

Residential or commercial real estate? Here's how to determine the right career path for you

Not only is real estate one of the best long-term investments, it also makes for an excellent career choice. However, there's a lot more to selling a property than planting a For Sale sign and arranging viewings, so those merely looking to make a quick, easy buck won't last very long.



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“Whether you’re helping families to find their dream homes or up-and-coming entrepreneurs to find the perfect location to start their own companies, the property sector can be extremely rewarding in many ways,” says Claude McKirby, co-principal for Lew Geffen Sotheby’s International Realty in Cape Town’s Southern Suburbs.

“However, although both the residential and commercial sectors involve the sale or rental of bricks and mortar, there are a number of significant differences between them and these need to be carefully considered before making a decision.

“Not only are the working environments quite different, many day-to-day tasks in each sector require different skill sets so although an agent can work in both sectors, usually one will better suit their temperament.”

Career aspirations

Brent Townes, commercial property chief operating officer in Cape Town for the group says that, depending on your skills and the area in which you work, there is very good money to be made in both sectors, however, real success will depend on where your passion lies.

“If you are the type of person who thrives in a more structured, professional and less emotional business arena with an eye on the corporate ladder, and you enjoy mixing with the movers and shakers, then the commercial sector is probably the best option for you.

“However, if you enjoy being more personally involved with your clients and operating in a less formal way, and the prospect of helping people to find their forever home or build their personal investment portfolios appeals more to you, then you should consider the residential sector.”



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Working environment

Working in the commercial sector is a more traditional full-time, Monday to Friday job and although you can easily work as many hours – if not more – in the residential sector should you choose to, the latter is more flexible so you can take more time for your personal needs if necessary.

“Commercial is also a more formal environment,” says Townes, “as you deal mainly with the corporate sector and, as there is less emotion attached to these deals, it’s all about making business happen.

“Although residential property is certainly also an investment property, and often the largest one most people ever make, it’s also an emotional investment as it’s the family home, a place where children are raised and memories are made.

“You’ll forge relationships with many families and, quite often, become more involved than you would at a strictly business level.”

Working hours

“This is a key deciding factor for many people,” says McKirby, “because although residential real estate agents are never really off work and can expect to work any time of the day and even over weekends, their time is much more their own and it’s easier to slot in other commitments like family obligations.

“A commercial real estate agent, on the other hand, only works within business hours, so, if you are looking for a more structured routine and better time management, being a commercial agent might be a better real estate career choice for you.”

He adds that another notable difference is that whilst it’s possible to be a part-time residential agent, this is not usually an option for those dealing with commercial property.

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Skill sets and tasks

“The sale of any property is a complex process that requires more than a passing knowledge of diverse fields such as marketing, legal processes and finance as well as reasonable fluency in legalese,” says Townes.

“Add to this a thorough knowledge of the market in the agent’s area so as to accurately evaluate a property to achieve a realistic sale price in as short a time frame as possible as well as the ability to negotiate and mediate between two parties.”

But although the same basic skill sets are required for residential and commercial transactions, Townes says that there are several variations in the tasks performed.

“Values of commercial properties are largely driven by rental returns or the potential for capital growth whilst value of residential real estate is largely determined by the location and also the condition of the property and how well it meets current trends.

“So how properties are valued and assessed will differ between the two and also how properties are marketed and even how negotiations are handled.”

McKirby believes that regardless of which sector one chooses, over and above passion, the training one receives is key to achieving success and it’s therefore critical to select a well-established and respected agency with an excellent track record.

“It’s the in-house training that you receive during your internship that equips you with the knowledge and skills required to make your mark in a competitive and dynamic industry so choose well.

“And remember that mindset is 90% of this business and that what ultimately sets highly successful agents apart from the rest is their attitude and drive.

“You’ll encounter many highs and lows along the way and it takes a very positive attitude, discipline and perseverance to carry on full steam ahead regardless of prevailing circumstances.

“But at the end of the day, there are few careers that can match the rewards that real estate can offer; not only financially but also in terms of job satisfaction and long-term career goals.”

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