

Things to Consider When Looking For a Brokerage to Work For:

1. Commission Split
2. Internet Presence
3. Fees
4. Brokerage Size
5. Training
6. Mentor Program
7. Management Support
8. Administrative Support
9. Culture
10. Specialties
11. Broker's Reputation
12. Referrals and Leads
13. Joining a Team

Looking for a brokerage to hang your license with. This is a business of relationships. Relationships with clients, relationships with lenders, relationships with fellow agents, relationships with inspectors, and the list goes on. But of all those relationships, your most important one could be the one with your broker. This is your business, and your success is up to you. And a good broker can be a valuable ally in helping you flourish.

Make sure that you interview with many different brokerages. Unlike a traditional job environment where the employer is interviewing you to see if you're a good fit for them, you should be interviewing the brokerage.

(If you haven't taken your salesperson exam yet, schedule an interview anyway! You do not have to wait. There are plenty of brokerages that will jump at the chance to talk to a potential new agent.)

As you look for a broker, consider these 13 items.

1. Commission Split

Too many new real estate agents think choosing a broker is primarily based on commission splits. That is a horrible way to choose a broker when you are starting out!

If they can help get your business off the ground, then shoot the lock off the wallet and give them a fair cut. Remember, a 100% split of nothing is NOTHING!

A traditional brokerage model would pay a little bit more than half of the commission to the agent.

Under this model, most of the overhead expenses are paid by the real estate company.

There are brokers that will give you a 100% commission. If a brokerage claims to pay 100 percent commission, it means they will collect from you in other ways, such as transaction fees, E and O premiums, and desk fees, and they will probably offer you zero assistance.

Now keep in mind that these are very general concepts. Each brokerage is different, and everything is negotiable. However, your leverage to negotiate is not very strong when you have never sold anything. Just get going, and as you sell more you will be in a better position to negotiate your terms.

2. Internet Presence

This is very important these days. Everybody uses the internet. When you tell somebody you are working for a brokerage, they will often cross-reference you on the broker's website. That website should be presentable. A successful broker will have an attractive website, activity on social media, and well-written online reviews.

Having a website that looks professional and presents each agent in a professional manner is easy to do. It is not expensive and does not take a lot of programming. Therefore if a broker cannot do this, it is a major red flag.

Check out how the agents are presented on the website. Are they presented well? Can the agent link to their personal website from the broker's site?

Speaking of your personal website, you really should be building your own site that is not dependent on the broker's.

Do not assume that you'll always be with that brokerage. In fact, the odds are that you will not. Never lose sight of the fact that this is your business. By being dependent on your broker's site, you will be limited by the capabilities of that site. You will not be able to apply new technologies or internet marketing advances to your broker's site. Additionally, by sending people to the broker's site you are promoting the brokerage and all the other agents in that brokerage when you should be promoting yourself.

Your goal is to build your brand, not your broker's brand.

The brokerage should be promoted on the company website; the company website should be promoting the brand and its agents. Not the other way around.

3. Fees

Desk fees, printer, copies, transaction fees, insurance, and more... add it all up and see what the bottom line is per month.

When you talk to a real estate broker you are interested in working with, ask them about fees that are specific to their company and the ones that are not. You can make a note of which fees will apply at every brokerage (and cross-check if that is indeed the norm) and which fees are specific to that brokerage.

This will not only help you choose a broker but will also help you plan your career.

4. Brokerage Size

Before I say one word on this subject, I want to remind you that each brokerage is different and run by different people. Your primary goal is to judge the people you will be working with, not the name or the door or size of the office. That being said, let me give you a very general overview of the difference between the big and small brokerages. You might like the excitement and buzz of a large office, or you might be more comfortable with the cohesiveness of a smaller office.

Deciding to hang your license at a large brokerage from the start is a great way to expose yourself to experienced and successful agents. Most big real estate brokerage offices also offer training classes for new real estate agents. Working with a large brand will also give you some great name recognition that you can lean on until you build your own brand.

