RESEARCH FOR THE PROFESSION

THE FUTURE OF THE AGENT

Why the future of the real estate agent is in the middle class.



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The advice that changed my career

In 1988 I was a new agent in Los Angeles, and I was doing what new agents do. I was knocking on doors in the lowest priced neighborhoods I could find, because I assumed those homes would be easier to sell and those sellers would be more willing to put up with my lack of experience.

My manager took me aside and said something I have repeated to thousands of agents since.

> *"Steve, you can sell lots of lower priced homes and show lower income buyers all those homes. Or you can list one middle income seller's home, sell it to a middle income buyer, and receive one large commission instead of lots of little ones. The workload is less, the commission rate is the same, and your income at the end of the year is much higher."*

He was right. Six months after I changed who I was prospecting, I was one of the top listing agents in an office of a thousand agents. I had more time, bigger commission checks, and far more exclusive listings. Nothing about me had changed. The only thing that changed was who I was talking to.

I have spent the decades since running a 200 agent office, serving as president of my association and on the council of a multiple listing service with more than 100,000 members, and then helping build real estate networks across Mexico and South America, from the first offices to more than 700. I call myself a broker's broker: I have sat in the broker's chair for twenty years, I have seen most of what can go wrong, and I know what sellers and buyers are actually looking for.

This guide is the argument I make to every agent and every broker who asks me where to focus. It is short on purpose. Read it in one sitting, then go to the last page and start.

Stephen Yeager

CHAPTER 01

What successful agents actually want

Ask any group of producing agents what would make next year better than this one and you get the same three answers, in the same order. The National Association of REALTORS asks its members every year, and the answers have not moved in decades. Nor have they moved in any of the nineteen countries I work in.

- **More listings.** The agent who controls inventory controls the business. Buyers come to listings; listings do not come to buyers.
- **Higher priced listings.** The commission percentage is the same on every file. The only lever on the check is the price of the home.
- **More time.** Time to prospect, time to serve the clients you already have, time to have a life. Every agent is short of it.

Everything an agent needs to be successful falls under those three. Listings, and specifically exclusive listings. Time, which today means technology that gives it back to you. And support: the training, data and tools that keep you from reinventing the business alone.

Here is the claim this guide is built on. The single most effective way I have ever seen to hit all three goals at once is to list and sell to the middle class.

WHY THIS IS NOT OBVIOUS

Most new agents, and most agents in unorganized markets, start at the bottom of the price range because it feels safer. Most experienced agents dream about the top, because the checks look big. The middle is where the volume, the qualified buyers and the exclusive listings actually live, and almost nobody is organized to serve it.

CHAPTER 02

The biggest market nobody is organized to serve

Let me put the opportunity in numbers, using Mexico, the market I know best. The same shape holds, with different figures, across the region.

INEGI, Mexico's national statistics institute, measures the middle class directly in its study *Cuantificando la clase media en México*. On its definition, which combines income with education, employment and housing, roughly 42 percent of Mexican households are middle class. That is on the order of 12 to 15 million households and 44 to 47 million people. In the cities, where real estate transactions actually happen, the share rises to about half of all households.

42%
of Mexican households are middle class, according to INEGI

47M
people in the middle class, three quarters of them urban

$22,000
MXN average monthly income of a middle class household

Set that against the supply side. By my count there are around a million people selling real estate across Latin America. Most are independents with no brand, no system, no data and no support behind them. In many countries fewer than one in ten is licensed in any formal sense. When I surveyed Mexico in 1988, 95 percent of all listings were open listings. The agent working the middle class homeowner today is, more often than not, somebody with a CV in one hand and no pricing data in the other.

That is the gap. Tens of millions of middle class families who will buy and sell homes, and an industry that has not organized itself to serve them professionally. The agent who does gets the listing, the referral and the repeat client, and gets them for years.

A NOTE ON THE NUMBERS

Middle class is a slippery category and INEGI says so itself. You do not need the exact figure. You need the order of magnitude: in your city, close to half of the households around you are the clients this guide is about.

