

Real Estate Offers an Uneven Income Stream — But Don't Focus on That!

The first thing you learn about the real estate profession is that income is unpredictable and uneven. More than that, however, you can earn dramatically different commissions for otherwise comparable levels of effort.

The great majority of agents, myself included, earn their income solely upon success — i.e., upon closing of a transaction. We can invest lots of time and money on a listing or on a buyer only to make no money at all when the home doesn't sell or the buyer decides not to buy.

In my Dec. 6 column, "Penny Wise and Pound Foolish," I wrote that much of my success in real

estate is attributable to my willingness to spend money on marketing myself and my listings. Consider this a sequel to that column. The

message this week is simple: expect to lose money on occasional clients and transactions, but don't let it bother you.

Agents who worry about how much they're going to make on a given transaction and hold back based on that fear are only going to sabotage their own success.

I accept the fact that I will expend money on clients and listings and get no paycheck for my effort. To dwell on that fact would be detrimental to the level of service and commitment which I provide to

all clients. That doesn't mean I won't be smart about the clients with whom I choose to do business, but I won't demand that I make money for every unit of effort that I invest in any client or listing.

Rather, I recognize that I earn a good *annual* income from the work I do. The high commissions I occasionally make with little apparent work are the compensation for the small commissions I make on the really difficult transactions and the work I end up doing for no income.

Remember the "law of attraction" from *The Secret*? The fact is that worrying on a client-by-client basis that I may lose money or earn too little for my effort will only attract that very experience to me, and by thinking only of the bigger, successful picture, I attract fewer of those experiences.

This past Friday while Rita and I were out of town, I got a call from a reader asking me to show him properties. When I offered to have a colleague show them properties,

his wife confided in me that, "we have just come off a very unpleasant relationship with another agent, and we'd rather not be referred to someone else." This couple trusted me because they had read several of my columns and were willing to wait until my return on Wednesday, even though they wanted to look at homes on Saturday.

That raises the question of what makes for an "unpleasant relationship" with a real estate professional. I didn't ask this couple, but I can imagine that in 9 times out of 10, the relationship turns negative when the client senses that the agent is putting his or her own interest before the client's. This

can express itself in many ways, but one of them can be when the agent allows himself or herself to be distracted by the fact that this particular buyer is "wasting" his time and the agent's effort won't result in a payday.

With buyers, this can be a common experience, showing home after home to a buyer who either never buys or ends up buying a home using another agent or no agent. Long ago I recast the buyer experience by appreciating the opportunity for me to preview homes that I wouldn't otherwise have seen and thereby increase my knowledge of the inventory of homes for sale.

REAL ESTATE TODAY



By JIM SMITH, Realtor®

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