The case for helping your real estate agents retire

Almost half of respondents in Inman's Special Report survey said they were getting no help from their brokerages on transitioning out of the industry to retire.

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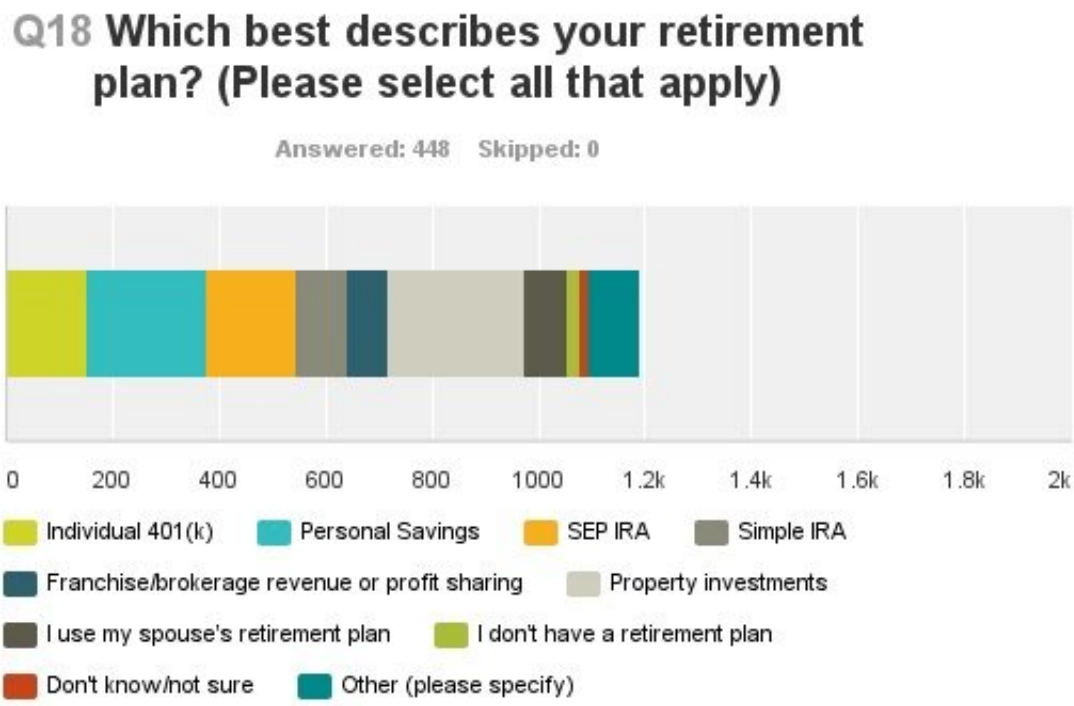
To do nothing as a brokerage is simply not good enough, said Joseph Rand, one of the managing partners of Better Homes and Gardens Real Estate – Rand Realty in New York and a passionate advocate of establishing a transition process for retiring agents.

Rand said it may not have occurred to brokerages before now, but those successful agents who have built businesses within brokerages rather than setting up on their own in the 1980s would be heading for retirement in the next 10 years — and these are valuable businesses that could be lost forever if brokers don't step up.



"The industry has not established a procedure for transitioning a business for an agent who wants to retire out. It's a time bomb that some of the most productive agents are leaving the industry in the next 10 years and their business will be up for grabs," he said.

“They have built a meaningful book of business that they should be transitioning over five years, and brokers should be helping them do it.

“The win-win-win is the agent transitions out, the junior agent builds their business and it keeps the clients intact. The client, used to working with the same agents, get some continuity.”

