

Real Estate Career Guide

BUYER'S LISTING AGREEMENT
Exclusive Right to Buy, Exchange or Option

Prepared by: Agent _____
Broker _____

NOTE: This form is used by a buyer's agent when employed by a prospective buyer as their sole agent, to prepare an offer to render services on behalf of the buyer to locate and acquire property for a fixed period of time.

DATE: _____, 20____, at _____
Items left blank or unchecked are not applicable.

1. RETAINER PERIOD:
1.1 Buyer hereby retains and grants to Broker the exclusive right to locate real property of the type described below and to negotiate the terms and conditions for its purchase, lease or option, acceptable to Buyer, for the period beginning on _____, 20____ and terminating on _____, 20____, California.

2. BROKER'S OBLIGATIONS:
2.1 Broker to use diligence in the performance of this employment.

3. GENERAL PROVISIONS:
3.1 Buyer acknowledges receipt of the Agency Law Disclosure. [See RPI Form 305]
3.2 Buyer authorizes Broker to cooperate with other brokers and divide with them any compensation due.
3.3 Before any party to this agreement files an action on a dispute arising out of this agreement which remains unresolved after 30 days of informal negotiations, the parties agree to enter into non-binding mediation administered by a neutral dispute resolution organization and undertake a good faith effort during mediation to settle the dispute.
3.4 The prevailing party in any action on a dispute will be entitled to attorney fees and costs, unless they file an action within the first offering to enter into mediation to resolve the dispute.
3.5 This agreement will be governed by California law.

Buyer agrees to pay Broker _____ and estate fees is not fixed by law. They are set by each Broker individually and _____ and Broker.

Buyer terminates this employment on _____% of the purchase price, or _____, whichever is greater, within one year after termination of Broker during the listing period.

Buyer agrees to pay Broker _____, plus _____, for the purchase price, or _____, whichever is greater, within one year after termination of Broker during the listing period.

Buyer agrees to pay Broker _____, plus _____, for the purchase price, or _____, whichever is greater, within one year after termination of Broker during the listing period.

4.2 Buyer's obligation to pay Broker is not affected by the fact that the purchase price is not paid in full.
4.3 In the event of a dispute, the parties agree to enter into mediation to resolve the dispute.



Congratulations! You passed the California Bureau of Real Estate (CalBRE) Salesperson Exam.

As a new real estate licensee, you face the task of building a sustainable real estate career. This checklist will guide you on the activities necessary to be successful.

01 **Decide on a field of expertise**

A CalBRE Salesperson License opens up opportunities for you to perform various real estate professional services as your chosen livelihood. Categories of real estate services include:

- Single family residential (SFR) sales, a low-, mid- or high-tier price range;
- Multi-family residential sales;
- Commercial sales and leasing:
 - Retail space;
 - Office space;
 - Industrial and warehouse;

- Property Management;
- Mortgage loan brokering (Mortgage Loan Originator (MLO) endorsement for consumer mortgage lending); and
- Business opportunities.

When deciding on which professional service you will provide, research what each of these real estate fields require a licensee to do. Although these services all involve some type of sales and client relations, the routine tasks of analyzing and marketing property, and yourself, are different for each path.



02 Find a broker to train and employ you

As a salesperson engaged in rendering services for a fee in real estate transactions, you need to be formally employed by a real estate broker. Thus, you “hang” your license with your broker and represent clients on their behalf.

In the selection of a broker, distinguish between those offering hands-on training and those providing little more than brand-name recognition. Some coach and help groom their agents; others leave you to independently determine how you best deliver real estate services. One method for locating a broker is available at <http://journal.firsttuesday.us/broker-search>.

It is best to interview at least two brokers to make a comparison between the services and training they offer. During the interviews, consider asking:

- What level of mentoring programs or training do they offer?
- What is the price range of the properties you will work with?
- How many sales will you likely close in your first year?
- What cash reserves will you need before your first sale closes?
- What business equipment and supplies will you need to provide?
- Is the model of your car sufficient for showing properties?
- What special knowledge is needed to handle the class of sales the office handles?
- What initial fee split can you expect to receive?
- What are the office charges you will pay? Are the charges paid per transaction or on a monthly basis?



