

RE/MAX[®]

FIRE/UP PROGRAM - AGENTS

FUNDAMENTALS IN REAL ESTATE/
UNIVERSAL PRINCIPLES



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Updated April 2015

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Lesson 1: Getting Started

Nature of the Work

One of the most complex and significant financial events in peoples' lives is the purchase or sale of a home. Because of the complexity, size, and lack of frequency of these transactions, people typically seek the help of Sales Associates for this process. Sales Associates therefore must have a thorough knowledge of the real estate market in their communities. They must know which neighborhoods will best fit their clients' needs and budgets. They must be familiar with local zoning and tax laws and know where to obtain financing for the purchase of property.

When selling property, Sales Associates verify ownership and act as intermediaries in negotiating sales between buyers and sellers during which they agree to the details of the transactions. In a final meeting or closing, the buyers take possession of the property. They may help to arrange financing from a lender for the prospective buyer, which may make the difference between success and failure in closing a sale. In some cases, Sales Associates assume primary responsibility for finalizing or closing sales, but typically this function is done by lenders or lawyers.

Sales Associates spend a significant amount of time looking for properties to list or sell. They obtain listings agreements by owners to place properties for sale with the firm. When listing a property for sale, Sales Associates compare the listed property with similar properties that recently sold to determine a competitive market price for the property.

Before showing properties to potential buyers, Sales Associates meet with them to get an idea of the type of home the buyers would like, and how much the buyers can afford to spend. They may make arrangements to have the buyer pre-qualified for a mortgage. They may also ask buyers to sign a Buyer Representation Agreement, which states that the Sales Associate will be the only one to show houses to the buyer. A Sales Associate qualifies buyers before investing his time and theirs.

Sales Associates may meet numerous times with prospective buyers to discuss and visit available properties and will identify and emphasize the most pertinent selling details. To a young family looking for a house, for example, the Sales Associate may emphasize the convenient floor plan, the area's low crime rate, and the proximity to schools and shopping. To a potential investor, they may point out the tax advantages of owning a rental property and finding a renter. If negotiation over price becomes necessary, Sales Associates must follow their client's instructions thoroughly and may present counteroffers to reach the final sales price.

Once the buyer and seller have signed a contract, the Sales Associate must ensure that all terms of the contract are met before the closing date. Increasingly, Sales Associates must deal with environmental issues

as well, such as advising buyers about lead paint on the walls. In addition, the Sales Associate must make sure that any legally mandated or agreed-upon inspections, such as house and radon inspections, take place. Mortgage brokers, lawyers, and other people handle many details during the closing process, but the Sales Associate must ensure that they are carried out.

Most Sales Associates sell residential property. A small number sell commercial, industrial, agricultural, or other types of real estate. Every specialty requires knowledge of that particular type of property and clientele. Listing and selling these types of properties requires an understanding of business trends, and locations. Sales Associates who list, sell, or lease industrial properties must know about the region's transportation, utilities, and labor supply. Whatever the type of property, the Sales Associate must know how to meet the client's particular requirements.

In the U.S. and Canada, Sales Associates must obtain a real estate license prior to offering their services to buyers and sellers. The purpose of these licenses is to protect the public, not the Sales Associates.

Following the sale of the property, both the Sales Associate who provided the buyer (known as the Buyer Agent) and the Sales Associate who obtained the listing (known as Listing Agent) receive a portion of the commission. Thus, if a Sales Associate provides the buyer and the listing, he could potentially double his income in that particular transaction; this is common in some markets, and uncommon in others.

Market trends

One of the first things a new Sales Associate must do is to familiarize himself with the trends that are prevalent in his market. There are five trends to investigate:

1. Social – demographics, cultural changes, etc.
2. Economic – consumer income, interest rates, etc.
3. Technological – Internet consumers, social media, etc.
4. Competition – main players, new players, their competitive advantages and weaknesses
5. Regulatory – laws, consumerism

Trends need to be looked at for their threats and the opportunities they provide. Many Sales Associates have developed careers by taking advantage of developing trends where expertise is often a factor.

As part of the market knowledge that you need to have, devote enough time to learning the following:

- Average sale price for different types and sizes of homes e.g. three bedroom bungalow, two story, town house, average sized lot, river/lake property, condo's
- Schools – information on where they are, what types: linguistic e.g. French immersion, high school, public, private, Catholic or other religions, grades
- Rental availability and vacancy rates
- Top three competitors
- New home construction – developers, builders
- City development – plan, zoning
- Hospitals, churches, shopping, police, fire department
- Proximity to downtown, recreation, entertainment, parks, children play grounds, public transportation – driving distances

- Property taxes
- Current listings – time on market, reason for sale
- Number of homes sold per year, number of homes in development
- Historical increases in value, price ranges in neighborhood
- Age and style of development

Become the Sales Associate of choice

According to surveys, customers are looking for the following characteristics when selecting a Sales Associate:

1. Trustworthiness
2. Market expertise
3. Listening skills
4. Accessibility
5. Helpfulness
6. Professionalism

When designing your marketing plan, focus on how you can demonstrate and promote these skill sets.

1. Trustworthiness

One of the reasons referrals are the backbone of the real estate business is consumers believe they can trust the Sales Associate. Trust is earned through actions like showing homes that have qualities your buyer is looking for which demonstrates you listened. Or by fulfilling the marketing plan you set out for a seller's property. Trust comes from developing rapport and chemistry with a client. It is reaffirmed or developed through actions like promptness, politeness and follow-through.

Buyers and sellers believe they can trust a Sales Associate if they perceive they are getting a balanced view. No house is ideal and they all have imperfections. The more balanced your presentation the more trustworthy you are perceived to be. The more you pressure a customer the less trustworthy you will be perceived.

Another way of understanding trust is that consumers are looking for honesty and integrity in a Sales Associate. Honesty is telling the truth about something in the past. Integrity is saying you will do something and then delivering. Obviously they believe these characteristics are not easy to find or they wouldn't be concerned. Ask yourself: how can you mitigate this fear?

As in all service industries, much of the success of the Sales Associate will depend on their ability to connect with the client, and meet unspoken expectations.

A key attribute of trustworthiness is grounded in the client's perception that the Sales Associate understood them and responded to their needs. In order to develop this understanding, listening and empathizing is necessary.

- Give a guarantee – put a guarantee of performance or satisfaction in writing, sign it and give it to the consumer.

