

Getting Personal: Reflections on My 20 Years as a Real Estate Professional

I'm writing this from a hotel room in Athens, following an 11-day cruise of the Aegean Sea, so real estate isn't top of mind for me right now. I needed something that would be easy to write, and it occurred to me to share my path from newly licensed agent over 20 years ago to where I am today. Maybe it will interest a few readers.

I was originally licensed as a Colorado real estate agent in April 2002, so I'm well into my third decade as a real estate broker.

Real estate is a tough field to break into. Back in 2002, new brokers received a one-year initial license. More than half of new licensees would not renew their license at the end of their first year because they had completed few or no transactions, burned through savings, and thought it futile to continue.

As I recall it, my gross commission income that first year was about \$7,000. In my second year, it was about \$75,000, and in my third year it was \$150,000. These are gross figures, because back then we were all "independent contractors" and we had to cover all the costs of being in business — computers, software, MLS dues, Realtor dues, E&O insurance, cell phones, car expenses, and self-employment tax. And most of those expenses came upfront, so waiting six months or longer for a first commission check was hard for anyone who wasn't prepared to go thousands of dollars in the hole before earning a reliable income.

Fortunately, I did have the financial reserves to outlast that "newbie drought," and I did go at least \$30,000 negative before going positive, ultimately becoming quite successful.

When a real estate license is first issued, you have to hang your license with a brokerage. You may be an independent contractor, but you

can't be an independent broker until you have two years' experience as a broker associate and pass a 24-hour employing broker's class.

I was drawn into getting a real estate license by attending a career night at Coldwell Banker, so hanging my license with them was an easy decision, and they had a two-week "Fast Start" class for new agents taught by Rich Sands which gave me the tools and understanding I needed to put my financial reserves to work. "You have to spend money to make money," I reminded myself as I invested heavily in a full-time career as a real estate broker.

I'll never forget what Rich said in the very first session of that 2-week intensive class. "Congratulations," he told my classmates and me, "you are now licensed to sell real estate, and there are 20,000 agents out there with more experience than you. How are you going to make yourself stand out from them?"

At the time I was chair of the speakers bureau for Habitat for Humanity of Metro Denver, so my first thought was to stand out by pledging 10% of every earned commission to Habitat. I recall getting one listing from that offer, but Habitat wouldn't promote it, so I dropped that pledge after sending several large checks. (I'm still active with Habitat and still donate, but not a percentage of each closing.)

The other thing I did — a common strategy recommended by Rich Sands — was to specialize in a particular subdivision and "farm" it for listings. The subdivision I chose was the Village at Mountain Ridge, which had just been developed on the west side of Hwy 93 in Golden.

At the time I had a yellow-naped Amazon parrot, Flower, who I referred to as my "unlicensed personal assistant" and even printed up business cards for her with that title.

Countless residents or former residents of Mountain Ridge have pictures of Flower on their children's shoulders and received her business card which Flower "autographed" by puncturing it with her beak. I served free ice cream at the neighborhood picnic (with Flower, of course), and I sponsored a yearly garage sale. I also published a newsletter with useful information including but not limited to the real estate market for the subdivision.

I did all those things Realtors do to get known and trusted by homeowners — plus some things unique to me. It worked well.

However, you're looking at my most successful investment. Using my training as a journalist, which included a summer internship at *The Washington Post*, I chose from the very beginning to write a real estate column. At first it appeared in *The Voice of Golden*, then the *Golden Transcript*, and ultimately other Jeffco weekly newspapers and the Jeffco editions of YourHub. It has been so successful in generating business that for several years now I have paid for it to appear in every edition of YourHub.

At first I wrote this column only once a month, but soon I was writing it weekly, spending \$30-50,000 per year to have it published in those newspapers. Almost two decades later, I estimate that I get about 90% of my buyers and sellers from long-time (and newer) readers of this "advertorial." It has also benefited our broker associates (listed below), since I can't service all the leads that come to me. As a result, the per-agent business done by Golden Real Estate is much higher than that of other brokerages in this market.

Of course, I didn't know much about real estate when I started writing this column in 2003, but I would research a topic in order to write about it, and I would ask my managing broker to review and correct what I wrote before sending it to be published. The process taught me a

lot about real estate. It's my personal continuing education program. You've probably heard the expression that "you teach what you need to learn." I needed to learn all aspects of real estate, and writing this column was how I did that.

Most brokers with my number of years in the business have numerous initials after their name representing the certifications they have earned by taking special classes. These include Accredited Buyer Representative (ABR), Graduate Realtor Institute (GRI), Certified Residential Specialist (CRS), GREEN, e-Pro, Seniors Real Estate Specialist (SRES), and others. I have none of those certifications, but my writings have given me a broad understanding in all those fields.

I'm not downplaying those classes and certifications — they have helped many of my fellow agents gain knowledge in each field, which is why I look for those initials myself when making referrals. Those initials evidence real knowledge.

I like to tell a story from my childhood which rings true in this context. One of my 9th grade teachers said in an end-of-term report, "Jim shows dangerous signs of becoming a dilettante." I asked Dad what a dilettante was. "It's a person who knows a little about everything but not a lot about one thing," he said. "Sounds good to me!" I replied.

As I have written in the past, the biggest contributor to an agent's expertise — in most but not all cases — besides those certifications is the number of transactions he or she has completed, more so than the number of years in the business. We learn from every transaction, and I have been blessed to have completed hundreds of transactions. The average agent completes only two or three transactions per year, and a high percentage of agents go an entire year without a paycheck. That was true in 2002 and it's still true today.



Happy Holidays to Our Readers, Clients & Colleagues

As mentioned above, Rita and I have spent the weeks leading up to Christmas away from home, and it's a little weird returning to our home on Christmas Eve without having experienced any of the traditional lead-ups to the holiday.

I have had cell service throughout, including on our cruise, but the phone

has hardly rung, so it has been a delightfully quiet time — although my two listings would have appreciated more activity!

As we move through this weekend and toward New Years, we wish all of you a Merry Christmas, Happy Hanukkah, or a joyous religious or non-religious holiday of your choosing!

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