When employed by a broker as an independent contractor, you are not paid a salary or wages. The compensation you receive from your broker is based on a percentage split of the fees you generate for the broker on closed transactions. The share of the fee your broker retains covers the costs of their administrative support, training, time they commit to you, office overhead and advertising and a profit for their efforts.

Brokerage offices that offer you more training and assistance will typically offer you a lower fee split during your first year with them, with percentage adjustments based on production.

Further, be aware of possible deductions your employing broker may take from your split of the fee. Common deductions for transaction-related expenses include:

- a monthly or per-transaction errors and omissions (E&O) insurance premium, approximately \$25-\$100;
- a monthly desk or cubicle rent to cover the office overhead on a per-desk or cubical basis (in lieu of a lower split), typically \$50-\$100; and
- a transaction coordinator (TC) charge per transaction for administrative staff support.

Further, when the brokerage office you work for is a franchised operation (e.g., Century 21, Coldwell Banker, etc.), there are additional franchise and advertising charges, typically between 5%-8% of the fee received. Franchise charges are



deducted from the total fee received by the brokerage office before the split is applied to set the dollar amount of the fee you will receive as your share.

Most brokerage office charges are on a per-transaction basis. However, you need to verify whether any monthly charges are accumulating that will be deducted from future fees you earn, or billed to you whether or not you close a transaction.

03 **Develop a business operating plan**

Goals are personal objectives to be set before you begin work. Goals are not left to evolve after you start working as a salesperson. Goals need to be realistic when set, the result of inquiry and forethought. Once set, you know what you expect of yourself and your broker.

To set goals for your first year as an active licensee, first consult with the brokers you interview and agents you know. Your first year's objectives include:

- your Income expectations;
- the number of closed transactions needed to obtain your income goal;
- the number of prospective clients you need to contact weekly to meet these goals;
- prospecting and marketing methods you will use to attract a sufficient number of prospective clients;

- daily activities required to meet prospecting and marketing goals; and
- a routine monthly schedule allocating days for:
 - client prospecting and professional services promotion;
 - office meetings;
 - real estate marketing sessions;
 - market data search and analysis;
 - education and training;
 - civic and social involvement; and
 - personal time.

A detailed business plan specifies the various tasks you need to complete daily in order to achieve the goals you expect to meet.

Evaluate your activities and production achievements at the end of every month. Make necessary adjustments to your business plan to keep it on track.





04 Know your market area

Familiarize yourself with the market you intend to work. Fully immerse yourself in market information and data:

- study multiple listing service (MLS) activity in your market area and become fully conversant with market data;
- preview all properties in your chosen market;
- attend open houses and caravans; and
- go on appointments with other agents:
 - shadow an agent on their appointment with their client; and/or
 - have another experienced agent accompany you on your client appointments.

05 Create and market your personal brand

Create a unique brand to stand out from your competitors when you promote and market yourself to clients. Your identification as a specialist within your expertise also separates you from the crowd. It defines for others what marketing you do and how you assist clients.

To create your unique brand:

- develop your personal logo/slogan to convey a message about your expertise;

- decide on the style and content of your personal promotion; and
- use your logo/slogan on:
 - personalized “for sale” signs;
 - business cards and stationary;
 - geographic farm direct mail campaign materials; and
 - advertising and marketing materials, both in print and online.

Create and register a personal domain, such as “yournamesellshomes.com,” through a web hosting company to establish your online presence. Add and update content on a set schedule, say every week or so, to make it grow with you.

06 Build an affiliation of service providers

Organize a team of service providers for your transactions who are willing to affiliate with you for mutual benefit. These service providers are the facilitators of the transactions you negotiate on behalf of your clients. Consider them an extension of your services — providers who surround you and reflect the level of professionalism you seek for yourself.



