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Choosing a Real Estate Firm

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Answers of Pemberton Holmes Ltd are in bold black.

Choosing a company to associate with is one of the most important decisions you will make in your real estate career, and it is one that most people make from an unformed position. I hope that the following information will guide you in your selection.

Unlike a traditional job interview where you are being interviewed by the employer, you take a proactive role in the interview process. There are a number of things you want to find out about the company before you decide that you want to associate with.

Some new licensees believe it is best to find a company that will train them with the idea of moving on to another one later on. Others choose a company they believe will suit them for the duration of their career. Some change from company to company, always seeking the greener grass in another pasture.

I strongly recommend you choose with care so that company changes are not necessary. They are invariably costly not just in terms of money, but also in terms of energy, time, and client base. (Remember, those listings belong to the company, not to the individual licensee).

No office is going to make you rich; that is up to you. However, your attitude (which is one of the major determining factors to your successful career) will most certainly be influenced by the atmosphere of your office and the energy of the people in it.

If the company of your choice is reluctant to hire a brand new licensee, they may change their minds if you demonstrate the abilities and professionalism they require.

The Company Financial Position

From time to time, a real estate company "goes under". When this happens, the general consequence is that the salesperson goes to the office one morning and finds the locks changed and a notice on the door giving the name of a trustee to call. This means lost commissions, confused clients, and relocating with all the attached expenses.

It can happen to large companies or small; national franchises or local independents. It can be attributable to insufficient financial backing, mismanagement or fraud.

Find out who actually owns the company you are investigating; how long they have owned it; if they have ever been involved in a company that closed its doors because of financial problems.

Pemberton Holmes Ltd.

Pemberton Holmes is owned by Michael Holmes and his brothers Richard and Peter. It has been in business since 1857 and owned by the same family. Two of our office locations are owned by related companies. We have a diverse business and no debt.

Franchise

Cost of Franchise to Individual Salesperson

There are variations from franchise to franchise. Find out if there is a per month and/or per transaction fee payable. Is there an annual cap on it? (I.e. After a certain amount is paid for the year, is that the total payable for that year?) Are there any other costs (such as an advertising pool) involved?

Pemberton Holmes Ltd. is independent and there are no franchise fees. We are a member at no cost to you of Aventure Realty, the largest referral network of independent companies in Canada.

Image Portrayed By The Company

Does it promote service, high production or high professionalism? The TV commercials and magazine ads will give you an idea of the focus of the company you are investigating.

Pemberton Holmes Ltd. maintains a high standard of office equipment, décor and branding (in our opinion!)

Training Provided By The Company

Some companies offer training programs. Find out if they are generic or specific to that company. Find out where they are held and the cost involved in the attending them.

Pemberton Holmes Ltd. has a mentoring program and a 12-week training program called the "Smart Start Program". We also offer an additional seminars on a regular basis. We do not charge for training directly or indirectly through higher fees or commission splits.

Each new agent will also receive four hours of complimentary one-on-one computer training.

Sales Meetings

Does the company hold regular sales meetings where you can keep abreast of changes in legislation, policies and procedures and the market. Is attendance mandatory?

Pemberton Holmes Ltd. has sales meeting every week with a lawyer and mortgage broker in attendance as well as other guest speakers. Coffee and muffins are provided to ensure one regular meal a week and attendance is optional.

Promotional Materials Provided

Examine the samples of brochures, forms, etc. produced for sales people to use. Find out the cost to buy these items.

Pemberton Holmes Ltd. has examples in our New REALTOR® Package. Others are on line and free. Our price list is in our New REALTOR® Package.

Location of Office

Parking- for Self and Customers

Is parking provided? If so, is a cost involved? If not, is there parking available close by? Is it timed by a meter? Is there easily accessible parking for clients?

Parking is free and easily accessible for clients and REALTOR®s at all of our offices.

Convenience For Self and Customers

Is the office near a bus route? Is it wheel-chair accessible? Is it in a convenient location?

Yes, yes and yes.

Office Space

Many offices have what is referred to in the industry as a "bull pen", a large area with partitioned off office space and perhaps a central area for office meetings. Some have room for a desk, chair and filing cabinet while in others a long table is divided into several sections each with a telephone.

