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An education in real estate

Fewer people seeking licenses; but those in the business becoming more specialized

San Antonio Business Journal - by [Sara Elizabeth Payne](#)

In recent years, real estate as a career has been the proverbial greener grass. People on the other side viewed the booming market as a place to get rich quick -- or at least a more glamorous way to pull in more money than their 9 -to-5 job. "Everybody thought, 'Oh, this is the easy thing.' People saw it as a nice career to get into," says Tonya **Lapinski**, who along with her husband Bob runs the **Alamo Institute**, a proprietary real estate licensing school the couple purchased in 1994.

But national recessionary woes are leading many of those career changers to think again.

Across the board, the number of individuals applying for real estate licenses has dropped significantly. Between September 2007 and April 2008, the number of applications for new real estate licenses has dropped 27 percent compared with the same time period one year ago.

Enrollment in at least two of San Antonio's three real estate schools is down as well. Lapinski says business at Alamo Institute is down 30 percent. This year approximately 2,500 courses will be taken, compared to between 3,000 to 4,000 classes two years ago. Similarly, the San Antonio Board of Realtors (SABOR) reports a 20 percent drop in enrollments from 2006. Champions School of Real Estate's local figures were not available, although a local official called business "steady."

However, while some are skipping out on real estate as a profitable career, those on the inside do not seem deterred.

"The people that are in the business are not getting out of the business," notes Lapinski. "They do not see the same decline in the market that others are talking about. You are not getting a huge influx of people getting a license, but you do get people renewing."

In fact, SABOR reports that its continued education enrollment classes are up, even from 2006, which among the schools was known to be the peak year for enrollment. And Kim Dydalewicz, campus manager at Champions, says people are signing on for specialty classes.

Interest from those already in the business is a sign of the industry's stability locally, the educators contend.

"This market is not stagnant or declining," Lapinski says. "When you see these stories on television about real estate, foreclosure rates, all these things that are going on, they are talking about nationwide. Texas is not going through that like the rest of the country. That's the biggest perception that people have to overcome."

While license applications have taken a nose dive, Lapinski says, applications to re-apply, which must occur every one-to-two years depending on seniority, have remained steady. Renewals for brokers and sales people have dropped less than 2 percent.

Thus, the market is benefiting from quality sellers and brokers, notes David Jones, team leader of Keller Williams-Heritage. When it was a seller's market, he says, people mistakenly were under the notion that the business would be a piece of cake. Consequently, agents would expect more for less work. "I can't say I blame them, but the sellers market taught us a lot of bad habits," he adds. "I think we have a really strong market now because it's neither a buyer's market nor a seller's market."

Because the prevailing perception of a slower market has weeded out those interested in earning a quick buck, Jones says the industry can now focus on a key component of its success -- namely service.

Jones, who oversees 455 licensees, notices that Realtors now are working harder, providing better customer service, and being proactive in obtaining clientele. David Kirkhofer agrees, noting that his current employers at Phyllis Browning Co. are selective in their process to find agents. An extensive interview process is set in place to ensure they hire serious, service-oriented professionals, he says. Education and ongoing training is essential to this concept and many large real estate firms offer a wide variety of continuing education courses, training seminars and guest speakers.

Intellectual property

Setting the foundation for those newly-minted real estate agents are the local real estate schools.

"What we see is quality coming out of the real estate schools and productivity going up," Jones observes. "We enjoy this type of market because we enjoy the skill base and we are a skill-based company."

This productivity may be an effect of finely-tuned education in the real estate schools. Although the four core required real estate courses remain unchanged,

each of the schools in San Antonio offers its own array of elective courses ranging from property management to finance, mathematics to investment. These elective courses are also allowing agents to become more specialized. The schools offer various designations, such as the accredited buyer representative (ABR) and accredited luxury home specialist (ALHS) designation. Interest in these designations is growing.

In May, SABOR began to offer the ALHS designation, a two-day course that includes education on qualifying buyers and staging luxury homes. In addition, it offers classes on subjects including wildlife management tax valuation and 1031 tax-deferred exchanges.

Ron Smith, education director at SABOR, started as an instructor with the program in 1981. He joined SABOR full-time as education director in 1997 and runs a staff of five people. The school was started by SABOR in 1978. Smith says the curriculum at each local school is similar. Unlike the competitive nature of the actual business, the schools collaborate.

"We all work together," Smith says. "We've sent them students if we don't have a class they want or the course is full, and they do the same for us."

General license

To earn a real estate license in Texas, you must be at least 18 years old, a legal resident of the United States, a resident of Texas, report all past criminal convictions and be current in child support payments. The estimated cost to acquire a real estate license is between \$913.50 and \$1,143.50, according to the **Alamo Institute**. After the classes are completed (this typically takes 5-8 weeks), the real estate students align themselves with a licensed broker. After completing and passing a timed, three-hour test, the individual is allowed to practice as a Realtor under that designated broker.

Texas Real Estate Commission has the most stringent licensing requirements, Lapinski notes, because the state requires that all 210 credits be completed before applying. An additional 60 credits is required before the license will be issued.

"I really think Texas is trying to have a professional group of people that hold real estate licenses and broker's licenses," she adds. "People need to understand this: It isn't how quick you can do it, it's how well do you know what you are doing."

Lapinski and her husband, a retired teacher, purchased the Alamo Institute in 1994 from a company based in Austin. Originally, her daughter and son-in-law joined the couple in the business, but later accepted positions out of the state. For years, SABOR's school and the Alamo Institute were the only proprietary schools in San Antonio. In December 2006, Houston-based Champions opened

a location in San Antonio. It quickly grew from a three-person office to a five-employee location, says Dydalewicz, San Antonio campus manager.

"We're very happy here with the growth of the school given how new we are to San Antonio," she says.

Sarah Elizabeth Payne is a San Antonio free-lance writer.

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