- Testimonials – have a page of quotes from satisfied customers or better yet, have videos of testimonials on your web site. Show either their names (very effective if they are from leaders in the community, but have permission) or their niche e.g. move up buyer, first time buyer etc.
 - Organizations – position yourself with companies or individuals who have the kind of reputation you want to project e.g. fire department, police force, neighborhood watch, citizen groups etc. Consumers naturally assume these organizations would not endorse or be associated with someone not of good character. If you can get letters of reference from these groups, to your character or real estate skills, that is even better.
 - Positions held – have you held a position of trust? Chair for a well-known charity or real estate ethics committee are examples of appointments that would not be made unless the organization felt you are of good character.
 - Be up front – This makes your presentation more believable. Cleveland State University once produced two identical resumes, except one contained the following statement: “Sometimes John can be difficult to work with.” They then asked personnel directors whom they would rather work with. Most chose John. Why? The criticism made the reference’s praise more believable. E.g. I will be on holiday in a month and here is how you will be looked after in my absence. By being up front, the consumer is more willing to trust you.
- Different buyers and sellers will require different levels of service and trust. For example, a first time buyer or a relocation buyer from another country will rely heavily on being able to trust you. They have limited knowledge of the laws, the transaction system, the area itself, and housing options.

2. Market Expertise

We discussed neighborhood expertise and some of the activities you need to work on to develop it. It is critical to your own confidence and to consumer trust and with the advent of the Internet, consumers are able to be much better informed about the home buying and selling process and market conditions.

This includes insight into the neighborhood – schools, crime, activities, events, demographics and being able to refer local renovators or landscapers, mortgage brokers and cleaning services.

- Demonstrate you are a neighborhood specialist by providing a list of homes you have sold in the area.
- Prepare neighborhood brochures on what a client would like to know e.g. history, schools, churches, languages, growth, commercial activity, zoning, community clubs etc.
- Send out regular mailings highlighting events in the area and real estate activity/statistics.
- Have visible open houses and invite/promote to residents
- Co-op advertise with businesses in the area
- Advertise in the community newsletter
- Support local events
- Sit on local committees e.g. neighborhood watch, community center board
- Tie in with a builder for cross promotion
- Incorporate testimonials from area residents using name and street.
- Promote the area in your web site, listings taken in the area; length of time lived in the area; video of the neighborhood

Neighborhood expertise can be critical in establishing trust – and you are selling trust! It can be an enormous difference maker for the new Sales Associate. Suppose you are brand new to real estate and are competing for a listing against an experienced Sales Associate. Your opponent is going to tout their experience – number of homes sold, awards won, etc. How can you compete with that? You do it by demonstrating expertise that the customer will value and allow him or her to trust you.

“Mr. Seller, five homes have sold in your area over the past two months out of the 17 on the market. Three of the homes sold were bungalows like yours and were on the market an average of 45 days and sold for 97% of asking price. Over the past year the homes in this area have appreciated 5% which is 2% less than the city as a whole. There are currently three bungalows on the market like yours. I would like to show them to you before we list the property so you know exactly what we need to do as far as inexpensive improvements and pricing so that you get the top dollar for your home etc.”

Neighborhood information and statistics are readily available and can set you apart. Be an information provider. Ask permission to send prospects and past clients monthly market reports. Create blog posts quoting sources like banks, economists, real estate associations, reputable newspapers, etc.

3. Listening skills

The complaint many consumers have is that Sales Associates don't listen to what they are telling them. Sales Associates don't take the necessary time to ask questions and get to the bottom of their needs and concerns. The result is miscommunication and complaints. Buyers find they are being shown two story homes after stating they are looking for a bungalow.

How do you demonstrate your listening skills?

- Ask questions. Why do you need three bedrooms? Why do you want a two car garage? The answer may seem obvious, however, assume at your peril. The more you know about why they need what they say, the better able you are to suggest alternatives and get to the bottom of what is a “must have” and what is a “would like to have”. It is wise to involve the client by having them write down their ultimate scenario. What would you like in your home? How much would you like to spend? Where would you like to live? What are the things that you like least in a home? What school district would you like your children to go to?
- By including as part of a testimonial e.g. “John listened to our needs and saved us time by...”
- Have a buyer interview process you follow that covers set topics e.g. needs, agency, price, area, Sales Associate communication, negotiations etc. Many Sales Associates hurry through a presentation and hit on only a few points needed to obtain the listing. On the buying side there is little discussion beyond the price range and area wanted. The better Sales Associate spends the time to inquire about the consumers needs. You are able to ask for referrals if they are happy with the process.

Your attitude and questions tell the consumer whether or not you are interested in them. Every time you show a buyer a home, they assess whether you have listened. Take notes during the interview and follow up in writing with your understanding of their requirements if necessary.

David Knox in his Mentor Series argues that selling is asking questions. He uses the example of buying a camera. He went to a number of stores until a sales clerk asked him a series of questions; “What are you taking photos of?”, “What will be done with them?” etc. He then used the information to show him two cameras in which he bought one of them. Questions keep you in control of the process. A good Sales Associate is always in control and does this by asking questions of their customers. To ask good questions you have to listen, because questions are all about the customer and what they want.

You need to be aware there are times the consumer may change their requirements half way through the process. You need to be listening to hear about such developments so you are not taken by surprise when they suddenly opt to buy the complete opposite to what they told you, and buy it from your competition. Remember to be constantly asking questions!

4. Accessibility

Consumers need to know how to reach you and that you will respond in a timely manner. They expect you to take initiative and not require prompting. They get insulted when you don’t return phone calls or emails. Seek to ascertain the method a customer wants to be communicated with, whether it is email, phone, text messaging etc. Have an emergency hotline or backup phone number. Some Sales Associates make accessibility part of their marketing e.g. “10 minute call back guarantee.”

Part of your presentation should cover how you are reached and how and when you will contact the client e.g. feedback on showings.

Set a minimum contact period e.g. once a week. This feature of your business can also be featured in testimonials e.g. “John was always there to answer our questions.” Ensure you discuss holidays and vacations planned for you or them. Let your clients know ahead of time those periods when you will not be accessible. Let them know that you don’t take calls after 10 p.m. or on the day each week you take off. Few will begrudge you time for rest and family as long as they know when it is and when you are working or who to call as back up. For those with assistants, you can use that fact to your advantage.

Many experienced Sales Associates have difficulty being accessible due to their volume of business. You need to be conscious of the fact this may be perceived by the client as your having achieved a level of success associated with complacency. Many experienced Sales Associates have teams and clients may raise questions about a Sales Associate’s need for their business when a team is used. They find it frustrating to sign a listing agreement with you, only to end up working with a team member. Be sure to explain your process and its advantages in advance.

5. Helpfulness

This is another feature of your business you can market. What do you do to make moving a positive experience? You want to instill an “it’s my pleasure” attitude in yourself and your staff. This may be especially useful when returning calls. Understand there is a difference between being helpful and being overly intrusive.

Provide literature e.g. how to guides, just moved cards, advice on how to select lawyers, home inspectors, insurance, schools etc. Provide a video on how to set up their home for showings. Ensure your marketing

plan/presentation has lots of helpful ideas and refer them to web sites where they can get more. Try to be helpful in areas where other Sales Associates are not, thereby differentiating your service. Understand that it is often the little things we do that generate the referral.

The best way to get what you want is by helping others get what they want.

6. Professionalism

Being a professional is a catch-all term for all of the above but including some very valuable attributes.

