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## **The Changing Face of Real Estate**

### **Preparing Your Business For the Next Generation Real Estate Agent**

*By Alex Perriello*

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According to the National Association of Realtors® (NAR), 77% of our nation's real estate agents are over age 39 and almost 50% are over age 50\*. This is a far cry from the younger demographics many other industries are reporting—but should we be concerned? After all, this demographic represents "the real estate expert"—the industry's bread-and-butter.

Many of our tenured agents are also our top producers that translate their experience into revenue. They know the business, are embraced by their community and have mastered many priceless strategies for lead generation. Their knowledge of different properties within their community and solid marketing tactics are an irreplaceable asset to a broker's business and, with business doing so well, a cause for concern may not be immediate. However, we cannot ignore that fact that 50% of our top-revenue generators are within a dozen years of retirement.

These statistics become even less encouraging considering only 13% of the nation's real estate agents are under age 34 and only 10% have joined the profession within the last year. Obviously, we must begin training tomorrow's real estate professional to fill the shoes of today's.

It is about time our industry begins taking full advantage of the technology-rich assets that young professionals represent as we strive to further "Web-ify" our business. As your elite, front-liners begin to retire and take their knowledge with them—you must ask if your brokerage will survive the wealth of competition you face? Or the rapid technological advancements our customers are demanding?

I believe there is a way to address all of this. History has never seen young men and women change the business world faster or more dramatically than they are today. Technology belongs to them; they built it, they use it and they will advance it—usually before most of us are even aware it exists. E-mail is a great example: This technology became available in 1989 and now, 12 years later, only 52% of Realtors have incorporated it into their business model.

Technology is forcing real estate professional to change the way they operate. Most brokers acknowledge that technology is a vital element in business today and many seasoned agents would like to take advantage of the benefits, but neither possesses the knowledge nor resources to implement it successfully. The fact is that an increasing number of customers are demanding technology as part of the service offering available to them. Real estate professionals can either adapt, or be left behind.

One effective way to close this technology gap is to recruit, develop and retain "tech-savvy" rookies who can provide the talent base needed to meet new world challenges and remain competitive in a changing marketplace.

What the tech-savvy rookie lacks is a working knowledge of the real estate business and the people skills to make the sale. This is where the experienced agent can help them. Newcomers need to be educated on the art of customer service, establishing a customer base, traditional marketing and sales skills and performing the services a customer expects from an agent. Experienced agents need to embrace the opportunity to show someone the ropes and pass their knowledge along. In return, they will be exposed to the technology tools to help them better operate their practice.

People in their 20s have grown-up with computers and are not likely to work in an organization that does not provide the fundamental technology tools that they need to succeed. By using these tools, they can grow their business and increase the brokerage's bottom line.

They will turn to the Internet for communication and promotion. They will use technology to reduce overhead and increase margins. They will conduct research online, be educated online, download traditional and digital marketing materials from the Web and smoothly incorporate them into their presentation. The Net will be used as a regular form of communication; so if you do not have high-speed Internet access in your office, I suggest you make some inquires.

Coldwell Banker Real Estate Corporation has expressed "top-priority" urgency to its affiliates encouraging them to recruit the young tech-savvy rookie now. I find myself conveying that same sense of urgency to the entire industry. We need their energy, entrepreneurial spirit, and their tech-savvy mindset.

But we need to give the next generation of real estate agent the support, resources and, most of all, the time to develop into a next-generation top producer. By working together, industry-wide, the transition can be a smooth and rewarding experience.

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\*Statistical data based on a 1999 survey conducted by the National Association of Realtors®