Real Estate Internship

A look into the odd world of Real Estate

Michael Litman  Summer 2014
Real Estate

- Real estate is land plus anything permanently attached.
- 180 hours of class to receive your real estate license
- It can be grouped into 3 main categories.
  - **Residential**—Predominantly houses
  - Commercial—Predominantly businesses
  - Industrial—Manufacturing and production
Getting a Real Estate Liscence

- 6 Classes required
  - Real Estate Principals I & II – 60 Hours
  - Law of Agency – 30 Hours
  - Law of Contracts – 30 Hours
  - Promulgated Contract Forms – 30 Hours
  - Real Estate Finance – 30 Hours
Not that simple
Real estate is defined as “Land plus anything permanently fixed to it, including buildings, sheds, and other items attached to the structure.”

Residential real estate is property consisting of buildings and also natural resources such as crops and minerals.
Residential Real Estate

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My Duties

- Inactive License: This means that I can not actually perform licensee duties until it is activated
  - To activate I need my broker to hang my licensee in his office.
- I shadowed the broker I worked for and learned different ways houses are staged depending on the type of homes.
- I also kept track of the brokerages finances using an accounting program.
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Shadowing the Broker

- **Showing houses**
  - Show different houses to our client (buyer)

- **Staging houses**
  - This includes moving furniture, and making sure everything was clean to make it look appealing to the customer.

- **Listing houses**
  - Using the Multiple Listing Service (MLS)

- **Open house**
  - Used for main purpose of gaining prospective clients and customers.
Odd World

- Real estate is one of the only professions where the better you do your job, the less money you make when working for the buyer.
  - One of your jobs as the buyers real estate agent is to lower the price on the house the buyer wants to buy.
- On the other hand, the better you do your job on the sellers side the more money you make.
  - In the reverse of the previous situation, you are now earning more of a commission since the price is increasing.
Courses that prepared me

- **AGEC 422: Land Economics with Jason Jones**
  - Understood certain aspects of land resources
  - Explained the elements of a valid contract
  - What happens to property when someone dies.

- **AGEC 330: Financial Mgmt in AGRI with Danny Klinefelter.**
  - Studied about different types of loans such as open ended loans and asset based loans.
  - Completed various what if financial sheets like the balance sheet.
Economic concepts

- The more unemployment there is the less likely we are to sell a house.
  - One thing I learned in multiple ECON classes is that, the more people unemployed, the more people cannot afford a house.
- Land is a non-depreciable resource.
  - Land has no definitive useful life, so instead it is considered to have an unlimited life span.
Things I need to improve on

- Real Estate Principals
  - Although I’ve learned a lot from real estate courses, I feel like you can never know too much about the industry

- Learning how to talk to clients
  - While I have a good grasp on how real estate works and the main objectives of real estate, but talking to clients is not something you learn in a book.
Internship Impact

- Different kind of work.
  - Not a 9–5 desk job
- Work with people
  - The job consists mostly of communicating with people.
- Everyday is different
  - You work with new people almost everyday.
- Accounting
  - Bookkeeping and the business
Future plans

- Continue working in Real Estate
  - I already have my license, so I already have a foot in the door.

- Find another job
  - I’ve always been fond of financing or even an economic analyst.

- Masters of Accounting
  - The internship also provided me with some experience in accounting.
Sources Cited

- prnewswire.com
- accountingtools.com