

September

NEWSLETTER

REAL ESTATE INCOME

Do You Know What REALTORS® Really Earn?

- I. Median income for average real estate agents in the U.S. in 2013 was \$38,067/YR.
- II. The most common commission of total sales of homes is 5-6%
- III. All agents, with a few exceptions must work for a broker. Usually 50% of commission goes to the broker & 50% to the agent until your split with the broker is paid. Most splits are paid at \$16,000-\$18,000 per year. This must be paid before your commission increases to 90-94%
- IV. Franchise Commission: If your Broker is part of a national franchise, this franchise will take 6-10% of your commission forever.
- V. An experienced agent with a proven track record can make up to 70% of commission annually until the split is paid in full. The Broker then makes only 30% of the split.
- VI. If you are a buyers agent you get half of the total commission
- VII. If looking at a standard 6% commission, when you list a house, 95% of the time you get 3%

EXPENSES

Agents Are Independent Contractors & Are Responsible for Their Own Expenses.

- ◆ Office space: \$16,000-18,000/yr.
- ◆ Health, auto, liability insurance: \$1,000-\$2,000/yr.
- ◆ Transportation (Gas & Vehicle upkeep): \$3,000-\$6,000/yr.
- ◆ Marketing Materials: Signs, flyers, newsletters, pens, gifts, photography, etc. : \$1,000-\$3,000/yr.
- ◆ Advertising: Ad's in magazines, billboards, etc.: \$1,000-\$10,000/yr.
- ◆ Conventions & Seminars: \$500-\$5,000/yr.
- ◆ Continuing Education: License requirements, certifications, etc.: \$400-\$1,000/yr.



- ◆ Industry Dues, Association Fees, MLS Fees, Etc.: \$500-\$1,000/yr.
- ◆ Technology- Phone, computer, website: \$400- \$5000/yr.
- ◆ Office Supplies & Subscriptions: \$100-\$1,000/yr.
- ◆ Legal & Accounting: \$300-\$3,000/yr.

Total: \$8,200-\$37,000/yr.

BENEFITS

- ◆ No hourly or weekly pay (often work for free)
- ◆ No paid vacations
- ◆ No paid days off or holiday pay
- ◆ No paid insurance of any kind
- ◆ No sick days
- ◆ On Call 24-7 most of the time

NEXT TIME

Next time you pay an agent \$5,000-\$10,000 commission and you think that an agent is getting rich, put these costs & splits into the equation. You will notice how much work and cost went into that commission. You may even appreciate your agent a little bit more. An agent must budget their time, money & costs carefully to allow for the up's and down's of the business. They can't plan on an income every week & many times will go 4-12 weeks without a commission.



TREES

Are You Responsible if Your Tree Falls on Your Neighbors Property?

1. **Construction Accidents: Yes!** If either you or your contractor causes a tree to fall on your neighbors property and causes damage, you will be responsible for the repairs. Hopefully, either you or your contractor has insurance to cover the damage.
2. **Extreme Weather: Usually, No!** If heavy storm or lightning strike causes the healthy tree to fall, you are not responsible. However, if an old or diseased tree falls after a light storm, you may be responsible.
3. **Dying or Unsafe Trees: Yes!** The general rule of thumb is if the owner knew or should have known that this tree is unsafe, then you are responsible. This is especially true if your neighbor warned you and you did nothing about it. You have a duty to inspect your trees and make sure they are not a hazard to your neighbor or visitors.

The Williams Team
REAL LIVING • KEE REALTY

Sincerely,

Larry, Marianne, India & Clarissa



COUNTRY ESTATE

BUILDERS OWN HOME - CUSTOM BUILT & REMODELED IN 2008

OVER 8,000 sq.ft. OF LUXURIOUS LIVING

RENT TO OWN THIS MAGNIFICENT HOME

VERY AFFORDABLE- INCLUDES 25% RENT REBATE AT CLOSING



4540 DANBI Drive, Metamora Twp 48455-9762

SPECIAL FEATURES:

- ◆ INCREDIBLE ENTERTAINING POSSIBLE
- ◆ 1500' DREAM HEATED WORKSHOP
- ◆ 2 HORSES ALLOWED PLUS POLE BARN
- ◆ HIGH SPEED INTERNET AVAILABLE
- ◆ 2 MASTER SUITES
- ◆ ENDLESS RECREATION
- ◆ VERY PRIVATE 5 ACRES (AT END OF ROAD)
- ◆ UP TO 8 CARS STORAGE POSSIBILITIES
- ◆ LOW COST TO LIVE: LOW TAXES, NO HEAT BILLS POSSIBLE & INCOME STUDIO APARTMENT ON-SITE



Gourmet Kitchen: 20x15



Dining Room: 15x14

Gourmet kitchen with cherry cabinets and high-end stainless steel appliances.

5 BR, 4.2 BA

Lifetime Roof Warranty

Purchase Price: \$729,900

*Purchase-Lease Price: \$4,500/mo.

Deposit: \$30,000

SEE MLS #214073186



Living Room: 21x20



Master Suite: 26x23



Heated Workshop: 47x34



Finished Walk-Out Basement

*To learn more about our Purchase-Lease Program, visit our website below.



The Williams Team
REAL LIVING · KEE REALTY

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2333 HIDDEN TRAIL Drive, Sterling Heights 48314-3741

Fantastic upgraded upper Sterling Heights brick colonial. 4br, 3 full baths w/many new features; Granite in kitchen w/ stainless steel appliances, Light fixtures, windows, carpet, H2O, fans & front door. Includes formal dining room & Large study plus living room & great room w/ cathedral ceilings & gas F.P. Mstr suite is large with big mstr bath & wic. Also has complete sound system speakers inside & outside of house with surround sound. Includes ADT security system plus 4 outside cameras. Basement completely finished with its own full bath. Outside patio is oversized & includes sprinkler system. \$300 cleaning fee. 1 1/2 months Sec. deposit. Non- Smoking home.

Sq. Ft. : 3,043

Bedrooms: 4

Baths: 3.1

.25 Acres

\$2,600

MLS #214077456