Unleash your inner broker

Order your broker licensing courses today

firsttuesday.us/BeABroker



Service providers vary depending on the field of expertise you choose. They include:

- a mortgage loan originator (MLO)/loan officer;
- an escrow officer;
- a title company representative;
- a home inspector; and
- a contractor/handyman.

07 Plan your future with first tuesday education

Set your sights on becoming a broker. Begin taking broker licensing courses immediately while accumulating the two years of full-time real estate experience you need to qualify for the CalBRE broker license.

The benefits of becoming a broker are:

- *Independence* – Take complete control over the further advancement of your career. Operate independently or open your own office as a corporation, hiring salespersons and broker-associates to work for you;
- *Money* – Work independently and do not share your earned fees. Or use your new status as a broker to negotiate a larger split as a broker-associate with your employing broker; and
- *Prestige* – Attract more clients, organically. A broker

license reflects your higher education and experience, an edge you need to fully compete for clients.

In addition, continue to educate yourself by attending:

- all types of trade group meetings to develop greater knowledge about your specialty and to acquaint yourself with other participating licensees; and
- sales and marketing sessions to improve your skills and sales techniques.

08 Grow your income

The number one reason for becoming a real estate licensee is the unlimited earning potential offered by a real estate career. **first tuesday's** Power Base presentation guides you step-by-step on how to present the best of yourself to others in the real estate business.

Learn the elements of a power base for you to expand your influence. It's part of your brand, and more importantly, improves your income.





A CALIFORNIA REAL ESTATE AGENT'S POWER BASE



Table of Contents



Introduction	01
Assets and Net Worth	02
Education.....	04
Civic Engagement.....	07
Residential Longevity.....	10
Personal Achievements.....	13

Introduction



Instead of focusing solely on a marketable persona, agents looking to get ahead need to take a look at cold, hard facts. What tangible personal achievements do they have on their records? What proof of real estate savvy can they present for their clients to see?

It all begins with the agent's **power base** — a multifaceted tool an agent uses to improve their income. An agent first needs to understand what their power base is before they can wield its influence.

What is a power base?

An agent's *power base* is the sum of the agent's assessable achievements, including:

- education;
- civic engagement;

- longevity — familial roots and name recognition;
- wealth; and
- notable personal accomplishments.

The purpose of the power base is to:

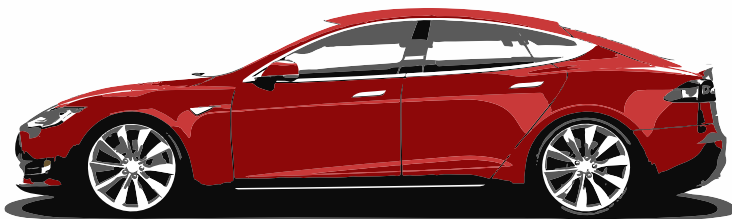
- expand their client base and industry network;
- develop greater earnings and increased professional opportunities; and
- maintain ownership of durable real estate and financial holdings, alone or with others (syndication).

Assets and Net Worth



Assets may be any of several possessions or investments, including:

- a home and furnishings;
- a car;
- real estate ownership interests;
- trust deed notes;
- business ownership interests; and
- other possessions of value.



Assets give the impression of the wealth and **financial savvy**. For example, an agent who

drives a new luxury sedan to meet a client gives an impression of greater wealth than an agent who arrives in a rusted pickup truck.

Part of wise asset accumulation involves whether assets are liquid or illiquid. **Liquid assets**, such as trust deed notes and bonds, are easily converted into cash in the event of a personal financial emergency.

Illiquid assets, however, are more difficult to convert. For example, the equity an owner holds in their home or other real estate is an *illiquid asset*, requiring months to convert to cash through a sale or equity financing.

Accumulation of *liquid assets* gives agents and brokers a form of safeguard against a business failure in the event of a market downturn.

