

# YOUR GUIDE TO A REAL ESTATE

# *Career*



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With the ever-growing popularity of real estate themed television shows such as Property Brothers, Selling Sunset and Flip or Flop, people have asked themselves the question: "Should I enter the real estate industry?"

Becoming a real estate agent is often seen as the easiest way to enter into the real estate space; however, few people spend time researching the correct process to follow when entering into their newfound career.

There are many things to consider before applying to your local real estate office for a job, and in this guide we will share everything you need to know so that you can make an informed decision about your new career path.

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# ATTRIBUTES OF A SUCCESSFUL



# Agent

**It is common for people to believe that to become a real estate agent, one must be very talkative or have an extroverted personality. This isn't always the case and, in reality, multiple factors contribute to an estate agent's success.**

People's love for property often draws them to real estate; however, a passion for helping people is a more significant attribute when considering a career in real estate. Your ability to build meaningful relationships with clients, and solve problems are often overlooked by new agents joining the industry.

Agents who can build trust and confidence with their clients, whilst still focusing on their clients' best interest, have seen a greater return in their real estate careers.

## **WHAT EXACTLY DOES A REAL ESTATE AGENT DO?**

- Promote their business services to homeowners in a designated area through connecting with homeowner in person, telephonically or via digital means.
- Run a system / process of connecting with homeowners regularly to create awareness, trust and position oneself as the go-to person for anything real estate.
- Help homeowners establish fair market value of their properties.
- Once a homeowner is ready to sell, an agent promotes his / her marketing and advertising services to a homeowner in order to represent the seller in the market.
- Take a property to market by doing a thorough and complete inspection of a property, taking photos and videos, write descriptions, advertise, manage advertising, buyer viewings and providing feedback to a seller.
- Once a purchaser has been found for the property the agent assists with writing an offer to purchase, facilitating negotiations between sellers and buyers, finalising sales agreement, overseeing transfer process until registration takes place and welcoming new homeowners a few months later.



# EARN WHILE YOU

# Learn

Let's take a look at the process to follow when wanting to become a qualified real estate agent in South Africa.

Many people wanting to join the industry come from non-traditional real estate backgrounds.

The good news is, although you do have to complete a learnership program and qualify as a full-status real estate agent in order to work independently, you are able to start working immediately under the supervision of a mentor as an intern agent. So you can earn while you learn.

Once you join an office, you apply for an Intern Fidelity Fund certificate with the Estate Agents Affairs board. A Fidelity Fund Certificate is, in essence, a permit to carry out the duties of an estate agent, and no agent can operate without one.

At the time of joining, you will also be required to begin your one-year Intern Logbook. This is basically a file with evidence of what you are doing in the workplace.

After 12 months of holding a valid Fidelity Fund Certificate, the logbook is submitted to the EAAB for assessment. Once found competent, you move on to the next phase of the journey.

The next step for an intern estate agent would be to begin with their NQF4 Real Estate qualification. An NQF4 qualification can take anywhere from 3 - 12 months to complete.

The qualification requires an individual to master multiple topics such as the real estate code of conduct, FIC act, Money Laundering Act, marketing, property finance, and many more relevant real estate subjects.