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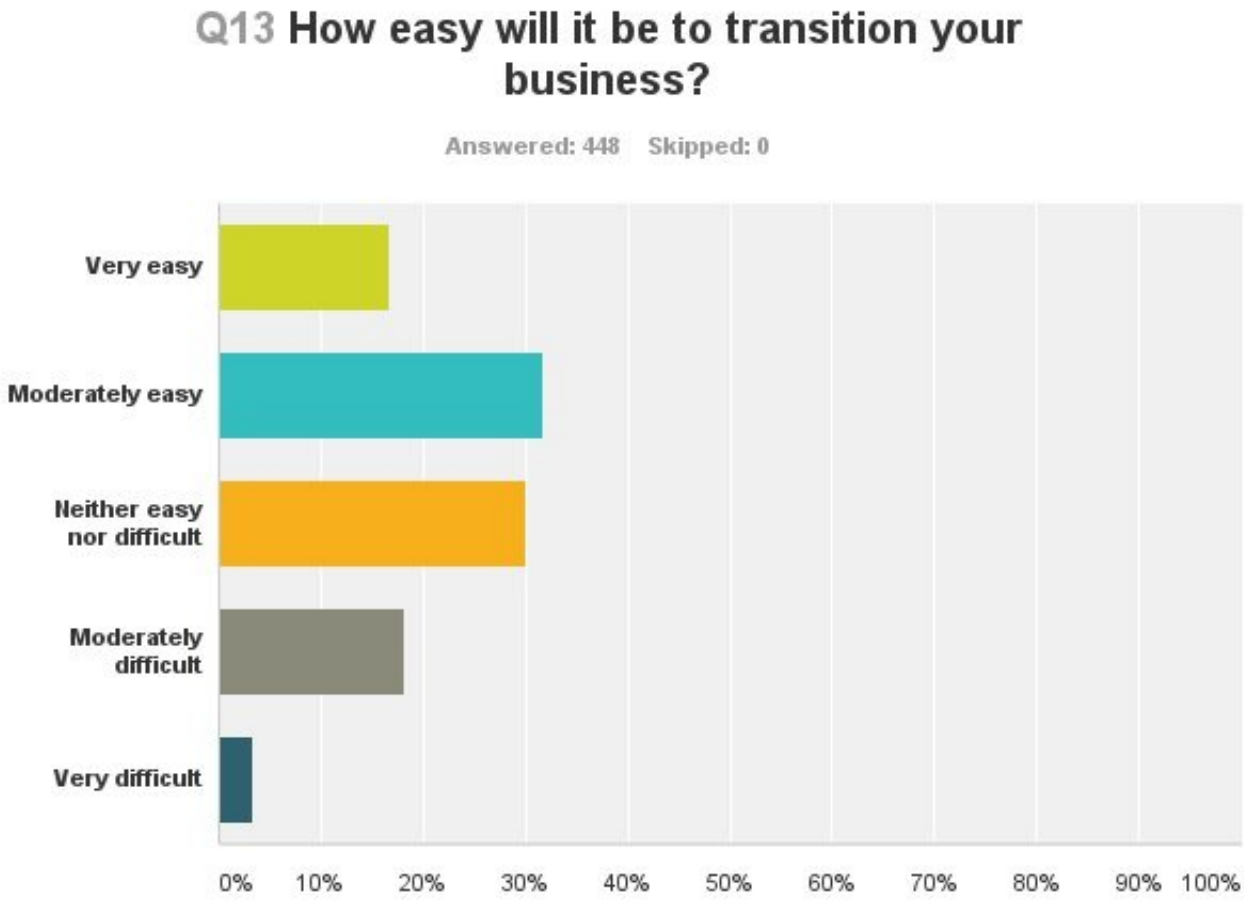
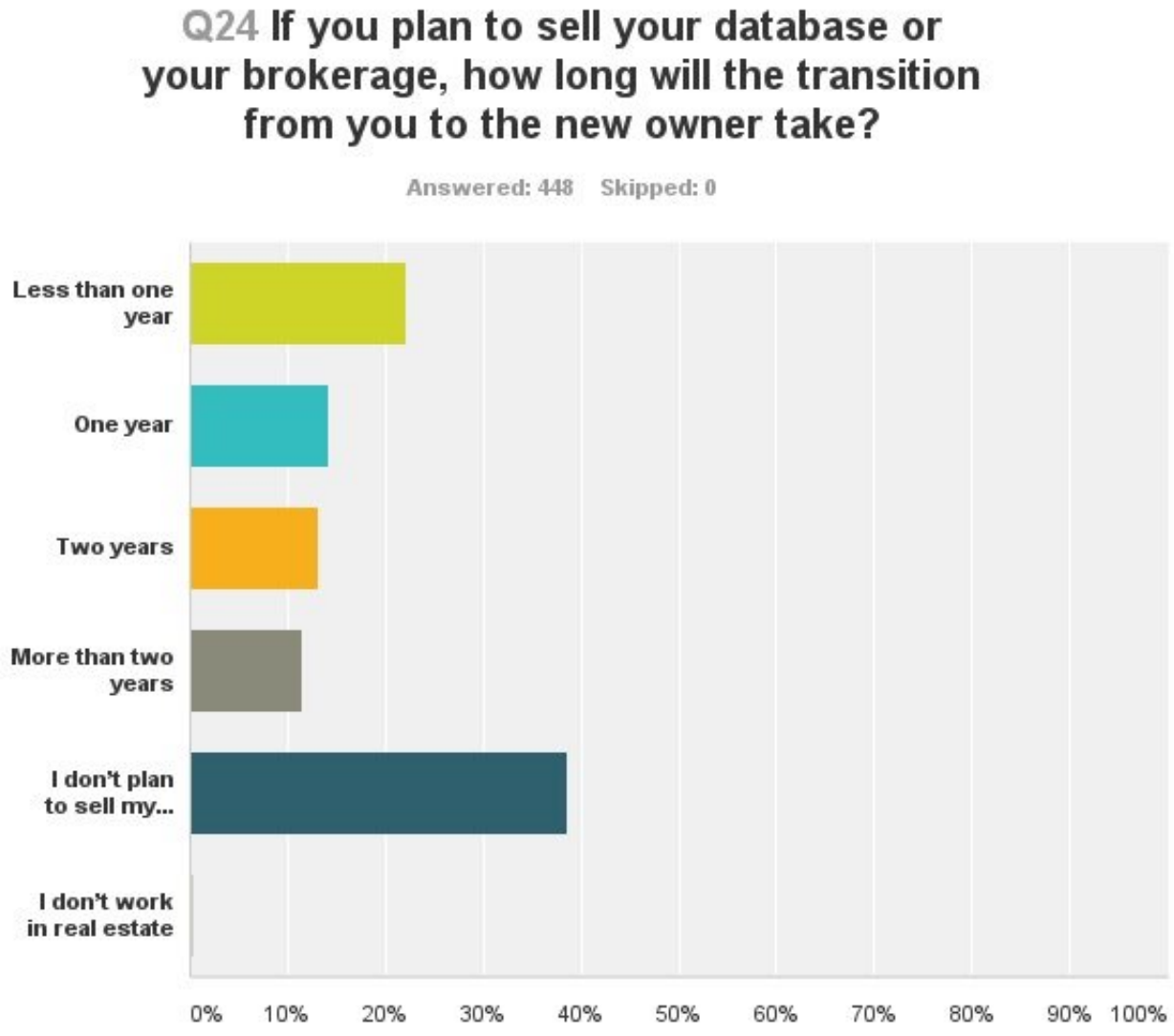
While there is an established route for brokerage owners who want to sell their businesses and a ready market, there is not a ready market to sell business for agents, said Rand.



A number of respondents in the survey said that their database didn’t feel rock-solid, with lead generators and internet leads muddying the waters.

“If you are a real estate agent and your business is entirely reliant on internet leads, you have

nothing to sell. There's no book (of business) there. If you are an agent that has personal referrals, a reputation, a brand, a website, a Facebook page, and those generate business for you, then you have something of value," said Rand.



"If someone can acquire your mobile phone number, your website, they can get some polish from your reputation, can start marketing, then transition, you are no different from a doctor or a lawyer that has a book of business that can be sold."

Some companies — including Keller Williams, EXIT Realty and eXp Realty — were said to be the exception, seen as having systems in place linked to recruiting agents.

In some offices, Re/Max was said to be pairing up veteran agents with junior agents with the idea the older agent would pass on their business to a junior agent in time.

Some brokerages were said to be giving their agents information on building a real estate portfolio but did not have agent transition programs on retiring. And a number of respondents were still recovering financially from what the 2008 Great Recession did to their real estate investments, in some cases delaying retirement.

As a successful Austin, Texas, agent with more than six years' experience put it: "We are on our own. It's a terrible industry for retirement planning."

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Email Gill South

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