



## My humble start in real estate

Right now you may feel like you're the only one having trouble making a start in real estate. We all feel that way when we're frustrated.

Just so you can know that you're not alone in your struggles, I'll tell you the sometimes ridiculous story of my own humble start in real estate.

When I first decided to take real estate classes I had no idea that I would go into real estate sales.

It all started because my husband and I wanted to invest in rentals and I quickly learned how dumb I was. The first time someone told me the payment was PITI my reaction was "Huh?"

Well, the lady explained and I felt really stupid. From there I determined that I would learn all the terms so that when someone spoke I could listen intelligently and not appear to be an idiot.

Also about that time we were working with an agent who appeared to be having a lot of fun with her job. She and I talked as we went between houses and before long I decided I'd like to do that too. Just look at houses all day, visit with people, and make money.

**Little did I know, and she sure didn't tell me the "rest of the story."**

At any rate, I went to class, and then I started looking for someplace to work. At that time, in 1985, there were 4 agencies in town. Three were old established agencies whose agents seemed to have been there since the beginning of time. Of course that wasn't true, but it seemed true.

None of them was interested in hiring a newcomer.

The fourth was Rainbow Realty. It was a satellite office from one in a neighboring larger town. The broker came in once a week and the rest of the time the office was run by an associate broker. He was an interesting man who made little or no money for his efforts because he always felt sorry for people. He'd throw in his commission to just to get the sale closed.

After he left, the associate broker was a woman who was completely ruthless, but she's another story.

**A nerve-wracking experience...**

In those days you took the test and then agonized for a week or two until the results came back in the mail. One day you'd know you'd done fine, the next you'd be sure you'd failed miserably, the next day you might feel semi-confident, and on and on until the envelope finally arrived.

While I was waiting for that scary envelope and putting on a show of bravado that I certainly didn't feel, my broker started trying to show me the office listings. We spent a couple of days racing from one listing to another until they were all blurred together in my mind. Remember this was 1985 ó and with no buyers there were a TON of homes and parcels of land for sale.

We spent one terrifying afternoon roaming around old logging roads in search of a listing on top of a mountain. We never did find it, but it was quite an afternoon. Visualize riding with a city woman driving a 1980's Lincolní long, lean, and low. Now visualize her using the same speeds that she used on a paved road while careening over rocks and through pot holes on a logging road. To top it off, the road was narrow. If you met a car, someone had to get off - and we did meet a lot of pickup trucks. Luckily, we always met them at a place where there was a pull-out. Someone was really looking after us that day.

**Then came the really scary part: opening the envelope.** That was terrible! I just stood there looking at it, knowing my future was written on a piece of paper inside. I don't know how long I held it in my hand before I got the nerve to open it.

Because I had passed, and only had to wait until my fees got to Boise and my license got back, I was now allowed to be in the office looking through the files and trying to get acquainted with all the listings from the paperwork end. Everything in the county seemed to be for sale in 1985, so the file drawers were stuffed.

When my license arrived I certainly wasn't ready to talk intelligently about our office inventory, but nevertheless, I was alone in the office on my first day of work.

I opened the door, turned on the lights, and settled down at my desk, not knowing what to do next, but pretending. Then the phone rang. I picked it up and said "Rainbow Realty, may I help you." But the phone kept ringing! I ran to another desk and picked up that phone - same thing. Finally I found yet another phone at the back of the room and answered it.

It turned out that my broker was renting a desk to the Chamber of Commerce and that was their phone! But no one had told me. I'm sure it would have made a funny video if someone had been there filming me that morning.

The market was moving at a snail's pace in 1985, so I'm sure that the broker and her assistant broker saw no danger in leaving me to man the office for that first morning, but I sure felt inadequate. But, not to worry, no customers came in.

The highlight of that day was when the florist arrived with flowers my husband had sent in celebration.

**My First Showing!**

When the day finally came that a customer walked in on my floor day, I was understandably excited to be showing my first house. Except it wasn't a house she wanted to see. It was a cabin on top of a mountain. Not a real mountain - just kind of a tall hill.

At any rate, the directions to get there were very convoluted. They went something along the lines of "Take the 3<sup>rd</sup> left off the main road, then the 2<sup>nd</sup> right, then right again at the next side road, and í " "

The upshot was that we did find the property, but we were at the bottom of the hill and the cabin was at the top. So we started walking. This customer had three children. Two that were old enough to walk, and a baby. Well, guess who got to carry the baby up the hill. Me. People always use the excuse "You've got long legs, so you carryí " "

We had gotten nearly to the top of this hill when we starting hearing strange smacking noises, and suddenly realized that there were bullets hitting the trees around us! Boy did we get out of there in a hurry!

Now don't get the wrong idea. I'm sure no one was shooting AT usí they were just target practicing and we happened to be behind the target.

We got back to the office, the woman loaded her three children into a rattle-trap old car, and I never saw any of them again.

