

4 steps to Choosing Your Broker

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There Are Many Brokers, Which One Do You Choose?

Congratulations, you're licensed and eager to start making moves in real estate! However, before you can start handing over keys and sending closing gifts, there's one thing you still need to do: join a brokerage firm. Choosing a brokerage firm, whether it be a large multinational brand or a small boutique in a hip part of town, is one of the first major decisions you must make in your real estate journey. Think of your brokerage firm as both a mentor and partner in your business, so finding one that fits you is important to launching a successful career. The only question that remains is, where do you start?






Step 1:

Evaluate Your Strengths

Take a minute to reflect on what makes you unique. Have you lived in an area for a long time? Do you have personal experience with a particular school district? Are you a foodie who's always up to date with restaurant trends around the state? Do you consider yourself to be a niche agent specializing in a certain type of homebuyer, e.g. couples looking to downsize, or more of a 'renaissance man' agent? Knowing your own brand won't just make things feel more natural, it will help you determine what kind of broker is the right partner for you.



“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 to see if it’s a good fit for you.”

— *Jason Cassity,*
founder of the Cassity Team in San Diego.

Step 2:

Determine Which Type of Brokerage Firm You Prefer

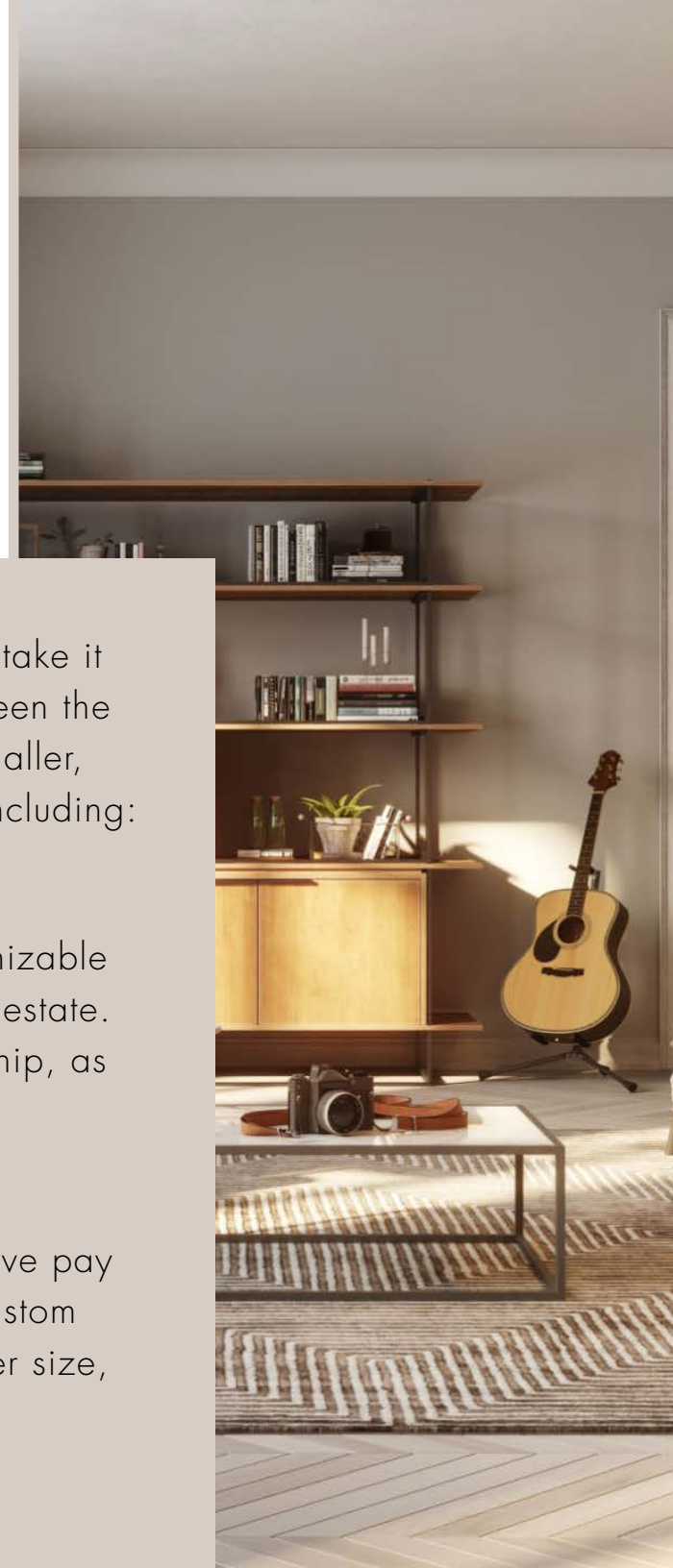
Once you have a good idea of what makes your brand unique, it's time to take it to market with the help of a broker. Generally, you'll have the choice between the large multi-national brokerage firms like RE/MAX or Keller Williams and smaller, more neighborhood-centric firms. Both offer their own unique advantages including:

