

Dear Sir,

How can anyone claim the real estate industry is not competitive? Over the past five or six years, every agent in my business community has had to “sell” 5 to 10 properties to each client before they were successful in obtaining one. This means that for each sale, we work 5 to 10 times harder than the public perceives. At the same time, our fee structure has eroded by 15% to 20%. During the same time period, our cost of doing business has continued to increase, as has our cost of living. It is important to realize, and this is something many do not understand, that the real estate industry is something we do for our livelihood, not a hobby. True, house prices have increased so our fees tend to go up in an actual dollar sense, but not necessarily in a real, inflation adjusted sense.

And when it comes to “listing” a property, there are always several agents willing to offer to handle the sale for less money, hoping to buy the seller’s business. In order to compete, it is necessary to sell the seller on the value of my service over the competitor who is willing to work for less, and perhaps not provide the same quality of work product. This competition is good, for it keeps us on our toes, always striving to perfect our marketing skills for the benefit of the consumer.

The real estate industry is a model of competition that works. In an economy in which large, national corporations -- such as Wal-Mart and Microsoft -- dominate the marketplace, real estate stands apart. We are an industry made up predominantly of small businesses and independent contractors who represent the entrepreneurial spirit upon which this country was founded.

All of us serve localized markets where we compete for business every day. Fierce competition is fueled largely by the uniquely intense and personalized nature of the service we provide to our clients. This, in turn, determines our future success through referrals and return business.

Barriers to entry are low. If you are willing to take the time to learn the business in your local market, pass the state license examination and adhere to the REALTOR® code of ethics, there is nothing to stand in the way of success in this industry. I had to learn the business and pass the state licensing examination, but it is my own work ethic, commitment to professional standards and dedication to client satisfaction that determine my success.

Even through the economic downturns our country has experienced in the past few years, our industry has continued to provide opportunity -- something I would say is confirmed by the thousands of new agents that join our profession every year and the over 2 million Americans, not all of them Realtors®, who are now licensed to provide professional real estate services in communities across the country.

Nothing encourages a competitive business environment more than providing consumers with choice. In the residential real estate marketplace, consumers not only are able to choose from more than 76,000 brokerage firms and more than 1.2 million REALTORS®, but also from a variety of business models.

I have been in the real estate business for over 30 years. Not a year has gone by that the business has not become more competitive. This is the most competitive industry I have ever observed, or can even imagine.