

**7 reasons why self-employment might not be for you**

Currently transaction figures continue to outstrip those seen a year ago, however, with several elements coming into play at the end of March next year, such as the end of the Stamp Duty holiday and the introduction of the 2% surcharge for overseas buyers, we enter a slightly uncertain market in 2021.  This is according to Nicky Stevenson, MD of Fine & Country UK, who adds that as we look to next year and the challenges that may lay ahead, many agents will be reassessing their current work situation and perhaps thinking of making a change, maybe even moving from an employed role to a self-employed role.

She adds that there are a few reasons why many agents may be considering that change, such as the untethered earning potential and having control when and how you work. However, Stevenson says that while the Associate model has proven to be successful and has many benefits,  it is not without its risks and there are several aspects that agents need to consider before taking the leap from employed to self-employed.

Stevenson discusses some of the elements to think about:

**1.         More grit, less glamour**

“The reality is that being a self-employed agent is not all Selling Sunset. It is not all about viewing luxury properties and living the high life. There is a lot of work behind the scenes to win the instructions, and ultimately get the deal done. You don’t get given leads on your lap, you have to generate them, win the instructions, market the properties, find the buyer, and see the process through to completion. In the case of a self-employed agent, failing to win the listing, and complete on a deal means not earning, and as the commission stakes are higher, it is a bigger blow when it doesn’t work out,” says Stevenson.

**2.         What benefits?**

Often an advantage of being employed is the benefits you get from the company. The self-employed don’t have the benefit of paid holiday, sick leave, pension planning and private medical insurance, unless of course they pay for it themselves.

**3.         Flexible isn’t as flexible as you think**

One of the reasons why so many agents decide to go the self-employment route is because they want complete autonomy and the flexibility to work the hours they want. “However, while self-employed agents can choose to work when they want to, often as an agent your working hours are determined by your clients’ and buyers’ schedules, which could mean working outside of the usual nine to five, and on weekends. Buyers will want to view properties when they are not working, which means agents will be,” says Stevenson. “What’s more, in the beginning, to hit the ground running quickly, it will require a huge investment of time and energy to get going, meaning you may end up working more hours than you ever have before.”

**4.         No security of a monthly salary**

“There are many fears with regard to moving from an employed position to a self-employed model, particularly around losing the security of a steady monthly income. While self-employed agents have the potential to earn large sums of money, it might take a few months, six months even, for an agent to complete on the their first transaction, so in the short term they would have to have saving set aside to carry them until they are able to build up their pipeline.  It would be a short-term hit to achieve a long-term gain, but it is still a hit that the agent will need to be able to take,” adds Stevenson. “Whilst many of our Associates will generate an upfront marketing contribution, the bulk of fee comes through as the transaction completes. Also, every fall through is hugely more significant than when you are an employee, because Associates are working with high-value properties, at a high commission percentage. Rather than getting a lower amount from many transactions, Associates are getting a bigger amount from fewer properties, so a fall through carries a sting.”

**5.         You need to get comfortable with being uncomfortable**

“Not knowing when the next payday will be can be extremely stressful, along with coming to terms with being your own boss. There is a lot of comfort in joining a cohort of people who are in the same environment, but it will still take time to adjust and Associates need to learn to be comfortable with initially being uncomfortable,” says Stevenson.

**6.         It is monotonous hard work**

There is no doubt that being a self-employed agent will require dedication and hard work. In the beginning, it will be monotonous, doing the basics, brilliantly well. Variety will not be the spice of life in the beginning as the lead generation activities to get off the ground will be repetitive. Eventually, it will get to a point of doing the things that most estate agents love to do, such as negotiating and being face-to-face with a vendor on the sofa, but initially, it is a sleeves-up attitude that will be required to hit the ground running.

**7.         The buck stops with you**

“You are your own boss, you have your own limited company, your own AML registration, insurance etc. Amongst all the benefits of being self-employed comes all the responsibility - the buck stops with you. You need to have the knowledge and experience, know your AML & CPR, you need to be competent and confident in your own knowledge and make your own decisions,” Stevenson comments.

**So, who would the self-employed model suit?**

According to Stevenson, the model would suit someone who is driven, entrepreneurial-minded and not adverse to taking a calculated risk to achieve their long-term goals. They also need to be in a position to support themselves financially for six months. “There is also the matter of being self-motivated. With autonomy comes the need to be disciplined and have the ability to hold one’s self accountable. This is where being part of a larger brand with other associates is beneficial. Being able to in interact with other associates, share successes and learn from each other, as well as the leadership team, is an advantage and will help keep self-employed agents motivated,” Stevenson advises.

**What if the self-employed model isn’t for me?**

You may realise that the self-employed model is not for you. It is not for everyone. We are pleased to be able to offer a number of opportunities in the network, including employed roles across the world, and also start up opportunities as an Associate, or a Licensee. Perhaps you already have a business and are looking to take market share in the upper quartile, we have an offering for you too. Contact me today to find out more about the various opportunities we have available to join our growing network across the world.

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**Editors Notes:**

Fine & Country specialises in the sale and rental of prime residential properties. The company has offices in 300 locations around the world, including in the UK, Cyprus, Ireland, Germany, Mauritius, The Channel Islands, France, Namibia, Portugal, Spain, South Africa, West Africa, Hong Kong, Australia, and Hungary. Fine & Country has won Best Estate Agency Marketing and Best International Estate Agency Marketing seven times in the past ten years at the International Property Awards.