

## Myths & Misconceptions About Realtors® & Their Profession

By **JIM SMITH**  
**Jefferson County Realtor®**

I was recently reminded of the antagonism which some people hold toward real estate professionals when I got an email from a man who felt spammed by one of my email flyers. He dismissed my practice of giving 10% of every commission to Habitat for Humanity as “a pittance from the vast fortune that you have gained by doing a job which is just one step above that of a used car salesman in our society.”

That person’s remarks reflect a consciousness about real estate agents which I recognize, but which unfairly portrays an entire class of professionals as unethical and unprofessional. (He also stereotyped used car salesmen, of course!) Perhaps it’s time for me to address some of these myths and misconceptions in this space.

One of the misconceptions is that all real estate agents are “Realtors.” To be a Realtor®, an agent must join the National Association of Realtors (NAR), as well as of his or her local and state Realtor associations. In fact, fewer than half the licensed agents in this country are Realtors. Realtors alone are held to NAR’s strict Code of Ethics.

The major real estate franchises (such as RE/Max) require their agents to be Realtors, which costs each agent over \$300 per year in dues. These franchises also provide their own close supervision of their agents lest they be tainted by the misbehavior of an associate. Additionally, under Colorado law, a broker/owner is legally responsible for the misdeeds of his or her agents.

Realtor or not, every agent is fingerprinted and checked for criminal background before being licensed by the Colorado Real Estate Commission.

The average Realtor is 54 years old and made \$52,500 last year. The average RE/Max Realtor in this region earned \$125,000 in commissions last year — but this is *gross* income, prior to subtracting our fees to RE/Max (approx. \$13,000), car expenses, advertising costs, Internet fees, computers, training, and all the other costs of being in this business.

The misconception that real estate is an easy way to make lots of money is one reason why there are so many new real estate licen-

sees each year — but over 90% of those licensees get so discouraged during their first year that they do not renew their license. I myself made \$7,000 during my first year in real estate.

As in all professions, you will occasionally encounter unethical practitioners in real estate, but agents are aggressively monitored by both state and federal agencies, as well as by our MLS — and we are typically willing to report on each other following an illegal or unethical encounter. (In most of life’s other transactions, such as buying a car or refinancing your home, you do not have competing professionals on both sides of the transaction, as you do in real estate.)

Our adherence to fair housing laws is constantly checked by testers who pretend they are minority buyers and see if we will do something illegal such as steer them to a minority neighborhood. Violators are severely prosecuted.

As part of our continuing education requirement to remain licensed, agents must take lengthy Real Estate Commission update classes annually and equally long ethics classes every three years.

While my personal commitment to Habitat for Humanity may be unusual, the Jeffco Association of Realtors is sponsoring its second Habitat home this year, and my colleagues in real estate have long supported such entities as Children’s Miracle Network, the Susan G. Komen Foundation, and the Colorado Association of Realtors Housing Opportunity Foundation (CARHOF), which helps first-time homebuyers.

I’m proud to be a Realtor.

### Mortgage Update

By **Jean Rowe, 303-601-4035**  
 Clarion Mortgage Capital

Bonds were up last Thursday but down significantly again on Friday. There was a blip of lower mortgage interest rate possibilities on Thursday, but Friday saw them moving back to 6.125%.

#### Rate update at press-time:

- ◆ 30-Year Fixed: 6.125% (APR 6.227%), Principal & Interest (on \$200,000 loan): \$1215.22
- ◆ 5/1 ARM: 5.00% (APR 4.70%), P & I: \$1073.64
- ◆ 3/1 Interest-Only ARM: 4.75% (APR 4.454%), P & I: \$791.67!

Does that low payment on an interest-only loan pique your interest? Call me for a personalized quote and fast pre-approval!



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