Many national brands will also get new leads simply because of their name, which might be passed on to their agents. Just think about what you would do if you are a new buyer in town. The easiest thing to do would be to call the office of a recognized brand and ask if there is an agent available that can help you. That office has to distribute that lead to somebody-why not you?

The con to working at a large brokerage is that they tend to give a lot of motivational speeches using words like "family", but that family may turn into a pack of wolves going after a tiny piece of meat very quickly when a lead comes through the door.

Another con is that in a big real estate brokerage you are being placed in a cookie cutter process that it either works for you or doesn't. There's little room for accommodating new ideas, circumstances, or objectives. If you are a creative out-of-the-box thinker, this is probably not the setup for you.

It is in the national brokerage's best interest to bring in as many agents as possible and see who sticks within the framework of their business plan, not to accommodate and ensure the success of each individual agent. It is more of a numbers game with them.

If working for a big office doesn't seem like a good fit, you might consider joining a local boutique brokerage. Boutique brokerages are usually much smaller offices that specialize in a specific local market. Due to smaller offices, boutique offices are often a bit more picky about who they bring on to their team. It is not a numbers game for them. It is in their interest to make sure whoever they bring on is successful, as they do not have the time or resources to bring in masses of new agents.

In a smaller real estate brokerage, generally you'll be working directly with the broker and the experienced agents. Fewer leads will come in the door, but because there are fewer agents around, you'll have a better shot at those leads when they do come in.

If you are an unconventional thinker, in boutique brokerage you have much more flexibility to discuss creative ideas to grow your business.

Many boutique brokerages are going to have a tougher time organizing "classroom"-type training, which could be a turnoff to some new agents. Also, you will lack the name recognition of a big brand.

5. Training

You will need to be taught how to evaluate someone's property, list a property for sale, and put together contracts. I am not referring to "rah-rah" motivational speeches here. Somebody has to explain and teach you how to actually fill out all those forms.

Companies should have a way of training their new agents. You should know something about the background of the people who will be training you and the structure in which they will be doing it.

Given how fast real estate is changing, with new technology and different client expectations and demands, ongoing training should be a strong consideration for any agent, regardless of tenure.

If you're researching a brokerage, ask if you can sit in on some of their training classes. Any good broker should welcome this as an opportunity to show you what they have to offer. If you talk to a broker that won't let you experience their training for a moment or two, consider it a clue.

If they do not have training in-office, do not immediately turn them away. They may have a plan on how you get training that you may find appealing, or they may outsource it to a trusted source so they can focus on doing deals.

There are many creative ways to accomplish things in this business. Always hear everybody out.

6. Mentor Program

Most new agents want somebody who has a vested interest and will be with them every step of the way for those first few transactions.

Generally, mentoring comes with a cost. It could be a per-transaction charge or a percentage of the transaction.

Ask to meet who will be mentoring you. This is extremely important. This is going to be somebody who you will rely on for personal one-on-one guidance. How available will they be? What is their compensation? What is their plan for helping you? What are the expectations for their service? And most importantly, do you see yourself getting along with them?

Most good mentors have a very nurturing personality. You do not want somebody teaching you who is just out for the money.

7. Management Support

Does the brokerage's leadership have enough time to help new agents?

In a medium or large company, your primary contact will probably be a salaried manager, but in a smaller company, your manager might be the broker/owner. You should ask if the manager or broker also sells real estate, because their personal production could have a bearing on how much time they have to help you, or it may even conflict with you. Ask how many full-time and part-time agents the manager is responsible for. More than 50 full-time agents would be a very challenging workload for one manager.

You may have training or a mentor, but at the end of the day, the buck stops at the broker's desk. As a new agent, you'll have a lot of questions and concerns. Getting a timely response from your broker or manager when you have a question or concern is a reasonable expectation. The best way to determine if a broker is easily accessible is to ask the agents who currently work there.

