

EPISODE 783

[INTRODUCTION]

[0:00:37.6]

FT: How does a hand model become a real state guru and reality TV star? Welcome to So Money everyone. I'm your host, Farnoosh Torabi. Maybe you've heard of Ryan Serhant if you watch Bravo and know anything about real estate in New York City. Ryan Serhant is on the show today. He's a co-star on Bravo's Million Dollar Listing New York. He's the author of the new book, *Sell It Like Serhant* and he's one of the city's top real estate agents.

His story began as a shy out-of-work hand model, and he entered the real estate business in 2008, which in some ways was the worst time to be an agent in the real estate market, but Ryan will share how he rose to become one of the top agents in the world, how he parlayed his career into reality television and of course, had to ask him his advice for first-time buyers. *Sell it Like Serhant* is his new book. It comes out tomorrow September 18th.

By the way, Ryan and I will actually be at the 92nd Street Y in Manhattan later in November, along with our friend Dan Schawbel, who's a New York Times bestselling author and millennial workplace expertise been on this podcast. The three of us will be leading a discussion around creating human connection in a digital world. If you'd like to join us there, that's Monday November 26 at the 92nd Street Y. Tickets are available, though there are limited seats. Tickets are \$29 and the show starts at 7:00.

Without further ado, here is Ryan Serhant.

[INTERVIEW]

[0:02:13.1]

FT: Ryan Serhant, welcome to So Money. You're pretty so money already, but –

[0:02:18.3]

RS: Thank you. Hello.

[0:02:20.1]

FT: Hello, hello, hello. Look, I want to talk all about one of my favorite shows on television. I don't have cable anymore, but I actually pay for Bravo so that I can watch Real Housewives of New York and Million Dollar Listing New York and Real Housewives of Beverly Hills, but really it's your show is one of the top most enjoying shows. I mean, because everyone knows I love real estate, but you love real estate. You have so much going on right now. You have the show, you have the spin-off, which is Sell It Like Serhant and you also have a new book. Firstly, congratulations.

[0:02:54.7]

RS: Thank you.

[0:02:56.0]

FT: That's a huge deal. Now I want to get into all of that, but let's go back for listeners who may not know how you arrived at being the top broker in New York City. You have this incredible team here in Brooklyn too where I live. I walk by often and I'm loving your listings on Instagram, by the way.

[0:03:15.5]

RS: Thank you.

[0:03:16.3]

FT: Why and how did you make the decision to leave acting, right? To become a real estate mogul? I mean, what was the moment where you were like, “This is not working out,” and by the way specifically, I want to go into real estate.

[0:03:32.9]

RS: Well, the mogul thing didn't come until much, much later. Honestly, it was the summer of 2008, the market hadn't crashed yet, but I was still trying to be an actor living in New York City. I moved into the city in 2006 after graduating college. I had no work. I had no jobs. I was paying for my rent by hand modeling. I was doing the random stuff just to get by, pay for food. I basically just run out of money and I didn't want to get a survival job, right? I didn't want to wait tables, I don't want to bartend, because I knew that if I did that, I had enough friends who are much older than me who were still doing their survival job, 10, 15, 20 years later.

I didn't want to put myself up in a situation where I would just – I would be stuck, right? I didn't want to be comfortable with just a job. I knew that if I was going to stay in New York, I needed to figure this out somehow, some way.

A friend of mine said, “Listen, get your real estate license.” The barrier of entry is so low. It's a couple hundred bucks. You take a test online and then you take a state test and you get your license and then you can advise people on million dollar purchases, and you can also make your own hours, because there's no boss when you're a real estate agent. You can work 24 hours a day, you can work one hour a month, it's totally up to you.

I'd spent two years as my own boss, being an actor in the city, setting my own schedule, setting my own hours. That's what I did. My first day was the day Lehman Brothers filed for bankruptcy on September 15th.

[0:04:59.8]

FT: Oh, my God. Were you thinking, “What did I just do?” I mean, that was a pretty dark time for a lot of people in a lot of industries, but particularly real estate experience. I mean, New York was relatively unscathed, but still, quite a rude awakening into real estate.