So much for my first day of showing.

## What I didn't know did hurt meí

Had I known then what I know now, I think my first few years in real estate would have been profitable. But I didn't. And I didn't have anyone to teach me.

I think my broker told me to write to my sphere of influence, but she didn't tell me how such a letter should read. Just write and tell them you're a real estate agent now.

OK, I did. But I didn't know who to write to. What is a "sphere of influence" anyway? I had no "influence." In addition I was, unfortunately, still very shy in those days.

But I did finally get two listings. Neither of them sold when I had them, but I did get them, just because I was the one there on floor day when the people called.

## My First Listingí

I'll never forget that first listing appointment. It was for a log cabin about 21 miles north of town. Eighteen miles of good road, and 3 miles of potholes and bumps.

I arrived at the scheduled time, and I knocked on the door. Nothing. But I could hear a piano playing inside.

I knocked again. Nothing.

Not knowing what else to do, I stood there in the November cold and waited.

Finally, about 15 minutes later, the door opened. The gentleman who answered politely explained to me that he was practicing the piano, and he never interrupted his practice for any reason. I didn't ask why he had scheduled my visit during his practice time.

The second was an elderly couple with a newer house overlooking the river. A nice, ordinary, solid house. I went in, looked around and sat down to visit with them. That's when I found out that this couple's son was a competing real estate agent who worked at one of the other firms in town. So there I was, in the middle of a family feud.

As I said, very little was selling in those days, so both of those listings expired off the market. The elderly couple decided to forgive their son for whatever he had done and they listed the house with him.

## **My first closing!!**

My very first sale was a landmark event. It was a "Farm Home Repo" and my customers were a young couple with no money. They were so excited to be buying their very own home that I couldn't help but be excited with them. Because the house belonged to Farm Home there weren't as many inspections and regulations to deal with, so that transaction was pretty much trouble free.

## **My first office**

You would probably look at the set-up we had in that first office and declare that it was impossible to work the way we did.

For starters, we did have two phone lines, but they weren't connected. We simply had two telephones, one on each side of the room. Whoever was on floor duty got the "main line" on their desk, which meant tripping over a long cord at times. Other people had to use the other phone for any outgoing calls, but there were few of those.

Our broker saw no reason to tie up phone lines when a customer might be trying to call in. She said letters would do just as well. We had no FAX machine, but did have a dinosaur of an old copy machine that turned out faded and streaked facsimiles of whatever we were trying to copy. We also had an answering machine, but few people left messages.

How about a secretary? Nope. An unnecessary expense.

If we needed to leave we simply put a sign on the door indicating when we might return. So, if we all decided to go to lunch or view a house at the same time, off we went.

There really wasn't much danger of us missing a customer, because there were no customers. There also wasn't much money coming in, either to the agents or to the office. I really don't know how they stayed afloat in those days.

I was lucky because my husband was working and supporting me, but our broker must have been pulling money from other sources to keep the office open.

While no one taught me anything about marketing myself or being creative in finding buyers, my broker did try to teach us to write ads. She always said "Put the reader in the house." That's still wise advice today.

In those days before the American's with Disabilities Act and passage of the Fair Housing Laws, you could say evil things such as "See the river flowing" and "Listen to the birds singing," so it was a little easier than it is today. But still, because of space restrictions when placing "per word" ads, our ads were too short and said too little.

We had handouts, but someone had to type each of them by hand, so they said as little as possible. Of course there were no photographs, because we'd have had to have them copied somewhere else, and that would cost money. Instead, someone would type out the listings on a long list and we'd make copies on that old copier. It was pretty bad.

I can remember driving the 30 miles to a larger town to get color copies when they first became available. At about \$1.50 each, it wasn't cheaper than taking negatives to the drug store to have copies made, but it was faster. I only did that if I was mailing to a customer who seemed like a good prospect.

On the wall were bulletin boards with "real" photographs of the listings. But again, only one per listing and some were not good. Prints cost money and we had to save money. Below each photograph was a short blurb that read something like "3 BR, 2 BA, 5 A. \$45,000." That was about it.

About the time our office was sold to the associate broker we decided to try to go after more listings by farming. That meant traveling 30 miles to the County seat to look up property ownership records, and it took a lot of time.

The ladies in the assessor's office were very kind in showing us where to hunt, but there was no way to merely print off a copy and be on our way. No, we first looked at the big maps to determine the area where we wanted to search. From there it was a file filled with sheets of microfilm. The next stop was the viewer, where we scrolled up and down until we found the right spot.

And then, you guessed it, we wrote out all those names and addresses by hand. I don't know how many I mailed, but surely not enough.

I no longer have any of those early letters, and I'm glad. I'm sure if I saw them today I'd cringe in embarrassment, because no one had taught any of us the first thing about writing a farming letter, and I had not yet begun to study the psychology of marketing.

