

Look Before You Leap:



A review of Florida Statutes, rules and best practices when operating as a real estate broker

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And



Time Line

Chapter 1 - Defining Your Market and Developing Your Policy Manual	20 min.
Chapter 2 - Your role as the Manager	25 min.
Chapter 3 – Financial Planning of your business	30 min.
Chapter 4 – Following the rules in Florida	
Escrow	20 min.
Paying your sales people	15 min.
License Renewal Requirements	10 min.
Advertising Rules (F.A.C. 61j2-10.025)	10 min.
Agency Relationships – review	20 min.
Total	150 min. (3 hours)

Course Objectives

By the end of this course the student will be able to:

- Explain the importance of a policy manual and list several elements needed for an effective policy manual.
- Identify the various responsibilities in their role as a manager.
- Develop a business plan to identify various expenses associated with operating a real estate brokerage and the various business models one may follow.
- Explain the F.A.C. rules regarding trust accounts and escrow monies.
- Explain how real estate sales people are legally paid.
- List the license renewal requirements for sales people and brokers.
- Explain the F.A.C. rules regarding advertising.
- Explain Presumptive Transaction Brokerage.

Chapter 1:

Getting Started

Defining Your Market & Developing Your Policy Manual

A. Defining your market

Our industry has the unenviable record of about an 80% failure rate. Was this the quality of the people getting in, the challenge of the Brokerage business itself, or maybe a lack of preparation and understanding of what they were about to enter into?

We know the business is challenging, and only you know if you have the intestinal fortitude to make it in a commission based business. Unless you have significant wealth backing you, you can't afford to make bad decisions and you need to make business happen quickly.

Thus one of the first questions is what or who is your market. It's much easier hitting a target, than it is to say the "world is my market". Thru definition and refinement, we can hone in on exactly who needs or wants our services.

Here's some considerations:

- Are you in a vacation or resort market
- Are you in a seniors market
- Are you in a metropolitan market
- Do you want to specialize in investment sales (REO and others)
- Do you want to specialize in property management and or rentals (maybe college housing)
- Do you have a background that would support industrial or office sales and leasing

By selecting your market before beginning, you can focus in on exactly your markets' requirements. Your marketing budgets and networking will center on that target. You can't be everywhere all the time. Nor can one "specialize in residential, commercial, industrial, property management, land etc. unless you have a considerable amount of staff behind you.

B. Developing Your Policy Manual

At a minimum your policy manual should provide for:

- a. Who may accept money/check for escrow deposit?
- b. Who may sign or acknowledge receipt of such a deposit?
- c. When must it be given to the manager or broker?
- d. When must it go into an approved account?
- e. When can the deposit be paid to one of the parties in a transaction?
- f. In the event of a dispute, who will decide what “escape route” to take? This will depend on the type of contract you’re using as well as state licensing law.
- g. As a general rule, your policy should provide for no cash deposits. The policy should also provide for release of deposits when there is no dispute and timeline for such. This would advise all parties of the check clearance requirement before refunding.

To create a complete policy manual, you may go to the following:

NAR link: <http://www.realtor.org/library/library/fg112>

Chapter 2

Your role as the Manager

A. Recruiting your team

1. Who makes a good recruit? Let's take a look at a few of the characteristics of each generation of people and then identify some traits that might make them 'good recruits.'



The Civics: (63+ years old)

This group of people comes from a disciplined upbringing. When we look back we see that they have survived and grown up during World Wars and the Great Depression. Their sense of patriotism and duty is unparalleled and they are willing to be servants and meet the needs of society. They are

used to hard work and feel a responsibility to offer their leadership skills to others.



The Baby Boomers: (45 – 63 years old)

According to NAR statistics Baby Boomers make up for about **55%** of the Realtor membership today, just take a look around your office.

The parents of Baby Boomers attempted to give their children every possible advantage in life that they could. The Civics grew up with very little and wanted to make a better life for their children. This caused the

Boomer generation to grow up very focused on themselves, their careers, etc. The good news is that Boomers have a very strong work ethic and consider it normal to spend long working hours focusing on one's career, including educating themselves.