[0:05:16.2]

RS: Well, hindsight is 20/20, because I had no money and I was coming from this soap opera, free theater, hand modeling business. Honestly, ignorance is bliss. I saw what was happening on CNN, I saw what was happening in the news, I heard from friends who worked in banking, but it didn't really affect me because I didn't have a lifestyle to uphold. The people that it affected, they had monthly bills, they had mortgages, they had rent, they had things that they had to pay for, that all of a sudden when the market dries up, that's where things get hard. For me, I already knew how to scrounge to pay my rent and pay my monthly grocery bill. Everything was just up from there.

I just thought that wow, this business is so hard. How do you get clients? No one wants to buy anything. On my first clients as a real estate agent, I found on Craigslist and I found in Starbucks and I found outside Saks Fifth Avenue on 49th Street.

[0:06:12.7]

FT: What would you say to these people? You just walk up to them and –

[0:06:15.0]

RS: Well, on Craigslist you would post open listings, because I didn't have any listings and I was 24 and in khaki pants and cowboy boots, that was my nice clothes. I would just get people and then try to show them around. In Starbucks, I would just go up to people and so shameless. I didn't have anything to lose, what's the worst thing someone could say to me? "No, I'm not interested." Okay, no one was going to punch me in the face. My parents raised me that way.

I was just shameless with talking to people. I would go up to foreigners who we're speaking a different language and had shopping bags in their hands. If they had more than two shopping bags, that was my cue to know that maybe they had some money to possibly invest in real estate. I go up to those people. I go up to pregnant women and Starbucks and ask them if they needed more space, stuff like that.

[0:07:00.7]

FT: Yeah. You mentioned your parents. On this show, we often go down memory lane and we talk to guests about the influences they had growing up and you – Bravo Andy, Andy Cohen for your book wrote that, “Ryan is not only charming and hilarious. He could sell milk to a cow.” You're perceived as this person who can really just sell anything. I wonder if going back to childhood if there were lessons learned. There is a study that we always reference, which is from Chase Slate, our sponsored that found that over half of parents have talked to their kids about money. Did you have a conversation about entrepreneurship, or selling, or did you experience it as a kid?

[0:07:43.5]

RS: We definitely didn't talk about entrepreneurship. My dad had a great job for a really long time, until he retired. That was the blueprint for what I thought I was supposed to do, so much so that I took the LSAT, tried to go to law school when I graduated college, but I just bombed it. I said, “You know what? Screw it. I'll spend the next two years trying to be an actor,” which is what I wanted to do and see what happens first, because I knew that later on in life I wouldn't be able to do it again, so I might as well do it when I'm young.

I do look back to childhood a lot, because I wrote a book and the book like you just said, it comes out in September. A lot of people say, “Well, I'm not a naturally born salesperson,” and but neither was I. I was chubby, I was terrible skin, I was so shy, I was an introvert. I moved 8 times by the time I was in fourth grade, I never wanted to make new friends. I was embarrassed around people. I don't being like in crowds. 10 years ago if you asked me if I was a natural-born salesperson, I would have said, absolutely not.

I figured it out and there were certain key moments growing up that did help me. On one of those moves that we did, I think it was going into fifth grade, we moved and my parents knew that we were distressed, because we left our friends again. My dad said, “Okay, we're going to make friends.” It was a terrifying moment, but he just took me and my little brother down the

street and we went and just knocked on people's doors. We said, "Hi, my name is John, Ryan and Jack Serhant. We just moved up the street. Would you like to be our friend?"

It was so terrifying, but I'm still friends with some of those people to this day, because not enough people do that. Not enough people say hello, which is the easiest pick-up line ever. Like, "Hello, you want to be my friend?" You don't have to do it like Jim Carrey and the cable guy. It would be scary, but to do it in a nice way, where it's like, "Hey, this is what I do, this is what I can offer." It works.

[0:09:33.6]

FT: It's really humbling, right? Because you have to wait for that person to say yes, or no.

[0:09:38.7]

RS: Yeah.

[0:09:39.6]

FT: Kids can be rude. Kids can be mean, I mean, maybe not with your dad there, but I did that on the bus. We moved a lot growing up and I have to get on a new bus every few years and sit next to someone. I would just, maybe it wasn't can I be your friend, but it was, "Can I sit here? Can I sit next you?" Some kids say no, but that I think fast forward, I think that showed up with your perseverance at Starbucks and outside Fifth Avenue, Saks Fifth Avenue was just going up to people and having no fear.

[0:10:09.3]

RS: Yes, correct. That into – my parents really instilled in me the power of just hard work. I was a contractor's laborer not by choice, but because I was forced to every summer. I did yard work every single summer and I was paid, I don't know, a couple bucks an hour and it was the absolute worst ever. Until I graduated college, but what that really, really taught me was I better work my butt off once I graduate, so I never have to do another roof ever again.

