



INDUSTRY OVERVIEW: REAL ESTATE

The Real Estate Field

The real estate profession has expanded and offers one of the widest career selections in the business world today. Helping people buy and sell homes, apartments, commercial spaces, and agricultural properties; lease and manage properties including office buildings, industrial spaces and corporation farmland; invest and develop land; arrange financing via mortgage banking, plan urban areas and complexes; counsel on real estate investments and holdings; and research and appraise properties are all aspects of a career in real estate.

One of the exciting things about real estate is that it can be approached from many different ways. You can be an executive projecting and analyzing cash flows from new developments with spreadsheets; an agent in the field with heavy contact with customers on a day-to-day basis; or an entrepreneurial property owner/manager looking for undervalued real estate buys and strategies for creating value.

Career Tracks

Residential Brokers/Agents help people buy and sell homes. Agents are experts in the process of buying and selling property, financing, government programs, and customer service. The real estate agent's expertise facilitates the transaction, saving clients time, trouble and money. Real estate professionals need to have a thorough knowledge of such areas as real estate law, local economics, fair housing laws, types of financing, mortgages and government programs. A career in this track provides flexibility and freedom to set your own pace. Income directly reflects your efforts, with no limits on what astute, hard-working men and women can earn. Successful people in real estate are goal-oriented, persevering, self-motivated, ambitious and people-oriented.

Sales Agents usually work with brokers on a contract basis finding properties to sell, arranging showings, and making closings. They must always be under the supervision of a licensed real estate broker. As a listed salesperson, working in real estate allows for independence and choices of environment in which to work, such as affiliation with a large or small firm. With more experience and upon passing of an additional exam, becoming a real estate broker is the next step for a sales agent. Brokers can own their own businesses and employ other salespeople.

Commercial Brokers specialize in income-producing properties, such as apartment and office buildings, retail stores and warehouses, shopping centers and industrial parks. To understand and explain why the properties are good investments, commercial brokers need to be aware of the growth possibilities of the area where the property is located, current income tax regulations and purchasing arrangements that give the buyer a greater return on investment. They also must have knowledge of different types of industries and determine such variables as transportation, proximity to raw materials, water and power, labor availability and local building, zoning and tax laws. Commercial brokers may also have to arrange financing. There are some sub-specialties in this area including Industrial and Office Brokers and Farm/Land Brokers.

Real Estate Appraisers determine the value of properties. Real estate is appraised to determine many types of values: assessed value for tax purposes, investment value or present value for a potential investor, "book" value for accounting purposes, rental value for income projections and insurable value. Appraisers need to know acceptable principles of appraisal and related information. They need to have practical experience, technical education, solid judgment, and some knowledge of mathematics, accounting and economics. As a result, they must have good analytical skills and work well with numbers. In addition, appraisers spend much time interacting with clients and writing reports, so good oral and written communications skills are a must.

Property Managers maintain properties in order to produce the highest possible financial return over the longest period of time. More importantly, they are responsible for protecting the owner's investment. Property managers usually work for real estate firms; however, other opportunities are found in the real estate departments of banks and trust companies. For large housing and commercial development, managers are often expected to maintain an office or residence on the premises, and work with only one enterprise. When living on-site, property managers can expect to be on call for emergencies at all times, beyond maintaining standard working hours. Property management requires strong interpersonal and analytical skills and a fair amount of negotiating prowess. These positions provide a strong foundation in the real estate arena, which can be helpful if one wanted to eventually start his/her own business.

Land Developers/Real estate Entrepreneurs work in one of the most important and challenging specialties in real estate today. Developers turn land into profitable, marketable developments (residential, commercial or industrial). Site selection is the first decision developers must make. Planning and layout is handled only after the developer determines the need for a project. Before the actual building can begin, developers must first analyze all costs and arrange the financing. Then they contract for the physical structures and supervise construction. Finally, developers promote the finished development to the prospects for whom it was planned. Good developers are results-oriented and know how to complete projects on time which involves managing labor, establishing time estimates, getting appropriate equipment operators and construction crews. They also need to be savvy, hard-working, and willing to take risks.

Urban Planners work with local governments and other civic groups to anticipate their city's future growth. They propose physical changes to accommodate this growth. They can improve the environment, maximize the quality of people's lives, develop effective ways to use land and water resources, consult on new streets and highways, plan parks and recreation amenities, and look for ways to keep future costs down. Planners must be able to think in terms of spatial relationships and visualize the effects of their plans and designs. They should be flexible and be able to reconcile different viewpoints and make constructive policy recommendations. They must also be able to communicate effectively, both orally and in writing.

Asset Managers oversee the management of an entire portfolio of investment properties for a business. They must understand the real estate market thoroughly and must have creativity in managing options. In addition, they supervise the preparation of financial statements and periodic reports to owners on status of properties, occupancy rates, dates of lease expirations and other matters. Others may plan and direct the purchase, development, and disposition of real estate on behalf of the business and investors with a focus on long term financial planning. Although there is no single prerequisite to becoming an asset manager virtually all successful asset managers possess these skills: strong quantitative and analytical skills, managerial and organizational skills and professional licensing.