The math of the middle

My manager's advice was a piece of arithmetic. Let me show the whole equation, because once you see it you cannot unsee it.

The bottom of the market costs you time

When I was knocking on doors in lower income neighborhoods I spent my hours on sellers with problem properties and buyers who were marginally qualified. Many of those buyers dropped out of the search entirely because of credit or income. Every hour I spent with them was an hour I did not spend prospecting, and the files that did close paid a fraction of what a middle class file pays at the same commission rate.

The top of the market costs you the listing

Luxury sellers are few, they are sophisticated, and they are surrounded by agents who already have a relationship with them. Even when you win the appointment you are competing against the most established names in your city, and the listing often takes a year or more to sell. For most agents, chasing the top is a story they tell themselves instead of prospecting.

The middle is where the three goals meet

- **Volume.** Close to half the households in your city. There are always middle class families moving, growing, downsizing, relocating and inheriting.
- **Qualified buyers.** Middle class buyers can finance, can close and can decide. The transaction actually happens.
- **Exclusive listings.** A middle class seller who understands what you will do for them signs an exclusive. That changes everything about how you get paid, which is the next chapter.
- **Referrals.** Middle class neighborhoods are communities. One good exclusive listing, sold well, produces the next three. In the United States, agents with sixteen or more years of experience get roughly half their business from repeat clients and referrals. That compounding starts with where you plant your flag.

> *Same commission rate. Fewer files. More exclusive listings. More time to prospect. Bigger checks at the end of the year. That is the whole argument.*

CHAPTER 04

The open listing trap

You cannot build a middle class business, or any business, on open listings. I want to be blunt about this because it is the single biggest thing holding agents back across the region.

When I did the first market survey of Mexico in 1988, 95 percent of listings were open. When I began visiting every office in the country in 2012, the average agent was earning around six thousand dollars a year. Those two facts are the same fact.

What an open listing actually is

An open listing is a promise to work with no promise of payment. You agree to market the property, show it, negotiate and close it. The seller agrees to pay you only if you personally bring the buyer. If the seller finds the buyer, or any other agent does, you are paid nothing. You have worked for free.

So agents do the rational thing: they hide the listing. They do not share it, they do not advertise it widely, because every person who learns about it is another agent who might take an open listing on the same house. The property ends up with three or four agents, three or four different prices, and nobody actually marketing it.

Who loses

- **The seller** loses first. The home sits for a year or two at a price that was never based on anything. Buyers show up to find it is not really on the market, or has ten prices. The seller never sees all the offers an exclusive, properly marketed listing would have produced.
- **The buyer** loses next, because there is no reliable data to tell them whether the price is fair.
- **The agent** loses last and loses most. A one percent open listing commission does not pay for lunch. It certainly does not pay for marketing, data, a team or a life.

Inside the networks I have worked with, the ratio flipped. From 95 percent open to roughly 90 percent exclusive. It did not take a law or a new technology. It took teaching agents one conversation, which is the next chapter.

A SELLER'S ONE LINE TEST

A seller with open listings will not get the highest and best price for their home. If you can explain why in two minutes, you can take an exclusive.

The four point listing presentation

In 2012 I set out to visit every office in our Mexican network, and in the first few I asked the top agent to walk me through how they took a listing. The answer was always the same. Finish the CV. Take it to the door. Tell the seller which company you are with. Ask them how much they want for the house. Say you will be back to list it.

Notice what was missing. Nothing about value. Nothing about price except the seller's guess. The agent was leading with themselves and asking for the one thing the seller was least qualified to decide. Homes listed this way sat for a year or two because the price was never in the realm of reality.

So I built a presentation in Spanish and took it to every office in the country. It is four points, in this order, and it is completely backwards from what those agents had been doing.

1. How I will market your home locally

Signs, open houses, the neighborhood, your own sphere, the other agents in your market who have buyers. The seller needs to see a plan, not a promise.

2. How I will market your home on the internet

Portals, social media, the MLS and the network of agents and partners it reaches, video, your own database of buyers. Where the buyers are, and how your listing reaches them.