Assets and Net Worth



When the real estate business falters due to a changing economy of declining sales volume, an agent will be able to cash in their liquid assets to create a financial cushion until the market regains its footing.

Agents also need to evaluate their **net worth**. An agent's *net worth* is the sum of the value of their assets less the agent's total debts. An agent uses a **balance sheet** to tally their liquid and illiquid assets, debts and financial obligations. [See **RPI Form 209-3**]

An agent who appears more successful to their colleagues more easily garners respect and admiration based soundly in their personal achievements. The agent further uses the respect they receive in the workplace to enhance their career and income, such as by negotiating higher fee splits.



Education



Education nurtures an agent's **practical experience**. An agent's *experience* in transaction negotiations ("street smarts") is as valuable as studied knowledge. However, the amount and type of formal education an agent possesses causes prospective clients to begin bonding with the agent — before the prospective client can observe the agent's expertise in action.

Become a well-educated expert

First, an agent needs to narrow down their specialty. An agent may specialize in one or more of the innumerable niches which exist in the real estate industry, including:

- specific types of improved property;



- a group of buyers, like first-time homebuyers;
- green homes or smart homes;
- property management or commercial leasing;
- consumer or business mortgage originations;
- subdivisions and conversions; and
- residential or commercial income properties.

To be classified as an expert, the agent needs to constantly expand their technical knowledge of their chosen niche and groom that knowledge with the wisdom of experience.

Education



Agents can enroll in courses to enhance their real estate knowledge. For example, agents can take courses on:

- specialty real estate transactions;
- business management;
- accounting and recordkeeping;
- various languages and cultures (particularly useful for multi-lingual regions);
- marketing; or
- agency, business and contracts.

These additional skills make an agent more effective in all their daily activities and more appealing to clients and colleagues alike.

Agents looking to expand their knowledge need to seek out:

- seminars and lectures;

- other real estate professionals willing to bring insight and advice to discussions; and
- training sessions focused on particular skills.



General knowledge and leveraged education

Agents need to keep up-to-date with economic conditions which drive and give direction to markets in their area. Agents also need to regularly check for new laws, zoning

Education



for construction, financing programs and other news affecting real estate transactions and their business.

Even if the agent has yet to make any notable financial strides, education is frequently associated with wealth. When an agent can use experience in addition to factual information to answer questions, clients perceive the agent as a seasoned, well-informed professional who likely earns a respectable living — a perception upheld by the agent's degrees and certificates of investment in education. This perception causes more clients to willingly retain the agent, increasing the agent's productivity and income.

Naturally, an agent whose clients respect and desire their guidance in a real estate transaction generates greater **negotiation power** with their colleagues. They are also better able to prove their financial worth to other brokers and agents, and to select the best brokerage situations available.

Further, agents can:

- start and operate their own brokerage;
- adjust their business practices to accommodate current economic conditions; or
- work their way into management and ownership at larger brokerages.

Civic Engagement



Civic engagement is participation in activities which benefit a community as a whole. Agents can work these community benefits to their advantage.

Public perception is fundamental to an agent's ability to generate business with new clients, who may not learn about or favor the agent when they are not involved in local activities. A positive perception of the agent based on their contribution to the community also encourages past clients to refer family and friends to the agent.

Participation in the real estate community

Agents who get involved in local activities earn respect from others, which builds their reputation and further improves their business relationships.



Agents can start small by volunteering to **mentor** new agents in their office. One-on-one *mentorships* foster beneficial relationships the agent can count on to generate professional references.

Additionally, **employing brokers** who offer mentorships and personal training opportunities are likely to garner greater admiration and dedication from their agents. These agents share their mentorship experience with other agents, who then want to work for an office providing these benefits. With more competent agents, the broker's income grows.

Civic Engagement



Participation in **organizations** dedicated to local real estate matters will garnish an agent's perceived role as a leader in the community. Fundamentally, these affiliations enhance their knowledge of local issues important to most clients.