Large firms:

With a large firm, you'll have access to a large network of leads, a recognizable brand to 'co-brand' yourself with, and many resources to help you sell real estate. On the other hand, you'll likely receive less personal attention and mentorship, as well as fewer freedoms in terms of marketing and operations.

Small or boutique firms:

Small or boutique firms offer a lot in terms of one-on-one mentorship, lucrative pay structures, and oftentimes give agents the freedom to do things like build custom websites that focus on a specific part of town. However, due to their smaller size, it can be more challenging to make sales right away.



Step 3:

Evaluate How You'll Be Paid

When it comes to getting paid, each brokerage firm is different in terms of commission structures, the cost of desk space, and benefits, even among large multi-national firms. So it's important to take a closer look at what works for you.

For example, a firm like RE/MAX takes a 40% cut of your commission until you reach \$23,000. After you hit that figure, you get to keep 95% of your commission for the remainder of the year. Keep in mind that you'll also likely pay a monthly desk fee and you'll be largely on your own in most regards.

Other firms like Keller Williams offer a 64/30/6% split that's capped (on their end) at a certain point, depending on the market, and they don't charge any desk fees. If the agent hits their cap, which Keller Williams says is about 8-10 houses, they get to keep 100% of the commissions thereafter until they hit their anniversary again. They also offer quite a bit of support in terms of training, tools, and mentorship.

Like the large brokerage firms, boutique firms vary greatly in how they split commissions. Some could be as high as 50% or as low as 0%, it just depends on the firm.

The best thing to do?

Do your research, reach out to brokerage firms, or draw on the experience of a seasoned real estate pro. Once you've gathered all of the information you need to make an informed decision, it's time to ask yourself things like: can you afford a desk fee, fuel for your vehicle, and an ad spend for a few months without making any sales? Are you a tech-savvy, DIY, social media wiz yet, or could you use some more training?

According to the National Association of REALTORS®, about 46% of agents pay out-of-pocket for health insurance in any given year. Are you prepared to commit to a policy if need be?




Step 4: Choose Your Firm

Let's say you've done your research, you have a good grasp on what your monthly expenses might be, and you're confident that a broker has your best interests at heart, so it's finally time to narrow things down and make a choice. Remember they represent you and you represent them in what will hopefully become a fruitful real estate partnership.

And while some real estate agents choose a broker and stay there for years, that's not the case for everyone. In real estate, there are always options and opportunities, so if a broker doesn't work well for you or you choose to go in a different direction, you can always revisit the research you did here in the first place.





“A good cultural fit can make a difference in level of job satisfaction and enjoyment.”

— *Jay Thompson,*
Zillow Premier Agent

Final Thoughts

Regardless of which type of brokerage firm you choose, the path to success in real estate is paved with a lot of persistence and hard work. To start, your personal finances might be a little tight. Many agents often work another job to make ends meet, so don't feel discouraged if that's the case for you. As you begin to work more closely with your brokerage firm, network with your peers, and execute your marketing strategy, the sales will follow. Oftentimes it can take anywhere from 6 months to a year to start getting real traction in the industry, but like anything worth doing, it's an investment.




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