3. How we will set a strategic price

This is where the open listing agent has nothing and you have everything. Comparable sales, days on market, what is active and competing with this home today. A seller who sees real data stops guessing. I have watched an agent with a good MLS produce the same valuation in twenty minutes that a professional appraiser took thirty days to reach.

4. Why you should use me

Last, not first. Your experience, your negotiation, your results. By now the seller has seen the value, so this is confirmation, not a sales pitch.

1 in 4
listing appointments won before the presentation

3 in 4
listing appointments won after it

6%
full commission on an exclusive, versus 1% offered for an open listing at the door

> *Before this presentation our agents closed one listing appointment in four. After it, three in four. Same agents, same sellers, same market.*

And here is what the exclusive does to the commission. The seller who offered one percent for an open listing at the door pays a full commission for an exclusive, because they are no longer buying a cost. They are buying a service they can see. Once you deliver value, the fee is not the conversation.

Who did we have to convince first, the agents or the sellers? The agents. It was only ever a matter of educating agents on what sellers value. Once the agents delivered that value, the sellers were sold.

KEEP IT SIMPLE

Brand or no brand, this is the value package: local marketing, internet marketing, pricing strategy, and your experience to negotiate. That is it. You just have to know how to do it, and do it every time.

Farming the middle

Knowing which neighborhoods to work is half the job. Working them consistently is the other half. Here is what I did in 1988 and how I would do it today.

The 300 door system

I picked middle income neighborhoods, researched them in the MLS so I knew what was selling and for how much, and I built a farming system that put me in front of 300 middle income households every month. On foot. I walked, knocked and talked. Then I followed up with mailings, personal calls and visits. Email and texting had not been invented. Six months later I was one of the top listing agents in a company of a thousand.

The same system in 2026

- **Pick the farm with data, not instinct.** Choose two or three middle class neighborhoods where homes actually turn over. Your MLS or your market data tells you turnover, price band and days on market. Do not farm where nothing sells.
- **Keep the door.** Nothing has replaced a face. 300 conversations a month is still the target. Most of your competitors will never do it, which is exactly why it works.
- **Follow up where they live, which is on their phone.** WhatsApp, text, email, a short video of a home that just sold on their street. One useful touch a month beats a calendar at Christmas.
- **Lead with a number.** The most valuable thing you can give a middle class homeowner is what their home is worth today, based on real comparable sales. It is the one thing nobody else on their street can give them, and it opens the door to the four point presentation.
- **Treat past clients as the farm inside the farm.** I once sat down with an experienced agent who was having a bad year and asked him one question: have you called your past clients? He came back the next day with a listing. Experienced agents get most of their business from people they already know. Call them.

> *Prospecting is like taking a bath. If we do not do it, pretty soon we begin to stink.*

Time, technology and the agent who gets replaced

The third thing every agent wants is time, and today time is a technology question. Let me say the uncomfortable part first.

> *If an agent does not adopt technology, the agents who are using it will replace that agent. It is as simple as that. If you do not like tech, do not do real estate.*

That is not a threat. It is a description of what I watch happen in every market. You cannot represent buyers, and you cannot market a property that is selling, without technology today.

What you actually need

- **Data you can trust.** An MLS, or the best organized listing data your market has, with exclusive listings and historical sales. Without good data you do not have a good business. With it you can price in twenty minutes, prove it to a seller and take the exclusive.
- **One place, not twelve.** The typical agent's tools are scattered: CRM here, listings there, marketing somewhere else, transactions, email, WhatsApp. You spend the day logging in. Consolidate. Every tool you cannot reach from your phone is a tool you will stop using.
- **Mobile first.** There is no reason for you to be stationary at a desk. Your database, your comparables and your clients should all be in your pocket, because that is where you are when a seller asks what their home is worth.
- **AI that is tied to real data.** AI is extraordinary for property descriptions, market reports and planning the activities that get you to a yearly goal. It is only as good as the database behind it. Check what it tells you, and prefer tools that pull from live listing data rather than guess.