An agent's choice of an organization needs to play on their strengths. For example, agents who specialize in rental accommodations may use their expertise to participate in a local rent control board or related zoning decisions.

Agents need to consider involvement in:

- planning committees;
- city council meetings; and
- other governmental agency activities open to the public.

Expanding participation exposes new clientele

Agents also need to engage in local organizations unrelated to real estate. These include social clubs, civic groups, committees and other organizations which will likely broaden the agent's reach to new groups of clientele.

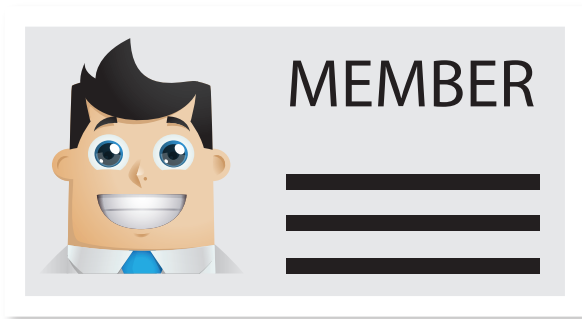
For example, an agent seeking to expand or improve their client base needs to consider:

- trade organizations, such as a local builder's association, escrow officer's association or apartment owner's association;
- local cultural arts committees;
- a Board of Trustees at a local educational institution, like a community college;
- the historic preservation review board;
- the Chamber of Commerce;

Civic Engagement



- local marketing groups;
- the county assessment appeals board; and
- other similar groups and associations.



Connecting with a group based on a common interest or activity exposes the agent to an entirely new community of people to mine for leads, referrals and networking opportunities. The agent's membership or involvement signals

to the community the agent is like-minded or "one of their own," increasing the likelihood community members will trust the agent based solely on their affiliation.

However, agents beware: political clubs and organizations generally have a volatile, short-term and often polarizing impact on others. Instead of these organizations, an agent needs a **universally respected** activity which builds enduring ties to the agent, no matter the emotional shifts in their external politics.

While the agent's participation is a critical factor in the *public perception* they establish, the agent needs to first dedicate adequate time to their real estate business if they are to keep it productive and profitable.

Residential Longevity



Residential longevity garners clients

The influence of **familial ties** built up over time is known as **residential longevity**.

An agent or broker with residential longevity capitalizes on local recognition of their familial name.

Association with a well-known name synonymous with respectability and success in a community generates an almost automatic esteem and affinity for the agent.



The agent's personal ties

To begin using familial ties to benefit their business, an agent first needs to ask themselves: What is the first thing people think of when they hear my name?

The agent's goal of building upon their family's *residential longevity* is to place themselves first and foremost in a potential client's mind when they hear the agent's name.

An agent has a good chance of using their name as a springboard when they reside and work in a location where their personal affiliation is strong. **Name recognition** attaches to an agent when they **set roots** in a community — whether it's built on their family's existing connections to the community or the agent decides to start fresh and separately establish

Residential Longevity

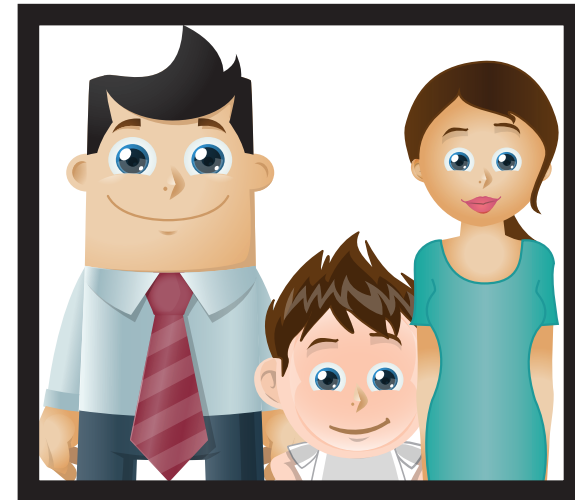


their own *name recognition*.

