

BECOMING A REFERRAL AGENT CAN PAY OFF BIG TIME

Everyone knows what a real estate agent does, but not as many people are aware of what a *referral agent* does, or why they want to become one. Being a referral agent can be a lucrative way of earning income in the real estate business, and is a good option for licensees who have connections to family and friends but who do not wish to service clients themselves.

Definition of a Referral Agent

A referral agent is a real estate agent who refers a client to another real estate agent, who will then manage the client's real estate transaction. Referral agents receive a portion of the commission on the real estate transaction a client conducts after they have been referred. A referral agent must be part of a brokerage in order to act as a referral agent and receive commissions for referrals.

Duties of a Referral Agent

Since referral agents rely on commission of successful sales by their referred agents, their success depends on generating a significant number of quality referrals. This means marketing their services online and elsewhere in order to create business from clients who are looking for a referral. Being well-connected and visible in the real estate community via a strong network can help with receiving contacts who need referrals. Another crucial piece of the real estate referral agent job is to know which real estate agents in target markets are available for referrals. A real estate referral agent will want to have a good roster of agents in various, popular real estate markets that they can refer their clients to. The amount of commission that a real estate agent is willing to pay the referral agent can influence which real estate agents a referral agent will refer clients to. Once a client has been referred to an agent, there are typically no other duties for the referral agent. However, a good referral agent will follow up to make sure that the real estate agent to which their client was referred is doing a good job for the client.

How Can You Become a Referral Agent?

In order to earn income as a real estate referral agent, you must have your real estate license. **You must also be connected with a brokerage that can receive and process the commissions you receive from making referrals.** *You cannot receive commissions for referrals unless you are part of a brokerage, or have a broker's license yourself.*

Once you have your real estate license and are part of a brokerage, you can begin working as a real estate referral agent. Make sure to market your services widely, from social media to your website to any other place where you can make yourself visible to clients looking for referrals. Staying connected in major markets where clients are looking to buy property will help generate leads for your business as a real estate referral agent. As you build your referral business and create leads, you will find that being a real estate referral agent can be an excellent way of earning income in the real estate field. The more connected and visible you are as a referral agent, the more successful your business will be. But it doesn't stop with earning commissions. Helping clients connect to good agents is a very useful service. And connecting clients with good real estate agents who provide you with a healthy commission means that everyone - you, your client and their real estate agent - wins.