[0:10:43.4]

FT: What would you say is your money philosophy? We know your business and sales philosophy to an extent, but when it comes to managing your money, making your money, saving your money, do you have a philosophy, or one of many philosophies?

[0:10:57.4]

RS: I don't know if I had one single philosophy, other than it's better to have it than not have it. I distinctly remember that summer of 2008 before I got into this business, when people really ask me why did you get into real estate, why did you give up on your "passion." It's because I remember my debit card being declined at the Food Emporium on 59th and 1st Avenue, and being so embarrassed that I just left in front of all these people that were in line and getting on the subway and just crying on the way back home to 31st Street.

[0:11:32.8]

FT: How old were you?

[0:11:35.4]

RS: 24, I guess I was. Yeah, so it's 10 years ago, so it's 24.

[0:11:39.0]

FT: Where are you from originally? What part of the country?

[0:11:41.7]

RS: I was born in Texas and I lived a little bit Long Island, but I basically grew up outside Boston.

[0:11:48.3]

FT: New York is tough. You probably learned that early, early on with rejection in acting and then your debit card gets denied, and then you get the real estate license and then the market crashes. I mean, have you connected those dots and realized you have always been at the forefront of risk and failure and rejection and like, that's a good thing.

[0:12:14.9]

RS: Yeah, I guess so.

[0:12:15.6]

FT: Relatively speaking. I mean, not terrible things haven't happened to you, but you know what I mean, all these stories that you've shared describe – have a similar pattern, which is that you had this resilience, something was a headwind, but you persevered. Is that in your DNA, or are you just had to because of survival?

[0:12:39.4]

RS: Honestly, I think it's 50/50. I think that survival instinct definitely kicks in, but I also know that nothing is ever going to just be given to me. I mean, every real estate deal I do is hard. None of them are easy. The ones that are easy, like once a year where a deal just happens and it's like, “Wow, that was pretty awesome.” It's always a wow moment, because I just go into every single deal expecting that it's going to take a year off my life.

No. I just think that those two years where I was acting in the city, honestly were the best two years that I could possibly have prepared for getting into real estate, because it was two years of personal rejection. Because when you try to act in New York City, you're going up against people that know what they're doing, and you're spending eight hours in-line just to try to be seen by a casting director, only to be told that you're too tall, and only to be told that – then to forget your line and it's embarrassing and you don't get the part anyway. You do that every day for almost two years, and then you get into real estate and people lie to you to save \$5 dollars and they don't want to take that apartment, because they don't like the windows, but they never

don't take an apartment because you're too tall, right? They never take – they don't take an apartment because of your face.

[0:14:00.4]

FT: Right. It's not about you.

[0:14:03.1]

RS: Yeah, exactly. Whereas, lot of salespeople get out of the business, because they can't handle the rejection. I think it's 82% of the newly licensed real estate agents in New York City quit within the first 12 months, because they can't handle the rejection. For me, I was like, "this is great. All I know is rejection." Really not bad. They just don't like the apartment and people are crazy. Once you know that, you're fine.

[0:14:27.6]

FT: The tenets of *Sell It Like Serhant*, which is your book that is out now. This is airing in September. You obviously talk about this from the perspective of a real estate expert, but really this is for anybody who wants to be at the top of their game, in business, selling. We've heard already from you that it's really important to show up. That's a lot of it. Introduce yourself, say hello, get to know your customer, know that rejection is just part of the process, but what are some other relatively lesser-known strategies, or tactics that you really wanted to bring out into the world that you have lived?

[0:15:08.4]

RS: I mean, there's a lot. It took me basically 10 years to write this book. I never wanted to just write a book just to write a book. It basically took what I call my agent bible, which is my playbook for how to sell and how to build a sales career that I give to my team members in New York. Really expanded upon that and turned that into this book. It's stories and deal stories and all that. It's funny.

A lot of the book is how to build a sales career, and not just how to sell one thing, because there's lots of books out there that can tell you how to sell a banana, but if they don't tell you how to sell a banana every day for the rest of your life so that you can live comfortably, then that book is a waste of my time. What I really wanted to do was write something that I haven't seen before, which is in this day and age where the job market is tough, where people are loaded with student debt, where people are getting fired left and right because the job market is tough, how can you pull yourself up? You do that by learning to sell, and you do that by selling anything that you actually like, whether it's real estate, or shoes online, right?