- Negotiation skills are perceived as a very valuable skill as consumers still do not feel comfortable doing the negotiating on their own. The Internet has allowed them to research locations and neighborhoods; however, they still felt they need you to get them the best deal.
- Buying or selling a home is an emotional experience, and consumers want someone who will give them the time to adapt. In both the buying and selling situation, consumers struggle with conflicting feelings and experience second thoughts. Any perceived pressure to settle on a location or finalize a deal is viewed as extremely negative. It is important to be patient and flexible. The consumer knows their ideas and specifications may change as they go through the buying process, and they want a professional who can adapt to those changes. They do not want to have to argue with their Sales Associate should they decide to change their mind.
- Consumers want a Sales Associate who pays attention to details. At a time when buyers or sellers are trying to work through all the aspects of a sale or purchase, a good Sales Associate makes sure all of the small and large issues get the proper attention and nothing falls through the cracks.
- Hardworking - sellers want to make sure their properties stand out and you are doing everything possible to emphasize the advantages of their property. They expect you to work hard at promoting the property or alternatively finding a suitable property for them to buy. They want Sales Associates who have done their homework.
- Networked - sellers like the fact their RE/MAX Sales Associate is connected throughout their town or city and indeed the world and consequently could bring clients to their homes before they hit the market. A Sales Associate also needs to have connections in a range of related fields like financing, repairs and renovations, landscaping, paving etc.
- Diligence - Buyers and sellers want to know you have a passion for the business that extends beyond a defined work week. They are looking for someone who is enthusiastic about the work they do and looks after their interests.

4 Reasons Why Sales Associates fail

Sales Associates fail for many reasons. They don't work hard enough. They don't work efficiently or effectively. They are under-capitalized. They don't get sufficient training. The biggest reason boils down to lack of prospects. So when they do have a good prospect they put all their hopes and dreams into them. When they don't work out, the new Sales Associate is devastated. The stress finally causes them to seek out a different career.

1. Unrealistic expectations

Being good with people and having a lot of friends does help but is not enough. New Sales Associates over estimate the amount of business their friends will bring. Only a small fraction may buy or sell property in

any given year. Further, many will wait to see whether you “make it” in the real estate business. This is why it is so important to advertise and promote your success to your centers of influence.

2. Not enough working capital

Not entering the business with adequate financial resources is a common reason for failure. It's not just having enough cash on hand to make it to the first commission. It's also making a plan and a budget that is realistic in estimating expenses, allows for the unforeseen and hopefully includes a budget for marketing. Don't rely only on your broker for prospects and business. Make a marketing plan and develop a budget to fund that plan through the first year.

3. Burn-out

One reason given by Sales Associates who've left the business is they just burned out. It's usually in relation to working with buyers for long stretches without a deal. The temptation for a new Sales Associate is to take any prospect that comes along, hoping for a deal at the end. If someone you know is selling or buying and is uncomfortable about working with you, you can always offer to bring in a more experienced Sales Associate and split the sale with him or her in exchange for letting you learn under his or her wing. Then you receive much needed experience and tutelage. Plus, the more experienced Sales Associate may refer business to you once you've proven yourself.

4. Part-time work

Many new Sales Associates, because they are undercapitalized hedge their bets by keeping their day jobs. This is especially true if they are secretly afraid that they won't be successful. But you can't serve two masters. Imagine telling your other employer you can't come to work because you have a listing appointment. Having two jobs is a sure reason you won't be successful as a Sales Associate. The biggest reason for new Sales Associate failure is to not understand the amount of hard work that is necessary in the beginning. The first two or more years will entail long hours and dedication. Not everyone has the qualities to be an entrepreneur and has the self discipline to work seven days a week for a couple of years to learn the business and to build a pipeline. Many never cut the cord from other careers and aren't able to make the full-time plus commitment it takes. For many Sales Associates, it takes 4-5 years to make a good, after-tax income.

Sales Associate Mission Statement

A mission statement for your real estate practice is one of the most important definitions you can create. If constructed with thought, it will communicate your business purpose to your customers and guide yourself in making critical strategic decisions about the direction of your company.

It should be no more than a few sentences long, and it must be written with your clients in mind. You can develop it by answering these guideline questions:

- What does your business do, what is the reason for your businesses existence?
- Who benefits from your business products or services, what are you trying to achieve on behalf of your customers?
- Why is it better than other businesses products or services in the marketplace?
- What do you do well?

- Who do you serve best?
- What actions would you like to be distinguished for?
- Where would you like your business to be going?

Sales Associate Mission Statement examples:

- I cater to high-tech clients, providing them the kind of service that they expect from a modern real estate Sales Associate. If you consider yourself high-tech, I am the Sales Associate you want to work with.
- I am in business to make sure that first-time buyers have a great experience in their transaction. This includes knowledge of specialized financing.
- My mission is to make sure that sellers in South Chicago sell at the highest possible price in the least amount of time. My thorough pricing techniques help my clients set the price right from the beginning of the process.
- My business purpose is to help clients from different cultures buy and sell houses in the Denver area. I guarantee a good business experience by communicating with them in their own language and by helping them to overcome cultural barriers every time that this is needed.
- I specialize in helping buyers from overseas purchase a property in my beautiful part of the world. I accomplish this by providing abundant information not only about real estate, but about the entire experience of living abroad.

Goals

As part of your overall business plan you need to determine your goals. Your goals should be written down. By writing them down you acknowledge that you expect to achieve them and that you are committed to it. Expectation is critical because it changes the mindset. If you expect something and you are committed to doing whatever it takes to achieve it, you immediately focus on how to achieve it. Otherwise, your goal becomes replaced by competing ideas.

It is important to have goals for all areas of your life:

- Real estate career
- Spiritual
- Health
- Family
- Social
- Recreation

You can use this guide (or your own version) to establish your real estate career goals:

- | | |
|---|---------|
| 1. Annual Commission Goal | \$84000 |
| 2. Average Commission | \$6000 |
| 3. # of sales to achieve your goal #1/#2 | 14 |
| 4. # of buyer transactions – you are selling Sales Associate | 7 |
| 5. # of seller transactions – you are listing Sales Associate | 7 |
| 6. Sales/listings ratio - % listings that sell | — |
| 7. % of contracts that close | — |

8. # of sales contracts required #4/#7 _____
9. # of appointments needed to obtain a listing _____
10. # of contacts to obtain one listing appointment _____
11. # of listings required #5/#6 _____
12. # of listing appointments required #11 x #9 _____
13. # of listing appointments per month #12/12 _____
14. # of listing appointments per week _____
15. # of contacts per week #14 x #10 _____

Marketing Plan

One thing to keep in mind when developing your Marketing Plan is that to avoid big income fluctuations you must allot a certain amount of your time each day to your career in the following areas:

- Following-up on the transactions that you have on the table
- Prospecting for new business
- Contacting past clients and centers of influence

Your Marketing Plan depends upon the goals that you have established; and it will be different for every Sales Associate. See the lesson about Marketing for many ideas to incorporate in your marketing plan.