An agent or broker with a sturdy legacy in a community establishes a reputation of belonging and familiarity which encourages clients to work with them out of an **affinity bias**.

An *affinity bias* manifests in a variety of forms, depending on how the agent takes advantage of their name recognition. The agent may choose to start marketing their name with a particular niche or expertise in demand by those most likely to be familiar with the agent's name.

An agent can also seek out brokerage companies with strong resonance in the community to raise their own esteem in that locale. The farther the broker's name



reaches, the greater weight the name will carry on the agent's resume and client contact list.

Familial ties as client connections

Another way agents may use residential longevity to benefit their real estate business is to establish connections with clients to

Residential Longevity



whom community is an obvious priority. These households might include:

- first-time homebuyers looking to start their own family;
- families with children seeking more space; and
- elder couples wanting to live near their extended family.

The same logic applies for attracting real estate investors as clients. Longtime members of the community know about the agent's residential longevity and the stability of the family name, which attracts them to the agent when in need of real estate services.

The agent may also leverage the dominance of their name recognition into:

- higher fee splits when employed by a broker;
- better positions at a brokerage company; or
- starting or expanding their own brokerage.

Personal Achievements



Personal achievements are tangible evidence of what an agent has accomplished that speak to their tenacity, abilities and power in the industry. These lifelong achievements set the agent apart from their competition without the need to first sell a prospective client on the value of their services.

An agent's *personal achievements* may include:

- awards, acknowledgements and recognition;
- unusual skills or extracurricular activities;
- career advancement, such as from a sales agent to a broker-associate or an employing broker;
- additional education and government-issued licenses; and

- ownership of a brokerage office.



Achievement through career advancement and authority

Perhaps the most obvious way an agent can showcase their achievement is through **professional advancement**. Careers in real estate may begin from positions as minor as an unlicensed assistant for a provider of real estate services. However, when that assistant invests the time, effort and expense to get their sales agent license and eventually their broker license, they demonstrate talent and persistence. This public career progression advertises professional success, a magnet for new clients.

Personal Achievements



Additionally, an agent may choose to compound their license with additional licenses and endorsements, such as:

- mortgage loan origination;
- escrow;
- contracting; and
- corporate brokerage, as a licensed corporate officer.

Presenting awards to influence your business

An agent's personal achievements can come through professional milestones, like hitting production goals and receiving **awards**. Awards are most often given through the agent's brokerage company and might include:

- top-producing agent;
- top-producing office;

- dollar thresholds ("Over \$15 million sold!"); and
- regional, state, national or worldwide accolades.

An agent or broker can use awards to enhance their reputation through **marketing**. Awards often have symbolic logos, which the agent can put on their business cards and other marketing materials. Clients recognize these special emblems and phrases like "Top Producer" or "#1," and are instantly more inclined to choose a professionally recognized agent for their needs.

Additionally, an agent can display awards and other acknowledgements in their office space. This includes plaques, certificates, trophies and other symbols of the awards the agent receives.

Personal Achievements



Clients and colleagues who meet the agent in their office will see the agent's personal achievements displayed in a professional setting, enhancing their **perception** of the agent's professional success.

Awards, authority and your power base

Agents can continue expanding their power base by adding extracurricular skills and activities to their professional accomplishments. An agent with additional achievements unrelated to real estate shows clients their diversity of involvement and capability. For example, agents may showcase:

- skills in speaking and understanding other languages;
- teamwork skills attained through sports or other organized activities;

- licenses and achievements unrelated to real estate, such as a pilot's license; and
- intellectual or physical accomplishments, such as musical composition or marathon athletics.

Just when the agent thinks they've reached the pinnacle of success, it's time to start back at the beginning. As the agent's business and income grow, so do their professional needs: expanding office space, hiring assistants, increasing marketing efforts, etc. The more effort agents invest, the more success they will have — when set out in a meticulous plan to cultivate a solid, expansive power base.