Remember, these sales professionals usually have to make substantial investments in their individual marketing campaigns and they will most likely value opinion and advice from a like-minded sales professional.

Source: Dean Guadagni, “Two Principles for Real Estate Agents.” Dean’s Guide, 1 Feb 2008. <http://deansguide.wordpress.com/2008/02/01/2-principles-of-networking-for-realtors-its-not-who-you-know-its-who-knows-you/>.

National Associations

The National Association of Realtors®

Mission

The core purpose of the National Association of Realtors® is to help its members become more profitable and successful.

Working on behalf of America's property owners, the National Association of Realtors® provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system, and the right to own, use, and transfer real property.

For more information, please visit:

<http://www.realtor.org/realtororg.nsf/pages/narmission>.

Institute of Real Estate Management

The Institute of Real Estate Management (IREM) has been the source for education, resources, information, and membership for real estate management professionals for more than 75 years. An affiliate of the NATIONAL ASSOCIATION OF REALTORS®, IREM is the only professional real estate management association serving both the multi-family and commercial real estate sectors. With 80 U.S. chapters, 13 international chapters, and several other partnerships around the globe, IREM is an international organization that also serves as an advocate on issues affecting the real estate management industry.

Collectively, IREM CPM Members in the United States manage over \$1.5 trillion in real estate assets, including 8.4 million residential units and 8.4 billion net square feet of commercial space.

To learn more about the Institute of Real Estate Management and its chapter network, call (800) 837-0706, Ext. 4650 (outside the U.S. call (312) 329-6000) or visit www.irem.org.

The National Association of Independent Real Estate Brokers

The National Association of Independent Real Estate Brokers is the national association for Real Estate Brokers and Real Estate Agents that is open exclusively to Independents. As the national Real Estate Brokers association for Independent Brokers and Agents, NAIREB was established to serve our nation's 100,000 plus Independent Real Estate Brokers and Real Estate Agents.

For questions about the NAIREB, e-mail: Director@NationalRealEstateBrokers.org,

Or call our association management firm:

Association Management Office: (317) 547-4679 ext 133

Asian Real Estate Association of America

Founded in 2003, the Asian Real Estate Association of America (AREAA) is a nonprofit professional trade organization dedicated to promoting sustainable homeownership opportunities in Asian American communities by creating a powerful national voice for housing and real estate professionals that serve this dynamic market.

AREAA accomplishes this mission by:

- Advocating for policy positions at the national level that will reduce homeownership barriers facing the APA community.
- Increasing business opportunities for mortgage and real estate professionals that serve this growing community.

Main Contact:

760-918-9162 Telephone

760-918-6924 Fax;

Contact@areaa.org email

Christian Real Estate Network

The Christian Real Estate Network was formed in 2002 as a service to help people connect with a real estate agent they can trust during one of the most stressful events in life: buying or selling a home. Their goal is to serve people by referring them to a like-minded Christian agent that places a high value on integrity, Biblical values, and excellent customer service. Currently their database of agents is over 1,500 strong and growing every day.

To learn more about the Christian Real Estate Network, call toll free: 877-800-4300 or visit <http://www.hismove.com>.

Learn more about Association marketing by reading [About Association Marketing](#) which includes tips for vetting an association, becoming a resource, and surveys for the association leadership and members.

Marketing Checklist

- Narrow niches within the market to a reasonable size and scope.
- Visit websites and flag the best ones for ongoing reference.
- “Follow” companies and associations of interest on LinkedIn.com and join market-related groups.
- Note names of at least 15 individuals that would be good Centers of Influence.
- Conduct informational interviews and/or networking appointments
 - with potential strategic alliances also active in the market.
 - ask for “personal introductions” to others in the market.
- Subscribe to market-related blogs and magazines, note calendar dates, editors names and sponsorship or advertising opportunities.
- Determine which association(s) is most worthwhile and attend networking events; obtain meeting with Association Director and be sure to “ask” more rather than “tell.”
- Determine a Unique Value Statement that appeals to the market and sets you apart from the competition.
- Announce your presence in the market through social media, letters, ads, and press releases.
- Obtain membership lists for cultivation and look into targeted list buying if needed.
- Organize a mix of cultivation pieces. For ex., avoid sending all email or all snail mail. Aim for a minimum of six to twelve touch-points per year.
- Explore what types of seminar topics and/or guest speakers are of interest to this market.
- Contact local business journals and find out if they plan on dedicating a special issue to the market where you can advertise and/or get an article published.

SAMPLE One Page 90-Day Strategic Planning Template
Target Market Focus: Real Estate Professionals in (Region)

Three Year Vision: *50 Real Estate clients in database; Receive X number of leads per mo.; Conduct min. of 2 Workshops per year and 3 C of I Appreciation Events*

One Year Vision: *15 new Real Estate clients in database with a min. of 10 who will provide ongoing introductions.*

90 Day Objectives/Tactics	Challenges	Action Items	Person	Date
1. Continue Research & Build Top 15 List		<ul style="list-style-type: none"> - Obtain local research & dig deep into links in report; define profile of best client. - Identify 5 C of I's who work w/ real estate agents - Drill down to find out more about individuals and create a file. - Determine which associations to join or volunteer - Become active on LinkedIn.com. - Ask for introductions 		
2. Create Unique Value Proposition and Brand Statement		<ul style="list-style-type: none"> - Find out needs/wants - Come up with unique characteristics of product line and hone approach - Create brand statement; get approved by Compliance - Test out w/ Advisors 		
3. Build Cultivation Program		<ul style="list-style-type: none"> - Vet communication materials - Select best approved pieces (2 or 3) - Create Approach letter - Get approved - Set up first mailing program 		
4. Conduct 5 Center of Influence Surveys; goal is min. of 5 per month.		<ul style="list-style-type: none"> - Modify interview as appropriate - Send hand written thank you's & follow up on any tasks/requests - Get responses from surveys into database - Schedule more appts. 		
5. Set up database/admin. needs		<ul style="list-style-type: none"> - Make sure database can manage cultivation process for follow up, etc. 		