List of Sales Associate Tools

Use this checklist as a starting point to everything you need to have or do during your first week as a RE/MAX Sales Associate:

- ☐ Login name and password to access RE/MAX Mainstreet
- ☐ RE/MAX lapel pins
- ☐ RE/MAX yard signs
- ☐ Photo to be used for business cards and personal promotion
- ☐ Appointment scheduler
- ☐ Contact management system
- ☐ Map Book or GPS
- ☐ Business cards, preferably with photo
- ☐ Tape measure or electronic measuring device
- ☐ Amortization table or financial calculator
- ☐ Thank-you notes
- ☐ Contact cards

- ☐ Lock boxes (if applicable)
- ☐ Listing presentation
- ☐ Buyer presentation
- ☐ Smart phone
- ☐ Laptop computer
- ☐ Digital Camera
- ☐ Listing agreement form
- ☐ Buyer agreement form
- ☐ Open house signs
- ☐ Name badge
- ☐ Flashlight
- ☐ Basic tool kit (to install yard signs, etc.)

Lesson 2: Marketing

Oftentimes more money is wasted on marketing than just about any other aspect of running a business. It is a difficult and vague science that many companies get wrong. The first lesson of marketing is to be careful when listening to experts. Here are two well-known marketing disasters:

- Taste tests indicated that New Coke was better than regular Coke.
- Ford Motor Company released the Edsel, which became the most well done marketing disaster.

Even common sense doesn't always lead to the right conclusion – just ask Burger King. Common sense says:

People come to us for food
Flame-broiled is better – people prefer the taste
Therefore – stress flame-broiled

Sounds like common sense, but it didn't work. Why? Because people don't go to Burger King for the food – they come because it is fast, cheap and palatable.

These examples are to show that even large organizations can get marketing wrong, although many do get it right. This lesson will discuss marketing as it applies to real estate and will give you the fundamentals and understanding as to why real estate is marketed like it is. Hopefully, this lesson will save you from making costly mistakes or give you the knowledge on which to base sound marketing decisions; whether you are new to the business or attempting to expand your customer base.

Marketing by definition is to discover the needs and wants of prospective customers and satisfy them. What is important is to recognize that marketing is your dominant function. *Marketing is what ultimately separates the great Sales Associate from the rest.*

Needs and Wants of Customers are Changing

The Internet and other technologies have caused the role of the Sales Associate to change. The Sales Associate was at one time the gate keeper of information to which only we had access. With the Internet, that is no longer the case. This has caused the consumer to take a closer look at the services and value of the services a Sales Associate provides.

How a consumer will access this value often depends on their individual needs and the transaction itself. Given the importance of referrals in the selection process, it is necessary to understand how to show your value i.e. if your client doesn't value your service, they won't use your service and they won't refer you.

In many markets outside the US (and increasingly in the US), many consumers do not use the services of Sales Associates to sell their property due to the cost involved. Also, with the advent of the Internet and the more knowledge the consumer now has, there is a perception that the real estate transaction is less difficult now than it once was, which makes it attractive for sellers to try to sell their property directly (for sale by owner, or FSBO).

Our challenge is to be relevant and to bring value to the process. One of the most effective ways of doing this is to have a brand that conveys leadership, value and customer satisfaction. In our advertising and promotion, RE/MAX is doing exactly that.

The Brand

A brand identifies you and the services you represent. When you tell someone you are a RE/MAX Sales Associate, they identify what service you represent. The brand also differentiates you from your competition. The brand establishes your credibility. Every action you do will then strengthen or weaken the brand in the mind of the consumer. Think of yourself as an ambassador of the RE/MAX brand.

The RE/MAX brand should be a foundational piece in your marketing. With billions of dollars invested building the brand over four decades, the name RE/MAX has become synonymous with quality in real estate. It makes the consumers choice easier when they have positive associations with a brand. The stronger the brand, the more you stand out.

Marketing and branding correlate as marketing establishes the brand's value. The better the marketing, the better the perceived value.

As a Sales Associate, you also have a brand. The RE/MAX name will tell a consumer what services you offer. Your name is also a brand. It separates you from other RE/MAX Sales Associates and you must promote what makes you special. You want to differentiate yourself and become the Sales Associate of choice in your marketplace. Your branding campaign should be designed to separate your service from other Sales Associates.

While building a brand is a valid goal, the branding exercise involves more than just putting your name on flyers and in newspapers. It is a fact that most products today are bought and not sold – in other words, consumers know what they want and they go out to get it. Branding greatly facilitates this process.

A couple is driving through a small town and has lots of time on their hands. They decide to stop for a burger. They choose Burger King over two small independent restaurants. Why? The two independents make far better burgers than Burger King. But the consumer doesn't know that. They choose Burger King to minimize their risk of a bad experience.

A brand “pre-sells” you. Take a supermarket shelf for example. A lot of buying takes place there but where is the selling? In fact, the only selling that takes place as customers pick and choose between products is in the brand. Many sellers and buyers will already have prejudged you before they have even spoken to you.

A successful branding program is based on the concept of singularity. It creates in the mind of the consumer a perception that there is no service on the market quite like your service. The way to build a better brand is to build a better quality product. In real estate, that means improving the service.

Your personal brand will not be built overnight. The marketing law that is most consistently violated is the law of consistency. A brand cannot get into the mind of a consumer unless it stands for something. Markets may change but a brand or the essential characteristics of the brand should never change. Your customers will only refer you if they believe you will deliver consistent high quality service.

Branding is always important, but there are times in real estate when it becomes critical. Branding today is usually associated with a business that makes something, like cars or shoes or food. But branding is about making your product or service known on a consistent basis to the greatest number of potential clients. Branding is about referrals, repeat business and effective marketing which are critical in a real estate career.

Marketing a service

Marketing a service is not the same as marketing a product. The following paragraphs explain some of the differences that need to be taken into consideration when developing your marketing plan.

Inventory – Most services don’t have inventory because they aren’t selling a product. In real estate, the seller owns the inventory and therefore the cost to providing the service is quite low. You don’t have to finance the production or storage of inventory. This makes real estate an inexpensive field to get into and why many people attempt real estate as a career. Keep this in mind when dealing with builders or customers who are selling. They are financing a big-ticket item and this can be very stressful for them.

Services are intangible – They can’t be held, touched or seen before the purchase decision. Therefore, a major marketing need for services is to make them tangible and to show the benefits of using the service. Because services are intangible, it is more difficult for the consumer to evaluate them before the purchase versus a purchase for goods they can touch, see, smell, etc. This forces the consumer to make a pre-purchase examination of the service by examining tangible characteristics that are part of or surround the service.

Consumers evaluate you based on what they can see, e.g. appearance, promotion pieces, advertising, signage, office space, car, clothes, stationary, and website. – Everything visually associated with you sends clues to the prospect. These clues should be consistent as to their look and feel. Stationery, business cards, brochures all should reinforce one another and portray the image you want to project which should be an image of success and confidence.

