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When the going gets tough...Real estate values sink, agents bail out

By **Scott Van Voorhis**
Boston Herald Business Reporter
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Just call it the incredible, shrinking real estate business.

With home and condo sales in a deep freeze, the number of real estate brokers across the state is taking a dive.

The number of licensed real estate professionals has dropped by more than 1,300 over the past year, to 82,722, according to the state's Board of Registration of Real Estate.

Included in this army of real estate industry refugees are dispirited souls like Chris, a restaurant manager who tried his hand for a while at selling condos and renting apartments in downtown Boston.

He made a "ton of money" as the market sizzled and prices soared, only to find the easy money suddenly dry up amid the real estate market downturn.

"I had some listings last year (but) the sellers I had weren't willing to lower prices. It was just a waste of time," he said.

Not surprisingly, the flow of new talent hoping to make a career in the business has fallen dramatically. The number of applications for new brokerage and other licenses is on track to fall by 25 percent - or more than 2,000 - from last year, the state real estate board reports.

While hoping for better times, veteran real estate executives are not totally despondent over the tougher times. The drop in sales activity has been helpful in weeding out a legion of real estate amateurs who flocked to the field when prices were sky-high.

John Ford, head of downtown real estate firm Ford Realty, said he has had a number of brokers move on to other fields as sales have slowed and once-bountiful commissions have become scarcer.

One broker is going back to computer programming, a business he fled a few years before. Another is taking a break from the work world, heading back to business school to get his MBA, Ford said.

"It was very easy to make money in this industry," he recalled of the real estate boom. "Now it's very hard work. It's all commission. It's survival of the fittest."

Meanwhile, some real estate firms are merging offices or going on the hunt for new franchises amid what has become a buyers' market.

Coldwell Banker recently closed one South End office, folding it into another one nearby. The manager, Jon Goode, insists it was an expansion move. Another longtime South End office run by another firm is also considering its options, one executive said.

ERA Boston Real Estate Group recently took over a Beacon Hill ERA franchise, though executives insist they are also building, not contracting, their sales network.

Still, Michael Carucci, president of ERA Boston Real Estate Group, said he has also noticed the winning in the ranks of the city's real estate brokerage force.

"I think real estate has long been thought of as a service industry, when in fact it's a skill industry," Carucci said. "It requires some skills sets, some salesmanship, some holding hands, some good old-fashioned work."

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