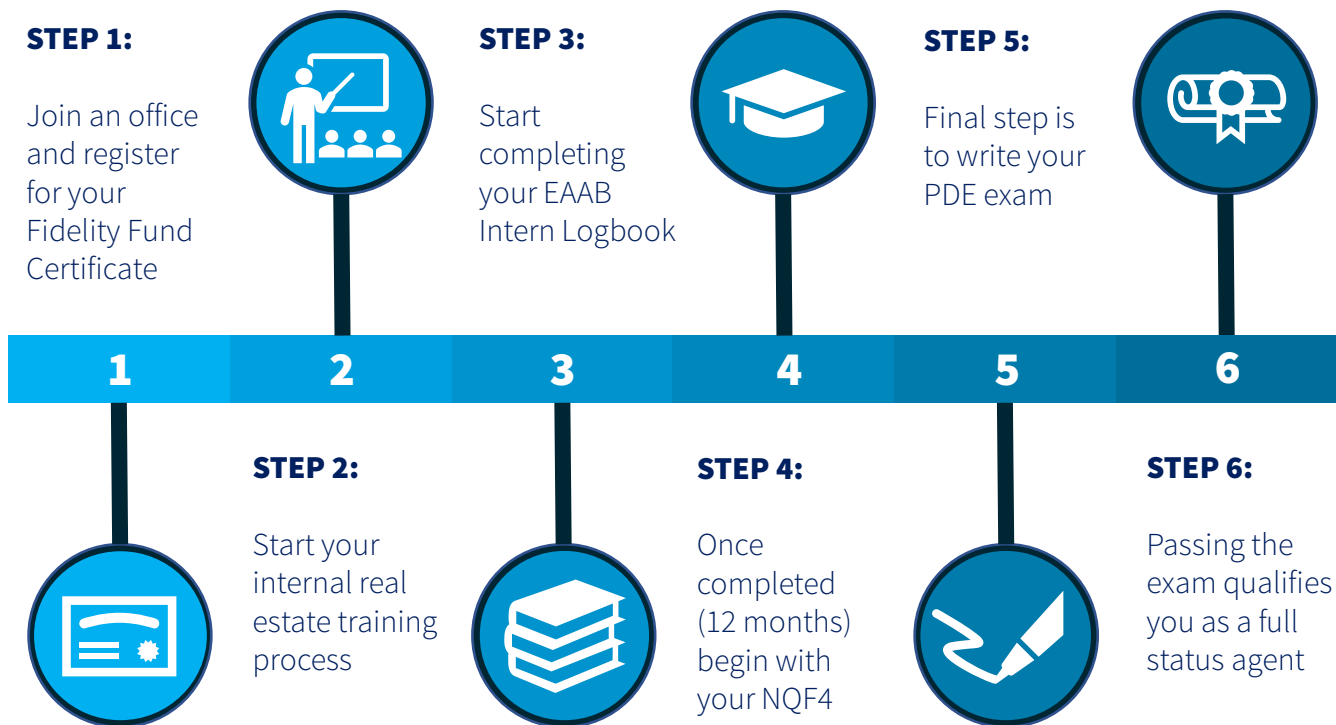


Once completed and moderated by Services SETA, you will be issued with your NQF4 in Real Estate. Just 1 step remains: to write the final PDE exam (please don't stress too much – for those of you who have been out of exam mode for years - fortunately, the exam is an open book one).

Finally, PDE passed, you are now a full-status agent or Professional Practitioner in Real Estate.

You could achieve this within two years. Remember, you can list and sell properties from the get-go, so you are earning and gaining valuable experience whilst working towards this qualification.

## **BECOMING A QUALIFIED ESTATE AGENT:**



\*Definitions of Abbreviations: EAAB (Estate Agency Affairs Board), NQF (National Qualifications Framework), PDE (Professional Designation Exam)



# INCOME

# Potential

The majority of real estate agents work on a commission-only basis, with commission only paid out upon the date of registration.

Your earning potential is genuinely uncapped in real estate, and a person in real estate can maintain an above-average lifestyle by maintaining a healthy pipeline of business. However, there is a high risk that an agent can also earn zero income for an extended period. The effort you put in today will reflect into your bank account; failing to execute your daily tasks will also reflect in your bank account.

## \*Income Breakdown Example:

Property Sales Price: R1,200,000  
Sales Commission of 7% = R84,000  
Minus VAT(15%) = R71,400  
Minus Royalties (if part of a franchise) = R67,116  
50/50 Office-&-Agent Split = R33,558  
Minus Personal Income Tax(18%) = R27,518



In the above example an agent could possibly earn R27,518 for the sale of a property.

\*The example above should only be seen to explain a potential commission breakdown and not as a standard income of an estate agent. All figures listed above, including all deduction, can be changed at any time and should not be seen as a standard commission structure breakdown.

In South Africa, many commission structures exist, ranging anywhere from 5-7.5% commission of the sales price. Some real estate companies even charge a flat fee for their services.

An agent's commission rate is based on expertise, network, different marketing strategies, and time well spent helping their clients position their property to sell in a competitive market.

It is also standard practice for an estate agent to split their commission with their office after registration. Commission shared with the office is revered as a fee for the support, tools, training, and marketing that the agent obtained during their employment. There isn't a standard office-and-agent commission split structure; however, qualified agents with a proven track record can often negotiate a more favourable split with their business owner.

# FINDING THE RIGHT

# Office

Finding a reputable real estate company to join is vital for your own success. The internet has made it a lot easier to do the necessary research about your potential future employer.

Most real estate offices have their own websites, social media pages, blogs and business profiles. Consume as much of this as possible and see if any of the information shared resonates with you.

**“Do your research before joining an office. Google, Facebook Reviews, Hello Peter and a company's website can give you insight into the business before joining.”**



Tools such as Google Reviews, Hello Peter, and even Facebook reviews are great ways to see the public's opinion about the office you consider joining. Also, consider speaking to some of the office's existing employees and get their view of the business owner's support.