Dress for success - Know that a listing/buyer presentation is show time so make sure to dress for success. You may know your client really well, but don’t allow this to justify casual attire. How you look has an enormous impact on your success. We all run into people every day we wouldn’t do business with because

of how they look. Because we know and like them we will do business with some - but - would we refer them?

Also, because services are intangible, consumers turn to personal sources of information such as friends and family who have used the service. They review your testimonials and therefore, customer satisfaction is critical to ensure positive word of mouth referrals.

The Anchoring Principal – Your friends and acquaintances anchor you in your old job or position. They still see you as a police officer, school teacher etc. and hesitate to use you. To counter this you must promote and advertise your achievements. Strive to show them that you are now a successful Sales Associate by sending listings, newsletters, promo items which project your new image and career. Social networking is an ideal vehicle for this.

According to a RE/MAX poll 50% of consumers used friends, family and word of mouth when looking for a Sales Associate.

Familiarity breeds business – **People** will choose the most familiar. There is evidence to suggest that it is better to be known badly than not at all. We are not suggesting you do something to be front-page news, but look for opportunities for good publicity and name promotion.

Brand name - Because services are intangible and therefore difficult to describe, the brand name or identifying logo (RE/MAX balloon) is particularly important when a consumer makes a purchase decision. A well-established brand reputation makes it easier to market services as it conveys credibility and image of quality. Fortunately RE/MAX has the best-known brand name and logo in real estate.

Services are inconsistent – They depend on people and the quality varies with each person's capabilities and day-to-day performance. As Sales Associates, we attempt to reduce or mitigate inconsistency through training and standardization. Standardization is achieved through licensing, board membership, automation/technology e.g. pagers, cell phones, MLS (IF APPLICABLE) etc. It is because services are inconsistent that Sales Associates advertise how great their service is.

To be consistent you must have systems – At the core of every great customer service organization is a package of systems and a training program to inculcate those systems into the soul of the company. Systems (rules create robots) are predetermined ways to achieve a result.

Developing systems and maintaining consistency is done by working on your business rather than in it. Project yourself physically apart from your business and build systems that will allow your business to flow whether you are there or not.

Past clients want to know that the person they refer to you will receive the same level of service. You must assure them of this and don't offer a service that you can't consistently deliver. Start small and slowly build towards your vision. Always remember to under promise and over deliver.

Customers will refer you only when they believe you deliver consistent service levels.

Services are inseparable – There are two dimensions to inseparability: production and consumption.

1. Goods are produced, then sold, then consumed.
2. Services are sold, then produced and consumed at the same time.

When the client signs a buyer agreement or listing contract, they have contracted for a service that has yet to be delivered. You may look on that contract as a win – you have won the battle of securing that client over a competitor or they are selling their home themselves. The client, on the other hand, does not look at it that way. The client views the listing contract as giving you the right to earn their business. They have contracted for a service that has yet to be delivered. The client believes that in return for signing a contract they are entitled to see a service performed.

Every time they don't get their call returned or you don't follow through on what was promised you fail to live up to your end. This will cause them to take the opportunity not to do business with you or not to refer business to you. Because services are sold and then delivered, service is all about trust. Trust is delivering on your promises.

The second dimension of inseparability is the fact that the consumer cannot (and does not) separate the deliverer of the service from the service itself. In real estate, the consumer buying or selling a property will evaluate that service by looking directly at how well **you** did the job. You and the resulting sale are inseparable.

Because the consumer cannot separate you from your service, you market yourself.

Because you are your service, everyone touched by you is a customer.

Because you are the service, everything you do is seen as critical in the eyes of the consumer.

Capacity management – It is important for you to also realize that because you are inseparable from your service, your business capacity is limited by how much you can do. If you have five buyers all arriving from out of town on one day, odds are you will lose some of them. It is one of the reasons why real estate incomes can have a roller coaster effect. You prospect, make the sale, and then go back to prospecting in an endless cycle. Capacity Management is why technology and systems are important in your business and why top Sales Associates have assistants and teams. Obviously, this is why Sales Associates work 60-80 hours a week during peak seasons.

Services are perishable – If you and your client aren't available at the same time the service capacity is lost. For example, if you are available to show homes today and your client isn't, your capacity to provide a service is lost. As a Sales Associate, you want to maximize your service capacity to the point where you are only showing homes, writing listings and contracts.

Service quality is the basis for relationship marketing where you and the customer become tied together. Studies have shown customers are interested in establishing a close relationship provided it is balanced in terms of respect for privacy, loyalty and benefits.

Building Relationships

Relationships are about feelings. If prospects like you, they will do business with you. Customers often can't tell the difference between a greatly worded offer and one that is average. What they can tell is whether they have calls returned and if they are treated well and with respect.

Despite the thought that a Sales Associate will disappear due to technology, it hasn't happened. This is still a people business. Many experts in technology do not understand this is still a business relying on face to face customer relationships. What technology will do, however, is give the tech savvy Sales Associate more time to take clients away from those who do not get up to speed and thereby neglect their client base.

In order to maintain and service client relationships, technology is important. More and more customers want to communicate using email, text and social networks. They see your use of technology as an indication that you are up to speed in the industry. They will notice and judge you by what they see and indicators such as having or not having an email address and/or a web presence.

You don't sell property – you sell trust! Surveys tell us clients do business with you because they like their relationship with you and they trust you. You make them feel comfortable. It is not necessarily the superiority or excellence of the service.

If prospects like you and trust you, they will do business with you. Service marketing is a popularity contest. The competent and likeable Sales Associate will attract much more business than the socially deficient one. Service is about relationships and relationships are about trust.

Superior expertise is not critical to success in services

We live in a competitive world where we all strive to be #1. In marketing, however, it is not a necessary position.

How often are you really looking for the very best service?

How often will you know the best service when you find it?

How often will you look for the very best when someone very good is available?

How much will you pay for the very best when someone very good is available?

How much do you trust other people's assessment of the very best?

How do you respond when a service tells you it is the very best?

“Enthusiasm beats out ability”

Enthusiasm comes from confidence. Confidence comes from knowledge. Knowledge comes from experience ... **SO WORK ON GETTING EXPERIENCE!**

People want to work with people who are fun and enthusiastic about their work.

Service doesn't sell houses – price does! Service cements relationships!

It is much easier to be seen as having failed in your service than it is to be seen as having succeeded. A client knows when something goes wrong, but often can't tell when something is done right. A client knows if they are faced with a lawsuit due to an improperly prepared contract. A smooth transaction is taken for granted in most instances.

Promote Your Success

It is difficult to build a lot of trust in the small time we spend with a client. Therefore, you must **promote your success**. Show your client what you have done. If your client gets a good deal – tell them. If their home sells fast – tell them. If you are proud of something you have done – make sure the client knows. This is important because they won't know otherwise. Your service is not there after the sale to remind them of the job you did as with a product they could see constantly. Clients don't associate the home they bought with you. You must stay present in the client's mind through regular advertising and publicity. This assures the client you are around, viable and successful. You must communicate your successes - new awards, new recognition, new testimonials etc. This must be done with appropriate modesty. **Remember, out of sight is out of mind.**

Selling a service is not the same as selling a product and you must differentiate yourself from the competition, develop a consistent service and project a positive image.