The lesson from Facebook, 2002

When Facebook first appeared, the agents in my office who used it for real estate were the day traders. They sat at their desks trading stocks in the morning and posting properties in the afternoon, because they already understood what the internet could do. It was not for everyone then and it is not for everyone now. The younger agent generally gets it. The experienced agent who refuses to is handing their clients to the one who does.

“Our market is different”

I have heard it in Santiago, in Bogotá, in Guadalajara, in São Paulo, in Buenos Aires. We are not the same here. It will not work in this market. Nobody knows that here.

When a broker tells me that, I ask them to put their hand on top of their head. They ask why. Because, I tell them, you do not know you are saying it until you do. Then they say it again with their hand on their head, hear how it sounds, and usually laugh. That is just your mind telling you not to try it. Once they try it, it works.

The markets are the same. Sellers want the most money with the least trouble. Buyers want reliable information and a fair price. Agents want listings, higher prices and time. What differs from country to country is which things you have to do to deliver that, and the local rules you have to respect. Forty years and nineteen countries have not shown me an exception.

The first study of Mexico City estimated room for five offices in the entire capital. Today there are more than eighty. Nobody knew how much a market could take until somebody organized it and tried.

5
offices the first study said Mexico City could support

80+
offices in Mexico City today

19
countries where I have heard “our market is different”

The biggest myth about real estate in Latin America is that it is difficult. It is not. You just need the right tools.

Your first 30 days

You do not need permission, a brand or a budget to begin. You need a farm, a presentation and a habit.

WEEK 1 · CHOOSE THE FARM

- [ ] Identify two or three middle class neighborhoods in your city where homes actually sell. Use your MLS or market data: turnover, price band, days on market.
- [ ] Pull the last twelve months of sales in each one. Know the numbers before you knock on a single door.
- [ ] Write down your three goals for the next twelve months: listings, average price, hours back.

WEEK 2 · BUILD THE PRESENTATION

- [ ] Write your four point listing presentation: local marketing, internet marketing, pricing strategy, why you.
- [ ] Prepare one real comparable market analysis for a typical home in your farm. Practice presenting it in under ten minutes.
- [ ] Decide, in writing, that you no longer take open listings.

WEEK 3 · START THE 300

- [ ] Walk the farm. Target 75 conversations a week, 300 a month. Lead with what their home is worth today.
- [ ] Put every conversation into one database you can reach from your phone.
- [ ] Call every past client you have. Ask what is changing in their life this year.

WEEK 4 · FOLLOW UP AND CONSOLIDATE

- [ ] One useful touch to every contact: a just sold on their street, a market update, a short video.
- [ ] Audit your tools. Anything that is not on your phone, or that does not talk to your database, goes.
- [ ] Book your first listing appointments and run the four points, in order, every time.

TRACK TWO NUMBERS

Listing appointments taken, and listing appointments won. If the second is not at least three out of four within ninety days, the presentation needs work, not the market.

Who should reach out, and about what

If you are in real estate anywhere in Latin America and you are looking for ways to grow your business, I am available to talk about what you are trying to do. I will share what I have seen work, and what I have seen fail, and if there is a match we will come up with some ideas for your next move together.

I have spent my career building brands that belonged to other people. This one is mine, and it exists for one reason: to be useful to the agents, brokers and country owners who are building something that outlasts whoever owns the brand.

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SOURCES AND NOTES

Middle class figures: INEGI, *Cuantificando la clase media en México* (ENIGH based). Household share 42.4 percent, population share 39.2 percent, approximately 12 to 15 million households and 44 to 47 million people; urban share around 47 to 50 percent of households; average middle class household income approximately 22,297 pesos per month.

Agent goals and referral patterns: National Association of REALTORS, annual Member Profile; among members with 16 or more years of experience, repeat clients and referrals account for roughly half of business.

Market history, listing statistics, close rates and anecdotes are from the author's own experience across Mexico and South America, 1988 to the present.

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