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Sent: Friday, October 21, 2005 10:02 PM  
To: ATR-Real Estate Workshop  
Cc: ftcdojworkshop@realtors.org  
Subject: Real Estate Workshop

Please find my letter regarding competition and commission rates for the real estate industry attached.

Sincerely,

Cindy

Cindy Johnson

Reece & Nichols Realtors, Inc.

Office: 913-307-4074

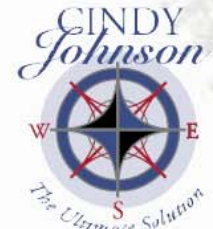
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*Cindy Johnson is The  
Ultimate Solution For Your Next Move.*

October 21, 2005



Dear Sirs/Madams,

I don't understand how anyone could think the real estate industry is not competitive enough and that commissions are too high. I suggest you walk a day in my shoes to understand how hard a Realtor works and the MANY expenses we have associated with selling a home. People think nothing of paying a **15%** tip to someone to bring their food to the table - even if it's poor service. An attorney charges a **30%** commission (and higher) to file on your behalf on a class action lawsuit. However, people believe **5 to 7%** is too high to pay a professional to help them sell one of the largest investments they may ever have????

Let's also look at where that commission goes. Half goes to the listing agent, who has spent large sums of money to market the house, may have also paid to have it professionally photographed, pre-inspected, staged, cleaned, and who knows what else. The other half goes to the buyer's agent who may have spent up to 6 months hauling these people around and countless hours researching homes to view. Our time is worth something and we also have expenses related to showing buyers such as gas and meals. The Realtor then has to split their share of the commission with the brokerage firm they are affiliated with. The brokerage has their fair share of business expenses too. So I end up with around 1/4 of the overall commission - that's **1.5%** on a 6% listing.

Most Realtors work 7 days a week. I've negotiated offers up until 11:00 p.m. at night. We work hard to represent the best interest of our clients. I understand that many people don't have a clue as to what a Realtor really does behind the scenes. I didn't appreciate how hard they work until I became one and I certainly didn't understand the expenses they have.

This is my second year in the business and I've done okay this year; however, 80% of my income has gone back into the business for advertising, marketing, carry-over start-up costs, continuing education, accounting, office supplies, etc. Ten percent went to the church and that leaves me a whopping 10% income that I still have to split with Uncle Sam. My **GROSS** income this year will be around **\$30,000**.

Since most people don't understand what a Realtor does and why they are worth what they are paid, I have created a spreadsheet with what I do to either help you sell your home or help you find and buy a new home. I will be more than happy to share that with you if you are interested.

Were you aware there is an 80% dropout rate among new agents because it is so competitive!!!! Check the number of licensees.

Sincerely,  
Cindy Johnson

If you want to see Cindy Johnson's eyes light up, just mention "water." For her, it's the ultimate destination. Whether boating, fishing, jet skiing or kayaking, Cindy will tell you that H2O is the best element for savoring the good life. As a Florida native with a wealth of business experience gleaned from a stellar career with Sprint, Cindy is now helping families find their ultimate destination in her dynamic career as a Realtor®. When it comes to your next move in the Kansas City Metro area, discover *The Ultimate Solution* for all your real estate needs. Her local knowledge and business expertise will make your next move a smooth and easy process. Give her a call today!

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