Marketing Rules

Recognize that marketing is your dominant function. Marketing is what ultimately separates the great Sales Associate from the rest. Marketing is not complex; rather it is built around a number of basic, common sense rules.

Rule #1. You cannot market effectively without marketing research.

Talk to customers, call prospects, get feedback after closing, call or have someone else call and ask a series of questions about your service and how it could be improved.

Rule #2. Consider how marketing interacts with other parts of your business.

Your staff, your contact management system, suppliers etc. all should be on the same page - have a marketing plan and build in technology, assistants etc. Send out a mailer to your assistants friends and family, stating who they are working for and the fact you want their business. Your assistant should be trained to answer calls correctly and get appointments.

Rule #3. The antithesis factor.

The best strategies are often counter-cyclical and contrary to traditional behavior such as spending when others cut back. The worst thing you can do is cut back on advertising and promotion during difficult times.

Rule #4. Combine the interaction of three basic concepts.

Innovation - is the heart of marketing. The more innovative you are and the more you stand out; the harder it is for the competition to catch up.

Aggression - is a must for successful marketing. You are trying to create a psychological monopoly in your customer's minds.

Domination - try to be market dominant, not just get a piece of the pie. Learn the weaknesses of the competition and promote your solutions. Know the strengths of your competition.

Rule #5. Steal ideas from other businesses.

Other Sales Associates have good ideas. Use these ideas, but improve on them if you can. Also look at non-real estate businesses and see if they have ideas you can use.

Rule # 6. Be able to answer the question “Why should I choose you?”

Talk to your clients and find out why they do business with you. You need to promote your strengths and have your Mission Statement in mind at all times.

Successful advertising involves finding creative ways of presenting your service to consumers. Write a brief paragraph describing the purpose of your advertising program, the methods you intend to use to inform consumers, and how you will present your ideas. Use statistics to back up claims such as days on market and testimonials to back up experience, integrity, etc.

Rule #7. There are no magic answers leading to bigger production.

Often it is little things that can make a difference so don't underestimate their value. A marketing expert was asked at a RE/MAX convention what was the secret to his success; his response was “I don't have any secrets; I simply do what everybody knows they should be doing.” Great ideas do not necessarily have to be completely revolutionary. It is good, solid, oftentimes simple ideas, implemented consistently, that yields excellent results.

Rule #8. You should also think about things you can offer to your customer as part of your marketing and something you can become known for.

Artwork - tag could be “The Art of Selling”

Champagne - Champagne Service

Become known as the _____ guy or gal

Give something collectable - then keep adding every time they send a referral.

Rule #9. Any good marketing piece is better if it is specialized.

There are a number of niche markets you can develop through your marketing efforts: waterfront, condominiums, 1st time buyers, expired listings, FSBOs, investment properties, apartments, low cost housing, luxury homes, new homes, vacation homes, ethnic groups, seniors, renters, developers, foreclosures, commercial real estate, corporate transfers, geographic farm, etc.

Rule #10. Market yourself to RE/MAX Sales Associates.

Send marketing pieces to RE/MAX Sales Associates you meet at conferences promoting the unique service you offer. Take Sales Associate's pictures at RE/MAX Conventions and sales rallies then send them a copy or put on Facebook and text them to take a look. Marketing to RE/MAX Sales Associates should be as methodical as your other prospecting. Decide how often you are going to farm this group and do it! Use email to exchange marketing ideas which can offer value to a referral relationship.

Rule #11. Develop a lead generating website.

Offer assistance in finding the right home, new listing watch, best buy list, pre-qualifying for a mortgage, etc. More on this later in this chapter.

Rule #12. Your image is everything - Don't settle for second best.

- Use high quality, clean signs.
- Have an up-to-date professional photo.
- Dress for success.
- Have personalized stationary.

Rule #13. For every \$1.00 spent on promotion you must get back \$4.00.

Use this rule of thumb to track return on dollars invested e. g. calendars, flyers, notepads, magnets, bus benches, etc. If you are not getting this return, examine why and then move on to something that works better.

Rule #14. To increase the amount of marketing you can do, co-op your advertising.

Nail down suppliers who are willing to:

Be known as part of your team (home inspector/lawyer/mortgage broker)
Contribute to co-op advertising
Will show you as part of their team (cross promote)

Rule #15. Get a second opinion - Ask your Broker or Manager.

Every marketing piece should be reviewed for RE/MAX standards, mostly when you are gaining knowledge of how to use the brand. Download the RE/MAX Trademarks and Graphic Standards Manual from RE/MAX Mainstreet and study it thoroughly; this will give you an edge in the use of the brand and will help you avoid expensive mistakes.

Rule #16. Cause Marketing.

Donate a portion of your commissions to charity and include a note as part of your presentation. It may be the difference in your getting the listing. Download the Cause Marketing Guide from RE/MAX Mainstreet for many ideas on how to fully take advantage of this opportunity.

Personal Promotion

To become a top Sales Associate you need to make a transition from real estate salesperson to business person. That development is nowhere more needed than in the area of advertising and personal promotion, through which you as an Associate lets the public, other real estate people, and the many spheres of influence know that you are open for business and you have the experience and expertise to offer a valuable service.

Personal promotion, as the terms suggests, emphasizes you – what you look like, what your qualifications are, perhaps even your interests and hobbies. If product advertising emphasizes the image of the product, personal promotion emphasizes your image. It conveys that you are not only professional and competent but that you are also friendly and sincere, someone any home buyer or seller would want to do business with.

Personal promotion is particularly effective in acquiring repeat and referral business from people you already know and generating referrals from people you don't know.

When it comes to personal promotion, advertising books often emphasize the adage "Out of sight, out of mind." The more customers you acquire, the more important it is that you remain in touch with them over a longer period of time. Personal promotion lets people who know you know that you are in this business.

Some effective forms of personal promotion are brochures, yard signs, print advertising, promotional items, online campaign (blog, website, social media, and forums), magnetic car signs, etc. Visit the Approved Suppliers section of RE/MAX Mainstreet for hundreds of personal promotion ideas.

Shifting marketing emphasis from advertising to personal promotion is part of an Associate's development from salesperson to businessperson. It parallels the change from the bulk of business a younger Associate receives from walk-ins, call-ins, and so on, to the repeat and referral customers a more mature Associate has. Overall, the longer you have been in the real estate business, the less product advertising you will need to do and the more personal promotion you will do.

Specialize

Many real estate Sales Associates don't want to market themselves as a "River Specialist" and if they do, don't want to become known for it. They are afraid someone not on the river won't list with them. The truth is that by narrowing your target or focus you may attract business. If you market yourself as a "River Specialist" you attract people who believe you have high-end buyers.