Some offices have private or semi-private rooms (perhaps with 3-4 desks in each)

Offices may provide a variety of choices of space depending on the commission split chosen.

It is useful if a client room is available for the (probably rare) time that you are writing contracts with clients in the office. Find out the availability of this room and any special protocol regarding its use.

We have a bullpen accessible to all. Private offices are available at satellite offices. All offices have meeting rooms that can be reserved.

Office Tours

Is there a tour of office listings on a regular basis?

Yes every week.

Contests

Does the management sponsor production contests from time to time? Are they individual or team contests (or both)? Is the motivation positive or punitive?

Yes we generally have a sales contest every year for a travel voucher. It is a draw system and tickets allocated on number of listings and sales so that all agents have a chance.

Social functions

Is this a "party office"? If so, what types of gatherings are involved? Is there an office sports team or event? Charity drive?

We support several charities and organize several "hot dog" events, pot luck lunches and other community fundraising events. We have a company golf tournament, Christmas party each year. There are no required social fees and our Christmas Party is free.

Financial

Commission Split

Is there a choice of commission splits? Is there a policy regarding this or is it arbitrarily determined? Is it renegotiated on every anniversary?

Yes. Choices are a commission split or the generally chosen "100%" option. This is the least expensive system in Canada.

Franchise Costs (refer to section on franchises above)

Not applicable.

Advertising/Promotion Costs

Does the company share in the individual's advertising costs? (Percentage? Logo in classified ads?)

Does the company provide business cards, brochures, etc?

Does the company pay for part or all postage (what about large mail outs?)

Is all advertising voluntary or is one required to contribute to joint company ads?

The company pays a portion of Times Colonist Logo charges.

Postage, advertising is generally paid for by the REALTOR®. This ensures the lowest cost for all.

REALTOR® of the month, joining costs and once a year REALTOR® of the year ads are paid for by the company.

Cost of Materials

Who pays for letterhead, envelopes, signs and arrows, MLS forms, promotional items, etc.?

These are charged for generally at cost plus 15 percent. Again this allows us to charge very low fees and you to save significant expense.

When is Commission Paid?

Some offices pay the day of completion; some pay on a certain day of the week.

We pay twice a week – Tuesdays and Fridays.

Procedure for Paying Office Account

If you don't have enough commission to pay your office account at the end of the month, can it be left till the next month or must you write a cheque for the balance? How long will the office carry your account without payment? (Some offices require that you have a line of credit set up in advance to ensure your account is always up to date.)

We prefer people to pay by credit card every month. We will on special request allow accounts to be run for two or three months. All real estate firms charge interest and we do too. It is good financial management to pay off credit cards and office bills.

Advance Draws

Keep in mind that in an office is too generous with everybody, it might run into financial difficulties.

We can advance commissions on firm deals that have deposits in place and all conditions removed, through a separate company.

Managerial Help

Does the Manager carry a pager or cell phone? Will (s)he respond to all calls from you within a certain time frame? Will (s)he help you prepare for listing appointments, show you how to use the office systems and computer, help you do a CMA etc? Will you have regular coaching sessions, assistance in setting goals?

We have three managers. All are ready, willing and able to help with expertise in different areas.

Training

Formal or Informal

Does the office sponsor regular training sessions for new licensees? Are there special training programs in the use of corporate materials? Will someone teach you how to prospect?

We do have a training program called Smart Start which covers these items.

Each new agent will also receive four hours of complimentary one-on-one computer training.

Supervision

Is the manager in the office on a regular basis daily? Is the manager involved in personal sales as well as in management of the office? Is there a mentoring program for new sales people in place? If so, who does the mentoring? Is there a cost involved?

We have a mentoring program at no cost. One manager is usually in the main office daily and otherwise management is easily accessible by cell phone or email.

Cost-out of Town Seminars and Conferences

Is attendance at out of town events encouraged? Is there a subsidy involved or is the salesperson responsible for the whole cost?

We generally do not organize our own out of town seminars. We participate in the regular Robbins training seminars in Vancouver and will on occasion on request advance all or part of the cost.