If you know how to sell and you know how to create a sales career, you can pull yourself out of debt and you can lead the life that you want to live. I mean, without fail, without fail and I've seen it over and over and over, especially on *Sell It Like Serhant*, the TV show we did on Bravo, which is I think still airing. It's working with people who sell different things other than real estate and I saw that. You can sell a lot of hot tubs and be just as happy as selling a lot of real estate.

How to set up your day is something that we go into a lot in the book, which no other book talks about. You had the logistics of being an entrepreneur. What do you do when you wake up? You have no boss. What do you do? Just pick up the phone and call – who do you call? Do you go to an office? Do you stay home? How do you set up your day so that you can be the most productive every week, every month, every quarter and every year and that you actually work towards your goals? How do you follow up with people? What's the proper types of follow-up?

Then when it comes down to sales, I think something that we use a lot is called the wow moment, which we go into in the book as well. That wow moment is something that I learned actually from a shoe salesman, who I went into I think it was Bergdorf's, to buy my first pair of fancy shoes and I had a certain budget in mind. He just happened to wow me with the pair of shoes that was much more expensive, and I loved it, couldn't afford it, but then he sold me a pair just underneath that price point, which was still more expensive than the budget I went in there with and I actually bought two pairs, because I knew that they were a really great deal. I do that with real estate all the time. You're not convincing people of doing something they don't want. You're just wowing them with what the possibilities could be.

[0:17:51.2]

FT: When you get in those dopamine levels up, you're taking them outside of their financial comfort zone. That's actually something that I would say to people don't do. No matter how much the real estate agent wants to show you the home that's out of your budget, don't do it because then you're going to fall in love with the amenities and you're going to change your perspective and hey, if you can afford it, great. Behavioral psychology is a big part of selling successfully.

[0:18:17.7]

RS: Sales. Yes, it is. Yes, for sure.

[0:18:20.0]

FT: All right. I can't get my head wrapped around. I want to still talk about when you got your debit card rejected at the Food Emporium on 59th Street. You went home on the subway crying. What did you do next?

[0:18:34.7]

RS: Oh, man, it sounds –

[0:18:35.2]

FT: Sorry to bring it up again.

[0:18:38.1]

RS: What did I do next? I was sitting –

[0:18:39.7]

FT: Was it like an aha moment for you like, “I'm never going to be rejected. My debit card will always get approved.”

[0:18:48.7]

RS: I think in hindsight, sure. At the time, it was just so devastating and terrible. I probably actually called my mom and I was just like, I hate the city, I hate these people, I can't make any money here. I don't know what to do. Maybe my mom probably gave me a pep talk, but I think I just went right back to the work that I was doing, which at the time was trying to act, which was trying to be seen in different types of theatrical productions in the city, and just not letting it affect me, right? Realizing that also that it costs a lot of money to live in New York City, and that I just never wanted to feel that way ever again. I never wanted to feel poor ever again, which I know is a weird thing to say, but that is an awful feeling.

I think more, it probably just came later as an aha moment of that's what feeling poor can actually feel like, and it makes you feel helpless. I'm going to figure out what I can do to try to make a little more money, so I never have to feel that way again. Then a month or two later is when I got into real estate.

[0:19:54.2]

FT: When is the deal so stressful that you just say to yourself, “You know what? It's not worth it.” I'm trying to understand, so you have this mindset when you're younger that I never want to be poor again. You do to some extent go after the money. Now that you're successful and you're established, there's a fine line, right, between – you said, “I know that every deal is going to take a year off my life,” and you say that probably tongue-in-cheek, but to your point, it can be really stressful, it can take a long time. What is the cost-benefit analysis now when you have a deal and you're like, “Okay, this is going to just take me away too much for my family, or does that not even factor in yet because you're just so passionate and so hungry?”

[0:20:38.5]

RS: No, it does. Not that it'll take me away from my family, but it's more of a cost-benefit analysis on my time, because it's very important to me now where even if the client might be difficult, even if they might be really, really, really tough, which innocent people at real estate are. There's no secret land where sellers and buyers and developers are like candy. They're not all nice and you have to deal with difficult people. If you're going to be a good salesperson, you have to know how to do it, you have to know how to kill bees with honey every single day and always be the better person.

