

REAL ESTATE NEWS

Glamour of sales positions belies hard work

by Doug Funke
staff writer

There's always room in the real estate business for agents who produce results. But if you believe anyone can just walk in and mine a fortune with little preparation or effort, think again.

It takes time to prepare for the state licensing exam — at least 40 hours of classroom instruction — then maybe another couple months to learn the ropes and close that first deal, established professionals say.

The income statement may initially show a big zero or even a loss considering that virtually all agents are self-employed, responsible for their own expenses and are paid only on commission after a sale.

One million dollars in annual sales

today would put you at the poverty level, at least one veteran said.

A theoretical example illustrates. An agent sells 10 houses each valued at \$100,000. The agent is also the listing agent for five. A 6-percent commission on each sale would yield \$22,500 to the agent. Commissions are divided among listing agents and realty firms.

NOW CONSIDER all the time an agent spends trying to match buyer with seller. Hosting weekend open houses. On call virtually around the clock to show houses, present offers, expedite paperwork.

And expenses. Pre-licensing classes offered by realty firms, community colleges and adult education programs can cost upwards of \$120. Board entry fees also will cost sever-

al hundred dollars and multi-list fees can run up to \$70 month.

So don't bother, right? Wrong. Just know what you're getting into. And know that brokers and managers are always looking for enthusiastic people willing to learn.

"I think you have to be very much a self-starter, strongly motivated," said Bette Ball, assistant manager of the Birmingham office for Chamberlain Realtors.

"There are so many details you have to take care of. No one is going to prompt you to do the details yourself."

Paul Koepke, a broker and general manager at the West Bloomfield office of Weir, Manuel, Snyder and Ranke, picked up on Ball's train of thought.

"FIRST OF all, we look for someone who lives in the area they're servicing. We look for people who are well educated, established in the community, have ties with various clubs, organizations, churches, synagogues."

Tom Lewarne, sales manager at Century 21 Today in Livonia, described what he looks for when interviewing prospective agents.

"We try to determine if they have self-motivation, a good feel for working with the general public. They must be able to be flexible with people," he said.

Most firms won't work with agents until they pass the state exam. Then, many make in-house training available at no extra charge.

"What we teach people in offices

and new people is how to list, how to prepare a purchase agreement, host open houses, farm an area, telephone techniques," Ball said.

The lure of unlimited income potential is what draws many to sales work generally, and real estate specifically. But sometimes, expectations exceed reality.

"THEY THINK it will be real easy money," Lewarne said. "Once they find out what's involved, the processing that goes into effect, it's not easy money but money earned."

The days of dabbling in real estate on a part-time basis are pretty much over, professionals agree.

But teachers, engineers, nurses, police officers and people in other sales fields all have successfully made the transition.

So what separates the wheat from the chaff?

"Work hard, a lot of hours," Koepke said. "It also requires people's skills, a lot of sensitivity, a lot of empathetic understanding for what the process is and what people go through moving from one area to another."

Responded Lewarne: "The ability to be personable . . . to have enthusiasm to make people happy."

That, in turn, leads to referrals — the key to success, he said. "You make one couple happy, they'll send you two or three more."

"Be willing to put in a lot of time and work hard and, you will be successful," Ball said. "I guess that's true of many professions."

Association fails to impress judge with parking issue

I am the president of our condominium association and have recently had an experience in circuit court in behalf of the association. We sued to enforce a parking restriction. The judge did not sympathize with the association's position, thinking that we were involved in a petty item. He did not award us any attorney fees and seemed to shrug off the whole proceeding. How can we make it clear to judges that the conduct of condominium business is serious and needs the help of the courts to enforce the documents?

One of the ways that is problem



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can be limited is by bringing it to the attention of the bar and bench as you have done by submitting this question. Unfortunately, some judges do not consider community association problems to be of the magnitude and severity that would require their un-

divided attention and concern as opposed to other pressing matters that they have on their docket.

While condominium problems may not be of the magnitude of criminal violations, obviously they are of a serious nature in regard to the manner in which community relations between persons can be fostered. If the courts do not recognize the right of the association to enforce the documents by providing for relief for community associations as well as reimbursement of its costs and attorney fees, the viability of the community association in

terms of its success will be severely challenged. I hope that as more and more community associations and condominiums become developed, judges will become more concerned. When the next judicial election occurs, invite the candidates to attend your association meeting.

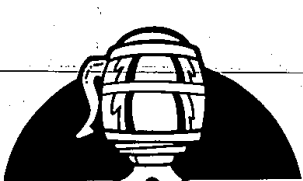
I am interested in developing a motel condominium in a resort area of northern Michigan. Can you tell me what your experience has been in developing these types of condominium projects in terms of their viability in this area?

Motel condominiums have been successful in various tourist areas such as Florida and California. But as is the case with any other type of recreational condominium, tight restrictions must be imposed with respect to the use and occupancy of the units.

Sufficient studies should be undertaken to determine whether a motel condominium can be sold similar to a time-share in the sale of weeks as opposed to the right to use the condominium motel over a period of months or years. The documents should retain sufficient flexibility to

convert part of the motel into another type of rental property without necessarily encumbering the entire project as a condominium. These aspects of planning should be carefully thought about before the condominium project is established.

Robert M. Meisner is a Birmingham attorney concentrating his practice in the areas of condominiums, real estate and corporate law.



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