For instance, Marlboro doesn't market cigarettes to cowboys but to an image. Pepsi markets to people who want to feel young. This is why it takes thought to establish your identity and to decide on a market. Many Sales Associates use words or phrases to market their service. Phrases like "I never sleep" or "10-minute call back" imply benefits. Customers believe that real estate Sales Associates are slow to respond and therefore you are focusing on a benefit that is the opposite of their belief. Domino's marketing does not focus on quality, price or value. Instead they relentlessly stressed speed "30 minutes or it's on us." Domino's owns the distinctive concept of speed in pizza delivery.

If you specialize, be sure to tell consumers in your marketing:

Example: Jim Jones is a Sales Associate who helps small businesses find commercial space at cost-effective rates. Unlike other real estate Sales Associates, Jones specializes in small businesses.

Most people confuse paid advertising with good publicity. What others say about you is so much more important than what you have to say about yourself. That is why public relations (PR) in general is more powerful than advertising. So generate some publicity. Get involved in the community, volunteer with a charity, run a marathon, join the church group, participate in a ski club, teach a course - get people to notice you. Invest the time to get the word out about you.

Most Sales Associates know word of mouth, not billboards, accounts for their client list. Do not limit your exposure in the community to advertising alone. Your advertising should work in tandem with your public relations activities to maintain awareness.

However, in advertising it is the message that is most important. What happens in a consumer's mind when the message is "I am better than the rest."? What does the reader, the listener or the viewer counter when they hear this? Probably something like "That's what they all say."

But what happens when the message is "I am the leader. I am a specialist."? The prospect's mental response is "That must mean they are better."

Remember, the responses from research tell us consumers want expertise and knowledge. Being able to claim leadership in any area implies this very attribute, but it must be based on fact.

The buying and selling public is suspicious. They tend to disbelieve most product claims. "I am the most trustworthy." "I care the most." "If I don't sell it, then I will buy it." Credentials are the collateral you put up to guarantee the performance of your brand. When you have the right credentials, your prospect is likely to believe almost anything you say about your brand.

For almost every person there is at least one credential that can be exploited. And if there isn't one readily apparent in the typical categories, consider a new category. Do you have a higher closing rate or better sale prices in a particular area? Have you been a Sales Associate for many years? Have you taught real estate sales? Some might think that this is counterintuitive to the law of advertising, particularly the part about the message. But in fact, it is not. "I am the leader" compared to "I am the best" is precisely what the law of advertising is referring to. You see credentials at work in everyday life. How many times have you walked away from a new restaurant because it was empty? Most people prefer a table at a more crowded restaurant because the thought is "if this place was really good, there would be a line out the door."

In real estate, the thinking goes, "If this Sales Associate was really good, they would have achievements they could boast about".

Elements for your marketing plan

As we mentioned in the previous lesson, the marketing plan must be specific to each individual; no two marketing plans should be alike. For your consideration, here are some elements that you could include in your personal marketing plan:

1. Publish a blog post twice per week.
2. Update website twice per month.
3. Knock on 50 doors per week.
4. Distribute 25 business cards per week.
5. Send e-mail to the sphere of influence every month.
6. Hold a holiday appreciation party every first week of December.
7. Select a specific customer segment and focus on the segment.

8. Be either the big fish in a little pond or create a niche and own the pond.
9. Work only with exclusive listing agreements.
10. Have the business card that stands out the most.
11. Yard signs with your photo.
12. Identify yourself with "5 Star Service."
13. Identify yourself as "Each Sale is an Artwork."
14. Community involvement.
15. Public relations campaign.
16. Sponsorship of sports events or a team.
17. Testimonials from past clients.
18. Incentives for giving you referrals (could be illegal in some countries).
19. Be available 24/7.
20. Become known for your certifications and courses.
21. Be the Associate that provides better market statistics.
22. Have the best listing presentation.
23. Become known for the videos that you create.
24. Frequent Open Houses in all of your listings.
25. Present seminars for buyers and/or sellers.
26. Write a real estate column in local newspapers.
27. Publish innovative classified ads.
28. Print ads in newspapers and magazines.
29. Postcard campaign to sphere of influence.
30. Send out monthly newsletter to your neighborhood.
31. Highway billboards.
32. Promotional items (specialty items).
33. Radio commercials.
34. Television commercials
35. Advertise in grocery store carts.
36. Be active with Cause Marketing.
37. Distinguish yourself at RE/MAX events.
38. Always deliver a closing gift after a closing.

Tips for online marketing success

Focus on lead capture - To profit from a real estate internet marketing program, you need to make every effort to turn website traffic into web leads. Getting people to your website is only half of the real estate internet marketing equation. Once they get there, you need to offer some form of reciprocation to get them to provide their contact information. Offer access to exclusive listings or virtual tours in exchange for signing in or a detailed report on local schools in exchange for joining your newsletter. Otherwise, your website is merely a reference source -- helpful for readers, but not very profitable for you.

Create a unique report based on a hot topic or current events in your area. Use your report to connect these events to real estate, home values etc. Give your report a memorable title, create a graphic to promote it,

and offer it to your website visitors in exchange for joining your newsletter. Use lead generation techniques on all key pages of your website.

Pay-per-click is one of many ways you can start generating leads and growing your business via the internet. Only you will know if it is right for your marketing program. But with the ease of entry and pricing flexibility of a program like Google Ad Words, there is nothing to prevent you from experimenting with pay-per-click.

Learn to capitalize on the web traffic you have right now before trying to boost your traffic. Put your lead-generation strategies in place first and then work on boosting your website visibility and traffic. You must convert traffic into real estate leads, and then you must follow up with those leads to turn them into clients. Constantly add useful content and resources to your website. Experiment with FAQ programs. These are software tools that you can install onto your blog or website. It adds interactivity to your site, which increases the likelihood that people will contact you in some way.

Consider incorporating these online marketing tips to your overall marketing strategy:

- Experiment with chat programs.
 - Start a real estate blog - it's a great way to encourage participation from readers.
 - Create landing pages to capture more real estate leads through your website. A landing page is a "stripped down" web page that presents something of value and asks for a certain action on the visitor's part. It removes all distractions and thereby increases the likelihood of a conversion.
 - Put your phone number in a prominent location on every page. People tend to look for it in the upper-right section of your header.
 - Launch a second website or blog for a niche market.
 - Use your website in conjunction with offline events, such as home buyer seminars and other educational events. Experiment with online "webinars" using a software product like GoToMeeting or WebEx.
 - Partner with local mortgage brokers, home appraisers and others in related fields. When used properly, cross-marketing can be an effective tool for business growth. And you can take this technique onto your website as well, by creating a separate "pitch" page for each professional in your network. Of course, they would do the same for you.
 - Know your website analytics as they provide valuable information about your website visitors.
- Tracking the way people use your real estate website is the first step to web marketing success.

Remember – Great marketing separates the great Sales Associate from the rest! Get the marketing right and success will follow.

Website

The internet has brought sweeping changes to how we market ourselves as real estate Sales Associates and to how we market our clients' listings. The change is getting faster and never ends. Keep up with what's happening so that you're not spending money on less effective marketing methods.