Real Estate Advisors/Counselors are in the business of giving advice about property. They are the experts others seek when they want answers to real estate questions. Counselors must know every phase of the real estate business because they use that knowledge in nearly every consultation. Often they will be asked about income opportunities and productive uses of different kinds of properties. There are relatively few brokers specializing in counseling, but the field will grow as investors and owners realize the value of expert advice in developing property and improving income. It's easier to enter this field after first gaining experience in investing or property management. Being skilled in statistics and excelling at client contact are important for this track.

Real Estate Researchers contribute to the decisions of many other real estate specialists. Brokers, property managers, appraisers, financing experts and counselors all depend on data provided by research. Research can be divided into two main categories: physical and economic. Physical research means studying buildings and structures of all types, especially in terms of the selection and efficient use of construction materials. Economic research consists of determining reliable answers to questions like "How many people hope to buy homes next year?" "What will it cost them to borrow mortgage money?" and "What percentage of the nation's homes are sub-standard?"

Real Estate Private Equity / Advisory

Real estate advisory firms advise institutional investors and wealthy private investors on real-estate investment opportunities and strategies, and raise capital (funds) to achieve investment goals. Private Equity Fund of Funds track and allocate capital to high-performing advisory groups, while Advisory firms work in two main areas; Property Management and Acquisitions. Entrants in these firms start as an analyst or associate and are expected to handle valuation analysis and performance reporting to investors, and must have strong financial modeling skills as well as excellent interpersonal skills. Senior Associates (often MBA's) make decisions on some smaller capital expenditures, such as repairs and upgrades to the building(s); attend meetings to discuss acquisition assignments that involve portfolio; and generate contacts and seek new investment opportunities.

Real Estate Investment Banking

Real estate investment bankers Invest funds with developers or property owners on high-yield opportunities, as well as devise synthetic products (Mortgage backed securities, collateralized mortgage obligations). Entry level workers start as analysts, doing acquisitions and valuation modeling for senior staff; prepare memos and reports for prospective investors, travel to asset sites (sometimes including global travel). These roles require a strong knowledge of both finance and real estate, and a comfort level with a high work-load and high pressure environment.

Additional Related Occupations

Real Estate Lawyer	Architect	Lease Administrator
Mortgage Broker	Civil Engineer	Loan Officer
Construction Manager	Historic Preservationist	Title Examiners
Property Acquisition Manager	Relocation Director	Trust Director-Real Estate

Requirements/Skills

There are different skills and requirements for the various career tracks. Entry into the real estate profession takes preparation. In addition, many of these careers require various state licensing or certifications exams, the details of which can be found by contacting on-line the appropriate professional associations. Many of the requirements are a combination of classroom instruction, courses and in the field experiences. The Institute of Real Estate Management (IREM) is the trade association representing property managers. Their training programs include the Certified Property Manager (CPM) and Accredited Residential Manager (ARM) designations. For urban planning, a Masters Degree from an accredited planning program provided the best training for a wide range of planning fields although graduates from an accredited Bachelors Program may be able to get an entry level position. For development, a Master's degree in Real Estate Development can be useful, though is not required. The background for Asset Managers includes courses in statistics and accounting to handle the numbers crunching. While a BA is sufficient, those with an MBA can advance further.

Salaries

The rewards of a real estate career are a potential for high earnings, status in the community, autonomy, time freedom, helping people, the intellectual challenge and the satisfaction from those accomplishments.

Salaries in the industry seem to fluctuate with the economy's general performance and geographic location. The majority of the positions are paid solely from commissions. Below are selected salaries acquired through on-line services including indeed.com, cb.com, and salary.com.

Brokers/Agents: \$31,000-\$96,000	Sales Agents: \$18,000 -\$52,000
Real Estate Appraisers: \$44,000-\$91,000	Property Managers: \$32,000-\$67,000
Land Developers: \$43,000-\$147,000	Urban Planners: \$44,000-\$84,000
Asset Managers: \$50,000 and up	Real Estate Counselors: \$63,000-\$84,000
Real Estate Researchers: \$59,000-\$78,000	Private Equity Analyst: \$40,000-\$70,000

Associations

National Association of Realtors: www.realtor.org/REALTORorg.nsf/pages/careers
Council of residential Specialists: www.crs.com
CCIM Institute—Commercial Real Estate: www.ccim.com
Realtors land Institute: www.rliland.com
Society for Industrial and Office realtors: www.sior.com
Institute of Real Estate Management: www.irem.org
The Counselors of Real Estate: www.cre.org
The Appraisal Foundation: www.appraisalfoundation.org
Urban Land Institute: www.uli.org
Young Real Estate Professionals of NY: www.yrepny.org

Directories/Publications

www.globest.com
www.inman.com
www.business.com/directory/real_estate_and_construction
www.reals.com
www.justrealestate.org
http://www.nybits.com/managers/residential_property_managers.html (list of NYC Residential Property Management Companies)

Job Websites

www.realestatejobstore.com
www.realestatebestjobs.com
www.ihirerealestate.com
www.aecjobbank.com
www.selectleaders.com