Real Estate Referral Income Guide

PAGE 1: Understanding The Referral Opportunity

Most real estate agents spend the majority of their career focusing on their local market. They know the neighborhoods, they know the schools, and they know the local inventory. What many agents don't realize, however, is that some of the biggest opportunities exist outside of the area they serve every day.

Think about all the people you interact with throughout the year. You have past clients, friends, family members, neighbors, social media connections and business contacts. Many of these people either move themselves or know someone who is moving.

How many times have you heard someone say, "My son is moving to another state," or "My friend is relocating for work?" Maybe a former client is buying a vacation home or an investor is purchasing a property in another market. These conversations happen every day.

Many agents simply hand out another agent's phone number and move on with their day. The truth is, those situations are referral opportunities.

One of the biggest misconceptions in real estate is that you have to personally sell every property to make money. That's simply not true. Sometimes your greatest value comes from connecting people with the right professional.

Another advantage of referral business is that you are no longer limited to your local market. You can help clients all over the country and even around the world.

Many agents are also surprised to learn that referrals are not limited to residential real estate. Commercial real estate, industrial properties and business brokerage transactions can all become referral opportunities as well.

As you continue reading this guide, you'll begin to notice that referral opportunities are already around you. The key is simply learning how to recognize them and understanding how the process works.

PAGE 2: What Is A Real Estate Referral?

At its core, a real estate referral is very simple. You know someone who is looking to buy or sell real estate, but another agent is going to handle the actual transaction.

That person could be a family member moving to another state, a past client relocating for a new job, a friend buying a vacation property or a business owner opening a second location in another city.

Referrals exist in almost every industry. Doctors refer patients to specialists. Attorneys refer clients to other attorneys. Financial professionals refer clients to experts in other areas. Real estate works exactly the same way.

No single agent can effectively service every city, state or country. That's why referral relationships are so important.

Instead of trying to handle a transaction in an area you aren't familiar with, you connect your client with a qualified local professional who knows that market extremely well.

Everyone benefits from the arrangement.

Your client gets professional representation from someone who understands the local market. The receiving agent gains a new client. In return, you receive referral income for making that connection.

One of the biggest mistakes agents make is assuming they have to work every transaction themselves. In reality, some of the easiest opportunities come from helping people you already know.

Over time, you'll begin to see referral opportunities almost everywhere. Once that happens, your business begins to expand far beyond your local city.

PAGE 3: How Agents Earn Referral Income

Now let's talk about how agents actually earn referral income.

The process is much simpler than many people think.

Let's say you have a former client who is moving from Florida to California. They need to purchase a $500,000 home, but obviously you aren't going to personally work that transaction yourself.

Instead, you would connect them with an experienced local agent in California.

Before any information is released, a referral agreement is put into place between brokerages. Once everyone agrees to the terms, the local agent then takes over and handles the transaction from beginning to end.

They will show properties, negotiate contracts, coordinate inspections and guide the client all the way through closing.

Meanwhile, you've helped your client connect with someone who understands that market, and you've done it without having to leave your home state.

Once the transaction closes, the referral agreement determines how referral income is paid.

The exact percentages can vary depending on the situation, but the important thing to understand is that referral business creates an opportunity to earn income simply by making quality connections.

Many agents are surprised at how straightforward the process really is.

The hardest part isn't placing the referral. The hardest part is simply changing your mindset and recognizing opportunities when they appear.

Once you begin doing that, you'll realize referral business can become a valuable addition to your existing network and long-term relationships.

PAGE 4: Referral Opportunities Most Agents Miss

One thing we've learned over the years is that agents often underestimate how many referral opportunities are already sitting right in front of them.

Think about everyone you know. Past clients, family members, friends, neighbors, business owners, investors and social media connections all have one thing in common. They know people.

People move every day. Children graduate from college and relocate. Retirees move closer to family. Businesses expand into new markets. Investors purchase properties in other states.

Every one of those situations could potentially become a referral opportunity.

One of the biggest advantages of referral business is that geography is no longer a limitation.

In traditional real estate sales, your market may only be 20 or 30 miles around your office. In the referral business, your market can become the entire country and even worldwide.

Another thing agents often overlook is commercial real estate. Many people immediately think of residential homes, but referral opportunities exist in office buildings, retail spaces, industrial properties and even business brokerage transactions.

The easiest way to uncover opportunities is to simply start asking questions.

When talking to people, ask if they know anyone moving, buying, selling, investing or expanding a business.

You don't have to pressure people or sell anything. Simply pay attention to the conversations already happening around you.

You'll quickly realize there are far more opportunities available than you originally thought.

Image suggestion: Person standing in the center connected to family, friends, business owners and past clients.

PAGE 5: How Park Place Realty Network Helps

After learning how referrals work, many agents naturally ask the same question.

"How do I build a business around this?"

This is where Park Place Realty Network comes in.

Since 2010, we've helped over 1,000 agents keep their real estate license active while building a referral-based business.

Many of our agents are no longer interested in paying expensive Realtor or MLS fees, but they still want to maintain an active license and continue earning income from their network of contacts.

Our company allows agents in Florida, Georgia and North Carolina to do exactly that.

We also have agents who live all over the world, including as far away as Japan. The beauty of the referral business is that where you live no longer matters. As long as you know people, opportunities exist.

When one of our agents knows someone who is looking to buy or sell real estate, they simply send us the referral. We then help coordinate the referral process and place the client with a qualified local professional. If you already have an agent you'd like to work with, we can often work with them as well, as long as they agree to the referral structure.

Agents who place their license with Park Place also receive additional benefits, including a free lead-generating webpage, discounted continuing education opportunities, marketing materials and direct broker support during normal business hours. We pay our agents top dollar on each referral.

Our goal has always been simple: help agents build a successful referral business without the cost and pressure associated with traditional brokerages.

If you're interested in learning more, you can sign up online at www.ParkPlaceNetwork.com/signupnow. In many cases, we can activate your license the very same business day once everything has been received.