The only thing I knew was what I had learned in college - two truths which still apply today:

1. Always try to address your letter to a person and not to "Dear Sir."
2. Always start with "you" and never with "I."

If you read my ezines you know that I harp often on that second rule, because it is so vital to the success of any business letter you write. It doesn't matter if you're writing to ask for a donation or to look for a job or to ask for cooperation with a project ó when you tune in to your reader's wants and needs first, your letter will have a far better chance of not only being read, but prompting a response.

Like it or not, every person is tuned into station WIFM (What's in it for me?) and will respond more favorably when the letter answers that question quickly.

**As you've gathered by now, I didn't start my real estate career with a bang.**

**It was barely a whimper.** My first closing happened about 3 months after I started - the little Farm Home house in town. I believe the price was about \$30,000. The next one was about 3 months after that, when I shared the commission on a \$16,000 cabin. Checks were small and scarce.

Butí I knew there was money to be made and thus began my search for more and better ways to pull in business.

The firm I was working for eventually sold yet again and I found myself working for a broker who was more progressive than the others had been, so we immediately got a fax machine and a better copier. We also got a phone system with a line for each agent. We were "big time!"

But many things stayed the same. Even while the rest of the world had begun to embrace computers, they were forbidden in our office for religious reasons. (But he did let me make flyers on my computer at home and hang them on the wall in the office.)

We still didn't have digital cameras or color copiers, so each flyer had a photo glued to it.

I was still reading and learning all I could about marketing, and about real estate in particular. I devoured Tom Hopkins' book on how to list and sell real estate. Then I convinced my broker to join the Board of Realtors so that we could belong to MLS, and when the real estate magazines arrived I read every word. Everyone else dropped their copies in the trash.

I kept seeing ways to apply what I was reading to our office, but it didn't do much good. Every time I walked up to this gentleman and said "I've been thinkingí " he would groan and ask what it was going to cost him. **He absolutely couldn't grasp the concept that good marketing doesn't cost, it pays.**

And as for the other agents - forget it. Every idea I had sounded like a four-letter word: "work."

That's when I began taking the classes to earn a broker's license, and as soon as I had the license, I quit.

**True education begins**

The day I quit being a sales person and became a broker was when my real education in real estate began.

Getting clients was the first order of business. My broker wasn't at all happy about me leaving, so I couldn't contact any of my listing clients to let them know where I was. The Realtor Code of Ethics changes from time to time, and at that time such contact was forbidden.

**So what to do first?** We did exactly what I advise you to do: A mailing.

I had one agent working with me - a woman fresh out of real estate school whose only experience with real estate had been as a customer. But, she had owned a convenience store and knew a lot of people. I had also met a lot of people and had my old day planners with names and addresses.

**You see, "sphere of influence" doesn't necessarily mean what the name implies.**

When you begin writing your list of names to mail to, along with your friends, include everyone you've done business with for any reason, everyone you know from previous jobs, organizations, and charities you volunteer for. Include the waitress at your favorite dining spot, and the owner of the gas station you frequent. Remember your parent's friends and the parents of your children's friends.

In short - include everyone who knows you and could reasonably be expected to be friendly toward you.

Our first mailing went out to all those people. It was a card, created with a Publisher program, and printed at the nearest Kinkos (60 miles away.) It was a four-fold, sized to look like a greeting card or invitation.

The front cover read: **What's the Difference?** Inside we explained that "The Difference" was Cliff Realty - a new agency in town dedicated to serving Priest River real estate buyers and sellers better than any had before us. I still hadn't learned the basics of copywriting, so I suppose the inside copy was probably terrible, but it did work.

One of the reasons it worked was the front cover. We had "branded" ourselves as "The Difference" and we continued to use that branding on flyers, newsletters, business cards, and more. It was easy for people to remember it - and they did. In fact, they had a good time with it when they came to us with tales of non-service from other agencies.

We immediately joined the Board of Realtors and the MLS, so even though we didn't have our own listings yet, we could read the books and find the properties listed by out of town agencies and those few in our town who had joined.

Notice that I said "books." They were printed twice a month and unless someone happened to be coming our way, we had to drive 30 miles to pick up our copies. Not only that, they were expensive!

Brokers from the other 5 agencies in town stopped in to visit and welcome us to the fold. Then the word got back that they were telling others that they'd have us out of business within 6 months. That didn't happen. **But in 6 years many of them were out of business.**

**Why?** Because we were the only agency in town that focused on marketing and customer service. We worked constantly to create "Top of mind awareness" and we did a lot of "free" work by helping people solve their problems.

**You can do the same.**

Set your sights on:

- Learning all you can about your local market
- Marketing your services effectively
- Doing just a little more than the average agent does to serve your customers and clients.

We got to be #1 in our community in less than 2 years ó responsible for over 50% of all closings. You may have tougher competition and more competition than we had, but you can still carve out a solid place for yourself when you do those 3 things.

So don't get discouraged ó just get busy!

Yours for prosperity,



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