

Saturday, October 2, 2004

The New York Times

# Job Market

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## Real Estate's Sizzle Draws New Brokers

By **EVE TAHMINCIOGLU**

Published: October 3, 2004

**J**OHN P. HARRISON got a real estate license in May after his day-trading business deteriorated over several years. Jennifer Glass is studying for a license after leaving a 10-year career as a legal assistant. Luke Gardner, a former lawyer, became a real estate broker in August.

As prices for New York real estate reach stratospheric levels, thousands of New Yorkers are enrolling in courses and taking exams to become real estate agents and brokers. The number of people holding broker or sales agents licenses in the New York City, Westchester County and Long Island region rose to 94,587 last month from 79,372 at the end of 2002, according to Peter Constantakes, a spokesman for the New York Department of State, which oversees such licensing.

It is relatively easy to become a real estate sales agent or broker. A sales agent takes just one course and one exam, while a broker, who oversees the business of an agency, takes two courses and two tests and must have a year of experience in the business.

Even a new broker can look forward to a comfortable income. Agents in New York City can expect to make \$50,000 to \$85,000 annually, and brokers as much as \$100,000 if not more their first year, said Mark David, owner of Mark David & Company, a real estate agency in Manhattan.

But if long-term interest rates start to climb significantly, making mortgages more expensive, the fever in the real estate market could cool, thereby reducing the number of high-price sales.

At the same time, commissions, which have remained about 6 to 7 percent for years, are declining to 5 percent or less because of greater competition. That means many of the newly minted agents and brokers could soon find themselves in a less-profitable business with many competitors.

Frank Nothaft, vice president and chief economist at Freddie Mac, which buys home mortgages and bundles them into large securities, said he expected interest rates to rise "a good half a percentage point" and the number of home sales nationwide to decline to 7.1 million next year from a record 7.7 million this year.

"Are people going to school to become agents at the right time?" he said. "That's the \$64,000 question. Looking out over next year, home sales will be a bit weaker nationwide, and I would



Nicole Bengiveno/The New York Times  
Students interested in becoming brokers attend William Plunkett's class at the New York Real Estate Institute.

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expect the New York market to reflect that."

For now, though, the flood of new people into the real estate business is large enough to create long lines at the Department of State's test center.

On a recent Tuesday morning (the only day the test is given each week), people began lining up at 5:30 a.m. to take the 9 o'clock test, and many had to be turned away because only 285 people can take the exam at one time, Mr. Constantakes said. To meet demand, he said, another test, on Tuesday afternoons, was added in July.

At the New York Real Estate Institute, among the places offering the state-required 45-hour real estate sales course for \$250, enrollment has jumped.

Every Monday, the school tests its students as part of the course before they take the state examination, and a typical class has upward of 90 students, compared with a class size of about 70 last year, said Richard Levine, the school's president.

Mr. Harrison, the former day trader, said that the value of his house in the Park Slope section of Brooklyn doubled in the last five years. Generally, he said, "the real estate market has been in a frenzy."

He took his real estate course in May and joined Bellmarc, a Manhattan real estate agency, in June.

Similarly, Ms. Glass, the former legal assistant, said the hot market had influenced her to change careers. "You hear about the constant boom, and I just wanted to get a piece of it," she said. She plans to take the real estate test later this month.

Home sales are expected to continue to be strong the rest of the year, according to Mr. Nothaft and Lawrence Yun, a senior economist for the National Association of Realtors. Sales of existing homes in the New York region reached 194,700 in 2003, and Mr. Yun forecasted that 2004 would be another record year.

"The sales activity, in combination with much stronger home price appreciation, is boosting many realtors' incomes," Mr. Yun said. "Others see that and want to enter the profession."

The robust real estate market has created one of the few good job stories in the New York City economy this year, said James Brown, labor market analyst for the New York State Labor Department.

In August, he said, real estate jobs were up 2.9 percent in the five boroughs of New York City from the month a year ago. Over all, private sector job growth was up just 1.7 percent in August.

A sampling of real estate agencies throughout the region found that opportunity was still brisk. Dottie Herman, chief executive of Prudential Douglas Elliman in Manhattan, said she planned to add another 100 sales agents and brokers to her staff of 2,600 based throughout the New York area. Already this year, her staff has grown by 400.

But at some real estate agencies, the competition for jobs is intensifying. Janice Silver, an executive vice president at Bellmarc, with six offices in Manhattan and more than 350 brokers, said that she planned to hire another 10 sales agents to her Midtown office.

Because of the flood of people in the business, she said she expected to get about 200 applicants for those jobs, compared with 50 for the same number just a few years ago.

"These days," Ms. Silver said, "we're finding we have a lot more people to choose from."

Those who are aware of the cyclical nature of the business take the ups and downs in stride. Maureen Papalas, a broker and owner of Century 21 Papalas Realty in Queens, has been in the business for 32 years and remembers that even when interest rates hit double digits, there was still money to be made.

"If you want to work hard you can make it," Ms. Papalas said. "There will always be people who have to sell and people who have to buy."

Mr. Gardner, who quit his job as a lawyer to become a real estate broker in August, working for Brown Harris Stevens, isn't worried. "Whether it's booming or not," he said, "real estate is always turning around in New York."

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