3 reasons investing is a no-brainer for real estate agents

If real estate is a numbers game, the numbers are currently fairly depressing. According to the National Association of Realtors (NAR) there were approximately 2 million real estate agents in the United States in 2016.

According to the Bureau of Labor Statistics (BLS), the median pay for real estate agents in 2016 was $46,410 per year, which translates to an hourly rate of $22.32 per hour based on a 40-hour work week.

What active agent works only 40 hours?

And while agents continue to work harder and longer, they are faced with the complexities of a market that forces them to spend even more to compete online with the featured agents on the big real estate portals. That means less money in their pockets.

Having worked with investors worldwide, I know how important a great agent is to the investment process. From market knowledge to your professional network, you hold many of the keys to a successful outcome — and great ROI — for investors.

Why shouldn't your skills earn you more dividends?

Grow real estate business with a thriving company culture

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If you've been depending on short-term and intermittent earnings for your financial stability, how can real estate investing offer you long-term wealth building potential? Why is real estate investing better than a 401k or playing the stock market?

Below, we'll discuss three reasons agents should cash in on their knowledge through real estate investing.

Real estate investing uses what you know

You're looking at market statistics and data every day. You have your ear to the ground, and you know what areas are generating buzz. You're meeting with colleagues and hearing their stories of where listings just aren't moving or where they're selling like hotcakes.

You have access to investors, lenders, title company reps and more, as well as colleagues who have clients who are potential sources of investment leads.

Do what you do best — study the market, connect people, negotiate, manage the transaction.

It offers a variety of models to suit you and your market

Have access to a reliable contractor and crew? Fix-and-flip might work well for you.

Do you live in a college town or near a military base? Buy-and-hold might be a winning strategy with all of those potential renters.

Perhaps some combination of the two would work if you have access to the capital you need to reliably fund your projects.

However you choose to focus your time, money and energy in real estate investment, you are bound to find an investment opportunity that works well for you and for the amount of risk you are able to tolerate.

Don't want to handle your projects personally? Use your contacts to find a well-run real estate investment group, and use your market knowledge to evaluate the projects they are considering.

You may find you can buy in for a few thousand, then increase your stake over time.

Real estate investments produce returns you just can't find in other investment models

Compared to the volatility of the stock market or the meager returns of CDs and bonds, real estate investing can produce returns that are exponentially greater than those of other stock market-based investments.

Although corporate unicorns are, as the name suggests, a rare breed, market and property appreciation is far more frequent and reliable.

In addition, there are far fewer moving parts in a real estate investment, which reduces volatility and risk. No need to worry about an embezzling CFO or a class-action lawsuit against the company.

Although real estate investment has its own risks, you're far more likely to be able to choose your team and work with dependable professionals you know and trust.

Plus, your market knowledge is more likely to steer you in the right direction than an earnings report that may not pan out or an international investment in a market you've never heard of.

Whether you have capital to work with or start out wholesaling to build your initial nest egg, start creating opportunities to move into real estate investment.

You're bound to find that it will create new avenues for financial and professional growth and can help you scale your business faster than you ever thought possible.

Adapted from Abhi Golhar's upcoming book "Make It Rain: The new launch model for moving from real estate agent to investor."

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