

# How to set up an estate agency

By Sam Bromley

If you're wondering how to become an estate agent or set up your own estate agency, look no further than this comprehensive guide. We cover everything you need to know, from the skills you need to finding a premises – and what insurance you might need.

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## What do estate agents do?

Estate agents sell or let properties on behalf of clients, with many providing both services. They can focus on either residential or commercial properties.

Estate agents make money through fees and commission. But this isn't in return for doing minimal work, as many people think, so you should be prepared to put in maximum effort.

## What skills do estate agents need?

You need to have charm and savvy, with confidence to engage with people on a regular basis. Whether it's negotiating prices, dealing with tricky clients or searching for tenants, great communication is vital.

You've got to have patience and perseverance, too. Sometimes leads don't work out, properties don't sell and deals fall through. As with any business, you should have the drive and determination to succeed and overcome any setbacks.

Other than that, estate agents need strong commercial awareness, with a grasp of marketing and sales. Remember, clients depend on you to sell or let their properties, so you need to know how to market them.

You should be aware of the different marketing channels – and which ones get the best results.

## What qualifications do estate agents need?

If you're setting up your own business, ideally you will have experience in the industry, as you need the know-how to compete with the major players.

That being said, you don't need training or formal qualifications like a degree to become an estate agent. But if you've studied anything like business, surveying or civil and structural engineering, you'll also have an advantage.

You can take specific courses like Propertymark Qualifications, which offer training in areas including valuation and property management.

Taking specialist qualifications will help you gain a client's trust and show authority. You'll always need to stay on top of laws and regulations, and you'll have to be thorough and organised when preparing contracts and inventories.

Estate agents usually need to have a driving license on order to get from property to property - and sometimes take your clients, too.

## Becoming a residential vs a commercial estate agent

### Residential estate agents

In residential sales, you'll list properties, accompany clients to viewings and ultimately help get the best outcome for both seller and buyer.

In residential lettings, you'll usually be expected to undertake property management. You need to list properties, find tenants, and arrange viewings. Then, you need to handle ongoing communication with tenants and deal with any problems that arise with the property.

Residential estate agents should be good at building relationships with people, as you'll be dealing with everyone from landlords to tenants and solicitors to plumbers.

With people still using estate agencies to buy and sell property,

and tenants still looking for help to find a place to live, the opportunity for residential estate agents is huge.

### Commercial estate agents

Commercial estate agents usually sell and let empty properties used by businesses for a range of purposes.

Commercial property includes shops, offices and warehouses, and can even extend to land and specialised areas like forests and quarries.

You'll have to develop detailed and intricate knowledge to specialise in commercial property, because there's more freehold and leasehold acquisition work for clients.

The letting process is complex, and you need to thoroughly understand Planning Law and Landlord and Tenant Law.

This knowledge extends to advising clients on property. They might have lots of questions on price, size and location, so you need to know your stuff.

While it's more specialised, there's a breadth of opportunity for commercial estate agents. They can act for both the owners of the property and for the buyer or tenant. Agents are also asked to agree adjustments for the rental, or the terms of a new lease for the existing tenant.

## How to set up an estate agency – the steps

### 1. Write a business plan

Every new business should have a business plan. It's the document that establishes what your business is trying to do, and how it will grow and succeed. Writing one makes you think about your competitors and what niche you're trying to fill.

We have some [top tips for writing a business plan](#). And you have to [decide on the legal structure for your business](#), too.

### 2. Find your business premises

When it comes to your business premises, you'll certainly want a prime location with lots of footfall, which means your rent may be expensive.

Make sure you research potential locations and work out the average rent in the area. Then, calculate what premises

you can afford, keeping your running costs in mind.

You could even start an estate agency from home, which means all you need is a laptop, internet access, a phone, and a vehicle (it'll make it easier to visit clients and arrange viewings). This helps keep your start-up costs low.

Online estate agencies like Purplebricks and OpenRent show that it's possible to achieve success online. These businesses have a fresh offering and innovative technology, so think about how your business could harness the power of the internet, too.

### 3. Market your estate agency

You should have a strong presence in the local community to buy, sell and let properties for your clients.

- Give your **brand** careful consideration, as image is really important – your clients have to trust you. Your brand can play on your niche, emphasising your unique selling points. Make it memorable!

- Make sure you know all the channels to advertise properties. **Newspapers, leaflets and websites** like Zoopla and RightMove can be used effectively. Remember, you're not just promoting properties, you're also getting your brand front-of-mind for potential clients
- **Door to door leafleting** can be effective, especially for start-up companies – it's often low-cost and highly targeted
- **Brush up on online marketing.** You'll want to have your own website and know how to craft an effective SEO (Search Engine Optimisation) strategy.

#### 4. Consider insurance

Building trust with your clients is crucial, and having the right protection in place will help your case.

The insurance estate agents should think about includes:

- **Public liability insurance**, which can protect you against compensation claims from members of the public

- **Professional indemnity insurance**, which can cover you if you give faulty advice or a client suffers a financial loss because of your business
- **Employers' liability insurance**, which can cover you if an employee becomes ill or injured as a result of your business

You can also add other covers like **buildings insurance**, **business interruption insurance** and **personal accident insurance**.

At Simply Business, we make it easy for you to compare quotes from a large number of insurers. Just head to our **quote form**.

## Further reading



### A guide to going self-employed in the UK

If you're thinking of going self-employed, we've got some tips for getting started



### The small business guide to Self Assessment tax returns

We've broken down what you need to know for a stress-free Self Assessment.



### What type of business insurance do I need?

Read about the reasons why business owners may need business insurance.