



## How to Profit from Opening a Real Estate Brokerage in Today's Market

With real estate markets fluctuating up and down and with economic conditions varying over time people often hesitate to open a real estate office for fear that the timing isn't right for them. The reality is that nearly every situation can be good for opening a real estate office, the key is to know how and what to do in each market. With that said, let's now take a look at how to profit from opening a real estate brokerage in today's market.

### Aggressive Recruiting

Bringing agents into your office is key in any market condition. What most people don't realize is that when market conditions are good and real estate agents are making a good living they are very difficult to recruit. They are often too busy to take the time to meet with you and even if they do give you half an hour of their time they are often too busy or too happy with their current arrangement to seriously consider a move.

Conversely when conditions are difficult agents become frustrated and begin searching for solutions. Ironically it is during these times that most brokers place less effort on recruiting as they are beat up by market conditions and frustrated themselves by trying to support their current agents and or keeping their office open.

This presents a tremendous opportunity for anyone willing to aggressively recruit in today's market. Not only are agents looking for solutions but they are far more eager to relocate.

### Limit Your Expenses

Many of the traditional real estate models involve leasing massive square footage and providing ridiculous amounts of personal equipment to all of the agents in the office. This model hasn't worked in years and really struggles in tougher economic times. When opening a real estate office today you must control your overhead and operate a lean business model. Doing so will allow you to break even with much smaller revenues.

By taking a lot of the pressure to overcome large leases and high equipment costs away, brokers with smaller overhead operations are able to keep a clear mind and continue to find ways to offer agents services and support. Many of the brokers stuck with large overhead enter into panic mode and do nothing but remove services and equipment from their agents essentially forcing them out the door to a competing office.

## **Positive Attitude**

It may sound silly or even naive, but every decision you make is controlled by your attitude whether you are aware of it or not. In difficult times, people are looking for leaders to follow to better results. Many existing brokers are beat up and frustrated and panicking as they watch their revenues turn to losses that grow each month. The mood in their office is often one of misery and there is typically little to no culture or synergy.

By having a positive attitude and by sharing your vision you will motivate people simply by providing them an environment where they feel they can thrive. Not only will you see your agents perform better than they were in the negative environment, but the culture and synergy of your office will become contagious and agents outside your office will want to join to be a part of it and to escape the misery they try to avoid at their existing office.

## **Focus on Revenue Generating Activities**

When times are good and money is available people tend to spend lots of time trying different ideas or working on side projects. When times are tough however it is important to focus your efforts on activities that will generate income for your business. Yes, long term goals and improvements are important, but they should all lead to income for your company.

Too often we see offices struggle and ultimately close because the manager spends most of their time on side projects that will not lead directly to revenue for the office. Be sure to keep focused during difficult times as each additional revenue stream is extremely valuable.

## **In Summary**

Depending on how you approach things it can always be either a good or bad time to open a real estate office. While some would argue that the best time to open is during a real estate boom, others would argue that the greatest opportunity for profit has already been missed.

There are many opportunities that exist today that do not exist in booming markets. In order to profit from opening your own real estate office today you must be prepared to have the right attitude, focus on revenue generating tasks and aggressively recruit. All of this while controlling your expenses. There is always risk when opening your own business but in today's world the reward can far outweigh the risk.

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