Popping Myths

10 Common Misconceptions of Real Estate Agents
Common Myths of Agents

While the "typical" agent has 13 years of experience, according to NAR, 9 percent of all Realtors are newbies – with fewer than two years under their belts. For the new agent, it's hard to separate the realities from the myths in the real estate industry. Especially when even veteran agents carry around fictitious ideas about certain real estate practices.

Let's do some myth busting. Even if you are an established agent, you might be surprised by what is myth versus truth.

**Myth:** As a real estate agent, you are an employee of your brokerage.

**Reality:** According to NAR, 83 percent of agents are independent contractors and only 6 percent are considered employees of the brokerage. The 83 percent are, effectively, business owners. Each agent in each brokerage is a small business owner, responsible for the budget, marketing, technology, insurance and everything else that goes into running a business.

This concept is difficult to grasp for many new agents who formerly worked for someone else. Your broker isn’t your boss – you are.

**Myth:** Real estate has to be a 24/7 job.

**Reality:** Agents typically work 40 hours a week, according to the latest NAR survey. Those who make upwards of $100,000 a year work 50 hours a week on average. Sure, there are agents who work incredibly long hours for months on end without a day off. But there is a difference between working hard and working smart. Smart agents use tools and software to automate their tasks, they know when to delegate, and they’re organized.
Myth: My firm/brokerage will provide all my leads for me.

Reality: Unless you’re one of the 6 percent of agents that are employees of the brokerage, you are largely responsible for procuring leads. Yes, some brokers provide leads, but not enough to actually replace the need to drum up your own. Your pipeline is ultimately your responsibility.

Myth: Internet leads suck.

Reality: Internet leads suck in direct proportion to the conversion skills of the agent working them. Of course they aren't as easy as referral leads – those are like warm calls. No brainers. But referral leads typically don't make up the bulk of sales in a real estate business.

Agents need to diversify where their leads come from, and Internet leads can be a gold mine. The trick is to understand that the leads may be in various states of readiness to transact and that consistency in the follow-up is key. Follow-up allows the lead to learn more about you and, most importantly, to learn to trust you.

Myth: All my leads will convert.

Reality: If converting leads was a snap, real estate sales would be a much easier job. Many agents expect to convert close to the majority of their leads to clients, but in reality conversion rates for agents often are less than 10 percent. That doesn't mean you can't make a solid business out of them. Agent Ben Kinney, with more than $100 million in sales, gets a 5 percent conversion rate over two years on his online leads. Real estate leads are opportunities and possibilities, and it's up to you to convert them into actual clients. If you don't convert them, someone else will.

Smart agents use technology, such as contact management, email automation and website analytics, to stay on top of their leads and to separate the buyers from the browsers.
Myth: I can keep track of my leads with Post-It notes.

Reality: Sure you can – especially if you only have a couple of leads. The Post-It system won’t work for serious lead-generating agents, however. Contact management software is a must for not only keeping track of your leads, but organizing them into categories, which helps you better tailor your communication with them.

Myth: A lead that claims to be “just looking” is a bad lead.

Reality: Most of us can admit that the first thing we say to a sales person, whether or not we actually need help, is that we are “just looking.” If a lead is on your website, however, he or she wants what you’re selling. That alone should let you know that folks who claim to be “just looking” aren’t bad leads and should be nurtured, not ignored.

When someone tells you that he’s just looking, it is the perfect opportunity to probe, gently, for more information and to leave the person with something to think about. “No problem. But just to let you know, we have new listings coming on the market all day, every day. I noticed you were looking at the home at 123 Main Street. Are you looking for only three-bedroom homes or will a larger home suit your needs?” Once you get the lead talking you’ll gain more information that will come in handy when you set him up on a drip campaign.

Myth: Referrals will automatically roll in.

Reality: The fallacy of this idea lies in the fact that, although we eat, sleep and breathe real estate, most people don’t. The topic of real estate doesn’t come up in casual conversation as much as we’d like, but when it does, if your name isn’t connected to the term “real estate” in the minds of the folks who make up your sphere, you won’t get referrals.
Ivan Pavlov became famous for a concept he called “conditioned reflex,” an automatic form of learning that you can apply to your leads. Although everyone won’t necessarily salivate when they hear the terms “real estate,” “buy a house” or “sell my house,” if you concentrate on effectively and repeatedly following up with leads and past clients, your name should naturally come to mind when they hear those terms.

**Myth:** My past clients will be future clients.

**Reality:** NAR says that 84 percent of real estate consumers will use the same agent in their next transaction. In reality, the percentage is far less. It’s not that former clients don’t like you or value your service - it’s that they forget about you. Past clients are pipelines for referrals and for another transaction. Don’t drop the ball when it comes to past client appreciation. Use your CRM to schedule appreciation events, even if it’s a one-on-one for coffee.

**Myth:** Anyone can do real estate.

**Reality:** Actually, that’s not a myth. Anyone can “do” real estate, given enough training. Succeeding in the industry is something altogether different, and not all who enter the business succeed. Top agents evolve; they rely on new technology and constantly strive to find better ways to serve their clients.