

## What is a Realtor?

By ALEX MASON | Green Shoot Media

Real estate professionals have many job functions, including loan officer, home inspector, appraiser, broker and sales agent.

Perhaps the two most confusing titles are those of real estate agent and Realtor. Are they the same thing? Well, not exactly.

The real estate agent and the Realtor provide many of the same services for home buyers and sellers. However, the breadth of knowledge, recognition and assurance of ongoing real estate training is the defining line that separates the two.

### AGENTS

Depending on the state where the real estate agent practices, the option to obtain a Realtor title will vary.

When a real estate student passes the state real estate exam, he or she will automatically become a real estate agent. This title is sufficient to go to work for a broker and begin work with the broker's clients.

The real estate agent is under the authority of the broker, who is ultimately responsible for every real estate transaction in his or her office.

Should a lawsuit arise, it is the broker who typically must deal with the legal issues, so he or she should be greatly concerned about the education of the agents in the office.

Real estate agents are fully competent to assist buyers and sellers in real estate transactions, but in some states, the agent does not have his own access to lock boxes and premium online selling tools.

The real estate agent will need to use broker keys to show properties and may not carry the same prestige as an agent who has upgraded her skills to Realtor.



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Know the difference between a Realtor and a real estate agent.

### REALTORS

A Realtor is given that title by becoming a member of the National Association of Realtors, which recognizes an agent to be one of its own.

This means that the real estate agent has undergone extended real estate training beyond the call of the state board exams to rise to a professional level for residential and commercial property sales.

The Realtor is a member of an elite group who train and shape new agents into highly competent real-estate machines.

Depending on the size, branding and location of a real estate office, some brokers insist that all of their agents become Realtors.

This ensures a consistent quality of service to the broker's clients and guards against the agent making a tragic mistake that could result in a costly lawsuit.

The Realtor title is not free; there are a number of mandatory fees associated with membership. The real estate agent must pay an initial fee, yearly deposits on the lock box and agent key, and will be asked to attend a series of meetings and events. Those who foresee a lengthy career in the property business are well advised to get a Realtor title as soon as possible.

In addition to making life easier at the office for the broker, a sales agent who upgrades to a Realtor status will have the opportunity to work with the sale

of commercial properties. This aspect of the industry can be very lucrative but also carries a great deal of responsibility for the agent.

Commercial contracts are much longer and more complicated than residential contracts. However, the commission structure is excellent, and the total sales price can reach into the millions of dollars.

Commercial real estate is not the place to start for a brand new agent fresh from the examination room.

However, with some wise planning to make the jump from agent to Realtor, a lucrative career in commercial sales may be carved in just a few short years.

### REAL ESTATE 101

#### What's in a name?

Realtor.com offers the following definitions of terms for real estate professionals:

#### ■ Real estate agent:

Anyone who earns a real estate license can be called a real estate agent, whether that license is as a sales professional, an associate broker or a broker. State requirements vary, but in all states you must take a minimum number of classes and pass a test to earn your license.

■ **REALTOR:** A real estate agent who is a member of the National Association of REALTORS®, which means that he or she must uphold the standards of the association and its code of ethics.

■ **Real estate broker:** A person who has taken education beyond the agent level as required by state laws and has passed a broker's license exam. Brokers can work alone or they can hire agents to work for them.

■ **Real estate salesperson:** Another name for a real estate agent.

■ **Real estate associate broker:** Someone who has taken additional education classes and earned a broker's license but chooses to work under the management of a broker.



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Not every real estate professional is the same. Know the difference between a Realtor and a real estate agent.

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### HOMESWISE GLOSSARY

**FAIR HOUSING ACT:** 1968 act (amended in 1974 and 1988) providing the HUD Secretary with fair housing enforcement and investigation responsibilities. A law that prohibits discrimination in all facets of the homebuying process on the basis of race, color, national origin, religion, sex, familial status, or disability.

**SOURCE:** U.S. Department of Housing and Urban Development

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