



The dark side of a real estate professional

January 27, 2014 - Front Section

Nothing ventured, nothing gained. So goes the mantra for life and entrepreneurs all around the world. When things work out and success is achieved it rings true, and the world seems to make sense. But everyone knows there is a flipside to this, one that doesn't get the attention it deserves. When something is ventured and all can be lost.

Real estate professionals know this side of the coin all too well. Every call, every email, every meeting brings with it new opportunities, but also a high likelihood of failure. A large number of real estate professionals enter the field every year however turnover rates are high and very few last long enough to become successful. The numerous mental and financial strains can take its toll on real estate professionals and those close to them.

Survivorship Bias

New real estate professionals look to the success of experienced brokers as an example of the future that awaits them, ignoring the more opaque side of failure and the examples of all that have come before them and failed. Attracted by large transactions and the hope of six or seven figure commissions, it's easy to understand why they take the leap.

What's rarely understood by those entering the profession is not that it takes hard work; everyone understands and is comfortable with that fact, but that sometimes hard work is not enough. The rewards of this profession are often great, however they often only go to the small handful at the top of the profession. Those who have found success and longevity reap the majority of the rewards year after year in a virtuous cycle, at the expense of those grinding it out at the bottom.

The Dark Side - Financial and Mental Strain

The financial strains of entering the profession can be great and new real estate professionals need to be prepared. Spending months paying your bills and business related expenses can be difficult, especially when you don't know when your next check will come.

When things work out it will assuredly be worth it, however paying for your commute and meeting with clients week after week can be incredibly stressful and should not be underestimated. Months spent learning the ropes, the city, market pricing and the tools of negotiation all without pay can be an expensive education.

With many finding success so elusive, very few have what it takes to deal with the day-to-day ups and downs that the profession demands; this is the reason the majority wash out. It is not enough to work hard and hope for the best, you truly have to believe that every "no" you hear and every deal that falls through is just bringing you one step closer to your next deal.

The path to a successful deal can often be rocky, and few have the mental strength to deal with the rollercoaster that is the deal making process. Many wrestle with the fact that through even the most diligent of efforts and time spent, principals can always walk away from a deal and let it fall apart.

Additionally, many professionals don't get the greatest of starts to their careers. They join

companies where they may not have the resources they need and are given very little support. It's not enough to be given a desk and a phone, your company needs to do everything they can to bend the learning curve in your favor.

The Light at the End of the Tunnel

Beyond the hardships that new real estate professionals will inevitably face, there can and should be a happy ending to their story. More than ever technology in the industry provides unprecedented access to market information that up until recently was very expensive or time consuming to obtain. Increasing transparency and democratizing information lessens the learning curve, levels the playing field for new real estate professionals, and reduces time wasted.

When I was growing my brokerage firm I quickly realized that the odds were stacked against my new hires. Knowing the hardships that they would face in the business, I didn't want to add any more frustration or wasted time with incomplete or inaccurate information.

I understood that they needed a centralized system for organizing and retrieving market data which would enable them to learn the market quickly, and put themselves in a position to harvest, that was the seed that became Agorafy.

This is our goal at Agorafy; to ensure that everyone in the market has access to the most accurate real estate data available, creating value for them by saving them time and tipping the odds of success in their favor.

Richard Du is the founder and CEO of Agorafy, New York, N.Y.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540