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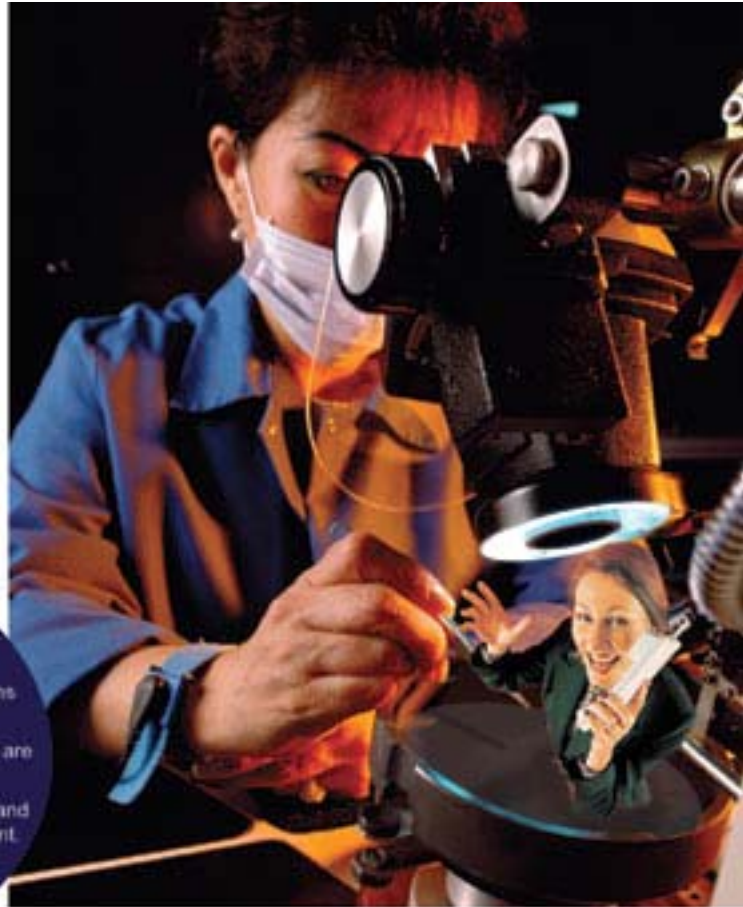
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Brokerage Under the Research Microscope

By Jack C. Harris

- Extraverted, conscientious people are more successful at selling real estate.
- Realtors with professional designations earn more.
- Despite increased liability, more agents are representing buyers.
- Homebuyers are increasingly diverse, and minorities are more likely to use an agent.
- Globalization could reduce real estate commissions in this country.



That's just a sampling of what can be learned from real estate research. At universities around the country, researchers are examining major real estate issues, and convening annually to compare notes. The latest session of the American Real Estate Society met in Naples, Fla. Here are some highlights of what they reported.

Hire an Extravert

Researchers from Upward Motion, Inc., in Toronto, Canada, tested several approaches for predicting the performance of real estate salespeople. They tested three methods for screening job applicants for real estate sales aptitude.

- A *proprietary simulation* requires applicants to respond to typical situations that arise during a real estate transaction. Applicants are rated on how closely their responses match the most effective way to handle each situation.
- A *cognitive ability* test rates applicants on the basis of their ability to learn quickly. Essentially this tests intelligence.
- A *personality profile* rates applicants for characteristics such as extraversion, agreeableness, conscientiousness, emotional stability and openness to experience. The idea is that certain personality traits are more suited to the job of selling, and people possessing those traits will be more successful.

Tests were given to more than 200 experienced agents whose track records were known. Scores were compared to the agents' past performance.

Agents with high simulation scores were top performers about 47 percent of the time, a statistically significant result. While the research found no relationship between cognitive ability and sales performance, combining some of the personality tests with the simulations improved predictability. In particular, higher scores on conscientiousness and extraversion helped predict better sales performance.

Commercial computer software called "Success Profiler" simulates the transaction process from the point of building rapport with the client to closing the sale. The results include an assessment of the applicant's strengths and areas needing improvement. It can be used as a training resource as well as a recruiting tool. For more information, go to <http://www.upwardmotion.com/>.