Do your research. Not all real estate companies are the same, and it is essential to find a real estate office that complies with industry standards and supplies you with all the tools and support a new agent requires.

All Real Estate offices would need to comply with the following industry standards:

The Principal, office, and agents would need to have a valid Fidelity Fund Certificate(FFC) issued by the Estate Agency Affairs board. Currently, a Fidelity Fund Certificate gets issued annually and must be displayed inside of their offices.

No one is permitted to operate as an estate agent without a Fidelity Fund Certificate(FFC). All real estate agents, including intern agents, should also have access to their own FFC and be able to present it to a client when requested to do so.

Private sellers that are marketing their own property aren't required to hold an FFC as they represent themselves in the event of a sale and typically don't sell properties as a career.

Checking if an office or agent is registered can be done through the Estate Agency Affairs Board website: <https://www.eaab.org.za/home>



## Key points to discuss before joining a real estate office:

- Example of **training** provided for intern agents
- If the office has an **induction** program
- List of **tools** to assist you in marketing yourself as an estate agent
- An indication of any **joining fee**, and what the fee covers
- A clear understanding of **commission structure**
- Office's **value proposition**, what sets them apart from the rest
- Understand the **office's policy** and procedures
- A clear understanding of your **targets** and area of operation





# FREQUENTLY ASKED QUESTIONS ANSWERED



**Q:** Should I have had real estate experience to become an agent?

**A:** Having experience as a real estate agent is very beneficial, however, not always a requirement for all real estate offices. Many successful agents have come from non-traditional real estate careers with no real estate experience yet have become successful real estate agents.

**Q:** Will I be paid a basic salary?

**A:** The majority of real estate offices employ agents on a commission-only basis; however, agents have unlimited earning potential in real estate. New agents would need to be able to sustain themselves for at least a period of 6 months.

**Q:** Can I work in different areas?

**A:** Not really. Agents who have lived in a specific suburb or town for most of their lives have shown better success when entering the real estate industry. Top agents will often work in an area with less than 1000 properties. This allows the agent to work deep and not wide.



### **Q: Can I become a part-time agent?**

**A:** Real Estate has moved away from the traditional view that it can be done "on-the-side". Being a successful agent means that you can dedicate all your time and attention to your clients, marketing of properties, prospecting for new stock and upskilling yourself. It is not uncommon for top agents to find themselves working seven days a week and completing 50+ hour work weeks. What you put in is what you will get out.

### **Q: If I come from a sales background, will I be a successful agent?**

**A:** Past sales experience can be beneficial in real estate; however, real estate is less about sales and more about relationships. Most sales positions already have a product that needs to be sold by a salesperson. In real estate, an agent must build relationships and trust with clients to list and market their properties. The importance of sourcing new properties is often overlooked by people wanting to enter the industry. Property is the most valuable asset most people will ever own, and because of this, people do not entrust it to just anyone.

### **Q: What tools do I need to start?**

**A:** When a person wants to start their real estate career they would need to have:

- A drivers license and their own vehicle
- A cellphone with sufficient airtime and data
- A working laptop
- Email management software, such as Microsoft Outlook
- Access to the internet when not in the office

**INNOVATORS  
EXPLORERS  
CREATORS  
COLLABORATORS  
PIONEERS  
ACHIEVERS  
LEADERS**

# WHAT NEXT?

## Are you ready to take your career to the next level?

Then, you need a team of like-minds and a brand you can trust.

At Harcourts, we're serious about creating success. Harcourts South Africa is one of the fastest-growing real estate brands in the country. We have our focus firmly set on the future and are excited about expanding our business by employing the best possible people and making use of the best possible systems.

- **INTERNATIONAL REAL ESTATE BRAND**
- **FULL SUPPORT FROM INDUSTRY EXPERTS**
- **A CULTURE THAT DRIVES SUCCESS**
- **INDUSTRY-LEADING TECHNOLOGY**
- **RECOGNIZING & CELEBRATING SUCCESS**
- **ENRICHING COMMUNITIES THROUGH OUR HARCOURTS FOUNDATION**

### WHY HARCOURTS?



If you are interested in taking your career to the next level with us, we want to help you.

**Contact your nearest Harcourts office for more information, or visit our Harcourts South Africa website for more details:**

<https://content.harcourts.co.za/careers/why-join-harcourts>

# Your **Harcourts**

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