8. Administrative Support

Paperwork can be a nightmare for many people getting into the business. Some people love selling, some people love the creativity of marketing, but very few love doing paperwork. Some offices handle chores like MLS listing uploads and transaction paperwork processing.

Some brokerages have a full-time staff member whose job is to process paperwork. Some have a staff member, but you need to pay a fee to use them. Much like many other things, this varies from brokerage to brokerage. But if you are concerned about paperwork, this is absolutely something you will want to ask about.

9. Culture

For some people, it is a matter of "let me do my thing and get out of my way". For others, real estate is already a lonely business, so they want to feel like they are in a community where they can make friends, share ideas, and be part of a bigger picture.

An office that is populated mostly with new agents can feel energized, but perhaps a little chaotic at times. If most of the agents are seasoned veterans, the office can feel stable but could leave you feeling isolated. A combination of experienced and new agents may give you the best of both worlds.

Your intuition should weigh in on your decision. While it's hard to assign a precise value to the atmosphere and company culture of a real estate brokerage, it is a critical factor to consider. As a real estate agent, you work independently much of the time, but you'll also need to work closely with your broker, office staff, and other agents. All the money in the world means nothing if you're miserable while you make it. A good company can make selling real estate a much more enjoyable process. There is no law that says you have to be miserable while trying to earn a living.

Additionally, you are more likely to stick with your goal of selling real estate if you enjoy going to the office and enjoy being around people who share the same goals as you.

10. Specialties

You might be more interested in residential, commercial, leasing, property management, or some of the many other types of real estate you can work with using your license. Some brokerages will allow you to work in various specialties; others have strict guidelines on what the office sells.

Ask your prospective manager if this option would be available for you. It all depends what your goals are.

11. Broker's Reputation

Talk to real estate agents in your area. You can also discuss various brokers with professionals who deal with real estate agents. These might be mortgage lenders, appraisers, home inspectors, and attorneys, among others. Do not just listen to if they like a certain broker or not-make sure they give the reasoning too.

Research how long agents stay with their brokers. If many agents have been with a broker for long periods of time, it is a good sign that the broker treats their agents fairly. You can generally find this information on the broker's website or by simply asking them.

12. Referrals and Leads

As a real estate agent, it is usually up to you to generate your own business. That does not mean your brokerage will not throw you a bone once and a while.

Brokerages get inquiries to their website; people call in without a specific agent in mind. Many brokerages have systems to generate leads to the office.

You will want to know who gets those leads and how it is decided.

Do they send them to the proven veteran with a good track record? Or do they send them to the new agent excited to get going and utilize everything they've learned?

Experienced agents tend to generate their own business through lead generation, past clients, and referrals. Newer agents often need leads to work. Some brokerages distribute leads internally, have relocation departments, and provide tools to help agents increase their business. Some brokerages leave all of that up to the individual. Remember, nothing is free, so be sure to understand the potential cost of leads provided by the brokerage.

13. Joining a Team

Many new agents will also opt to join a "team", where they will work under a successful agent. You can find people like this at either a national chain or a boutique brokerage. You would get a less of a commission split in return for some of that successful agent's business and the experience you will gain from working with them.

Generally, all the deals the new agent does will go under the name of the team leader, which helps the team leader with their marketing. It's a great way for new agents to start making money sooner, but they'll be giving up their name recognition during this time, which is important to establishing themselves later on.

Make sure you ask potential brokers how they structure teams. Some offices are very team-friendly and others are not.

In conclusion, you should be able to set up a meeting with a couple of brokers to see if they are a good fit. If they aren't what you're looking for, ask the broker what office they would suggest you work with. Don't be shy to ask for help or suggestions.

Do not stress too much about this choice; remember you can always move. But in the meantime, use these tips to try to find a broker that is right for you.

Good luck!