Now I've gotten a little bit better at understanding where very tough deals could take a significant amount of my time, and they're just not worth it to me to expend those types of resources and the resources of my team, because I'm not just doing all this by myself. If I have a large – if I'm groping them into it too, it's much harder on them than it is on me. I don't want to do that. If it takes away a lot of my time and the client is difficult, I won't do it.

[0:21:40.1]

FT: I read something really cool that you – it was a quote, you were quoted in an article about how you manage time and your work-life balance. I think it was on the Bravo blog, and really interesting. You said that you BCC your wife on e-mails, especially when they pertain to deals, because then when you come home, she can know if a deal went through, or didn't and can be prepared for your emotional state. Is that true?

[0:22:07.6]

RS: Yeah. Not on every e-mail. Verify that, because that would just be crazy. I'd bet I'd drive her crazy. Obviously not on client sensitive e-mails, but on certain e-mails right that are big e-mails, and if there's a really, really bad deal that's happening, I'll BCC her on something that I would be showing her when I got home anyway, or talk to her when I got home anyway. That way, she knows exactly like what you just.

My wife is my partner in life and in business, even though we don't work together. I see a lot of people having trouble with that life-work balance, where by the time they get home, they're so exhausted from the day, they just don't want to talk about it. They just want their wife, or their

husband where they are, you want the kids where they are and try to just live life, but you get rid of it. It's on your shoulders, it's in your chest, it's in your face, whatever you went through for the last 12 hours doesn't automatically imaginarily disappear the minute you get home. It's one way that I know to include Amelia into my daily life and where she's ready to go when I get home. It works.

[0:23:16.0]

FT: It's smart, because I know that when you have two people leading different careers and different lives from 9 to 5 or whatever the hours are that you work, it's like you said, it's hard to come home and really understand how your day went. You're too tired to even talk about it, but I think whether it's BCC'ing your spouse, or your partner on an e-mail, or just texting just highlights of your day, or down points of your day, I think that's important, because what it also elicits is empathy.

You get home and your partner gets it. Maybe you don't have to say anything, but it's understood and there's no resentment and all of that misunderstanding that can happen. It really can be avoided. I like that. I really like that advice that you gave.

All right, give us a tease for what's to come. This is airing in the fall of 2018. Personal goal, professional goal, what's next for Ryan Serhant?

[0:24:11.8]

RS: Well, we are probably just about to start filming Million Dollar Listing Season Eight and hopefully we'll be filming the second season of Sell It Like Serhant, and the book is out, so I hope a lot of people read it and it helps them in some way, shape, or form, even if they're not in a sales business. It's a funny, smart business book, which is how someone described it to me and I'll take.

Next for me is figuring out how to reinvent the brokerage industry. Not just in how to put listings out there, not just in being the next Zillow, but the way people buy and sell real estate in this country has changed drastically in the last couple years. There's a way –

[0:24:55.3]

FT: How do you mean? Like how?

[0:24:57.8]

RS: It's become incredibly price sensitive, where it always used to be home sensitive. People used to go and see homes, the price wasn't as big of a factor in terms of going see it, or not see it, because everything now is in your phone, everything now is on the computer, everything now is in certain search brackets. People see homes now based on price point, instead of seeing homes based on how the home is going to make them feel, instead of just seeing it based on well, that's the neighborhood that I want to be in. There's a way that that is hurting our industry from New York to California. I think there's a way to fix that. I just haven't figured it out yet.

[0:25:34.4]

FT: Maybe it's like 3D to house tours from your apartment, so you can actually – or beaming, people virtual reality, or I don't know, some other technology. That's really going to help to get people to feel more like they're experiencing the home, other than just reading prices.

[0:25:53.7]

RS: Yeah, maybe.

[0:25:54.3]

FT: Maybe.

[0:25:55.5]

RS: We'll see what happens. 2019 I think is going to be awesome, but I say that every year.

[0:26:00.1]

FT: Awesome. All right, well Ryan, thank you so much for joining us. This has been a real treat for me and I know a lot of our listeners were all Bravo fans here. A lot of us. Maybe not everybody, don't send me any hate mail, but it's no secret that I'm a fan and I really appreciate your time.

[0:26:14.1]

RS: Thank you.

[0:26:14.9]

FT: Congratulations and we'll see you on the screens.

[0:26:17.7]

RS: All right. Bye.

[0:26:18.8]

FT: Bye.

[END]