



What I wish I'd known before starting real estate

Working on a commission-only basis isn't without risk. The biggest part of the job is looking for work each day. Here are the lessons this broker wishes she'd known before jumping in

BY [TERESA BOARDMAN](#)

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New to the industry? Get started with everything you need to know about the early decisions that'll shape your career, including choosing a brokerage, learning your market, creating an online presence, budgeting, getting leads, marketing listings and so much more. If you're a team leader or broker-owner, [New Agent Month](#) will be jam-packed with resources to help your new hires navigate.

Real estate is my second career. I'll reach the 20-year mark early next year. In honor of [New Agent Month](#) here at Inman News, I would like to welcome all the new — and *newer* — agents. You will be new for at least five years and will learn many things along the way.

I recently read [an article](#) about how there are more Realtors than there are homes for sale. According to the National Association of Realtors (NAR), total membership is now at [1.5 million Realtors](#), whereas homes for sale hover at 1.3 million.

We all know real estate is fiercely competitive. It always has been, but the good news is there is always room for more agents, and there is no limit on the number of real estate licenses or licensees.

Real estate companies do not have to pay agents, which means that even when home sales are down, we can just keep adding agents. Realtor associations are always happy to have new members because members pay dues.

So for all the new agents out there, I'd like to share a few lessons I've learned. Here are the many things I wish I would've known before becoming a real estate agent.

Follow a business plan

Real estate agents need to have and [follow a business plan](#). If the plan isn't working, it needs to be revised. Come up with an income goal, and work backward from that. Make sure you track your progress all year.

Find your niche

Become a specialist. Most agents are generalists fearing that they will miss out on business. Being a specialist can mean less time in the car and more time with clients. It can also mean more focused and effective advertising, and a way to stand out from the competition.

Put people first

Never put business before family or friends. In the long run, it isn't worth it — no matter how large the commission check is.

Get insured

Buy health insurance. Set money aside for health care because health insurance and health care are not the same thing. Consider a Health Savings Account (HSA). [Medical expenses](#) are still the No. 1 one cause of bankruptcy in the U.S.

Think about taxes early

Understand your taxes so that you can keep as much of your earnings as possible. Know what is deductible and what isn't, and keep excellent records so that tax time is a breeze. Set aside money from each commission for taxes, and pay them quarterly if applicable. Get professional help.

Do you

You and your career are unique, use some creativity, and **never compare yourself to others.**

But there's so much more. This is going to be a shocker for some, but [your broker](#) doesn't always have your best interests at heart. He or she may encourage you to work on holidays and to do an open house every Sunday because that is good for the company. If it doesn't work for you, find something that does, and do it. There are many ways to prospect for business.

Some agents do not take full advantage of being independent contractors with a great deal of control over where and when they work. Real estate agents are gig workers, free agents. Exploit that freedom, and get the most out of it. Experiment and discover, and generally, avoid [meetings](#) and the office water cooler.

Always have a plan in place for quickly and easily moving to another company or starting your own. If you are successful selling real estate, it is mostly because you can take that success with you. Go ahead and [get a broker's license](#).

Setting money aside for retirement is important. How much is just a guess. Go with the guess you think it best. [Owning real estate](#) can also be part of a retirement portfolio.

I can't put enough emphasis on having an excellent record-keeping system in place for tracking earnings and expenses. There are agents who spend so much time and energy on taxes in April that they miss business opportunities during what in many areas is the peak homeselling season.

Real estate agents don't have to retire. I know several agents who started in real estate shortly after retiring from other jobs, while others go through a semi-retirement phase when they are in their 60s, 70s or 80s by working with fewer clients and taking longer vacations.

By keeping an active license in retirement, former agents can make money by referring their clients to other agents.

Working on a 100 percent commission basis isn't without risk. The biggest part of the job is looking for work each day. Even though it was scary in the beginning, I never regretted leaving a 9-to-5 salaried job with benefits.

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