All Sales Associates should have a website which has been designed to generate leads. While it provides you with branding, it should not just be a personal brochure. To be effective it must market your services while generating contacts. You must look on it as an opportunity to provide consumers with real estate information in return for their contact data.

Many of the features once available only on costly custom sites are now available to you via template sites and new Sales Associates should take advantage of them. New Sales Associates often don't have the funds to invest in a custom site nor should they.

It is very difficult for an individual Sales Associate to compete against some of the major real estate sites on the web today so that shouldn't be your goal. Your goal should be to develop a niche site or sites targeting your specific market.

Your site needs to be targeted, uncluttered, easy to navigate and searchable. It also must provide leads. Make it easy for the customer to understand by avoiding use of real estate terms or abbreviations that only industry insiders understand. Register your name as a Domain name e.g. www.yourname.com, but also register any local specific or niche market names as applicable. Ideally, you will have all the properties in your town or city available to search but so will many other sites. So how do you set yourself apart?

Your marketing should direct people to your website where they will find more information e.g. pictures than is available elsewhere.

Website features

- All listings in your market where possible
- All your companies listings
- All your listings
- Ability to register to receive instant notification on properties that meet the buyers set criteria
- Information on your community/neighborhood
- School information
- Information on the home buying process – buying and selling - especially local requirements
- Ability for sellers to request a market evaluation
- Market statistics and information
- Your listings - same detail as available on MLS (if applicable) but including:
 - More photos
 - Video or virtual tour
 - Maps

Search engine placement

It is difficult and expensive to get top search engine placement for the individual Sales Associate. You are competing against franchise sites, industry sites and real estate service providers. You can invest in pay per click but this can be very expensive. You need to be very specific in your marketing to attract customers to your website.

Put your internet address on everything – signs, MLS (if applicable) ads, business cards, promo pieces, letterhead, emails, direct mail, flyers and brochures etc. You must be able to measure traffic to your site so you know what prospects are viewing, what is working etc. Google Analytics provides a tool for this. Capture customers by making it easy for them to register to receive information, home valuations, pre-qualifying for mortgages etc.

Think of your website as a marketing farm where you offer information and services in return for contact data. Some examples include: “Would you like our report on avoiding mistakes when buying?” “Would you like to receive our weekly “Best Buy” report?” “Would you like to be updated weekly on what sold in this area?” Once they make the request it is up to you to respond quickly and then to have a program to follow-up. Offer community calendars, mortgage calculators, market forecasts.

Finally, include videos on your website. RE/MAX has videos you may easily incorporate. More and more Sales Associates are doing videos tours of homes, testimonials with customers etc. and including on their website and YouTube.

Social media marketing (Facebook, Twitter, YouTube, etc.)

Please study the RE/MAX Social Media Best Practices Guide, which is available for download from RE/MAX Mainstreet.

And subscribe to:

www.facebook.com/remax

www.youtube.com/remax

www.twitter.com/remax

Writing property ads

Sales Associates often find themselves writing property ads, and as simple as it sounds, there are many things that can go wrong when doing this important task. You will find ideas and tips in this section.

Advertising, for most Sales Associates, represents a large expense item in their operation.

The goal of real estate advertising is to reach as many buyers and sellers as quickly and as inexpensively as possible. House ads compete for the buyers’ attention. Skill in advertising not only involves selecting the best advertising media, but more importantly, it is the art of composing a message designed to attract attention, to appeal and stimulate action on the part of the buyer.

Many Sales Associates use classified advertising as their media preference. It is by no means the only or the best advertising media, but, it is a way for a Sales Associate to keep his/her name in front of the public on a regular basis. Although this is not the primary goal of real estate advertising, it has some value.

You should understand the cost involved and which words are effective and which are not. You must understand that the only purpose of the ad is to motivate a buyer to respond - not necessarily sell the property. Even to an experienced person, this requires time.

Too often the person writing the ad waits until he/she has only ten minutes before a deadline, and the results are ineffective, conveying a vague impression, little enthusiasm and resulting in little to no response. Sufficient time should be taken by the person writing the ad copy to thoroughly inspect the subject property, take notes on the most outstanding features of the property in order to make an appeal to buyers looking for these features.

Remember enthusiasm is contagious and can be communicated in the written as well as the spoken word. Assume you are talking directly to a buyer, giving a brief description of the highlights and amenities of the property.

Proof of successful ad writing is in the results. If the ad generates substantial response, it is undoubtedly worth the investment; conversely, if it generates little or no response, it is ineffective.

Create positive impressions

Stimulate the imagination of the reader, describing a warm, pleasant picture. Tease the buyer, arousing his/her curiosity for further questions. Communicate enthusiasm and action. Appeal to the basic human needs such as love of family, health, ego, profit and avoidance of loss.

The more qualities a property has that appeal to these basic human needs, the more acceptable it is to the buyer. Love of family can be satisfied by referring to the schools in the area, playgrounds, tennis courts, swimming pool, number of bedrooms, family room, etc. Health can be satisfied with such references to recreational facilities, outdoor living, barbecue on patio, etc. Good address in an impressive area can satisfy the appeal to the ego. Romantic atmosphere with such words as hideaway, fireplace, candlelight and wine, cozy for two, seclusion, inspiring view and quiet, spacious master bedroom. Price and terms - emphasize in specific terms

The important thing is not to dwell on the negative features in advertising; merely point out the positives.

Price

Price is always an advantage in advertising. There is substantial evidence that there is 60% to 70% less response to an ad without a price.

Attractive financial terms are always of great interest, they should be emphasized wherever possible.

Attract buyers who are economically minded with phrases such as **\$629 PAYS ALL** - Principal, interest, and taxes.

Don't advertise more than one home in the same price range in the same media. The idea of advertising is to reach as many prospects as possible, and a variety of prices makes this easier. Distress sales, foreclosures or a drastically reduced price may entice some price conscious buyers while causing others to stay clear of someone else's misfortune. They fear the emphasis on price reduction indicates poor quality, poor value or a combination of both.

Heading

The heading in an ad is the eye opener - the attention getter. It describes, in a few words, what the reader is going to read. It should be brief, simple and emphasize at least one key selling point in the property, such as "Elegance you can afford." Humorous headlines are catchy and interesting. The heading should be presented attractively and preferably with a lot of white space. A lot of white space around the headline draws the eye like a magnet.

Call to action

Aim to generate a response. It is often desirable and extremely effective to place the strongest selling feature at the end of the ad in or near the action line. This is the line in which you suggest or spell out the action for the buyer, such as – “pick up the phone”; “now is the time to act”; “hurry, this won’t last”; “this special property can be shown by appointment only”; “this home is for the selective buyer.”

Remember, the purpose of the headline is to attract attention in a unique, imaginative or humorous way. The body of the ad should create desire and arouse sufficient curiosity on the part of the reader to respond to the ad and to take action now!

An ad that has proven to be effective can be run over and over again and probably with very little change. The price or location may change, but the basic ad can be used over and over again if it is producing effective results. Don’t fool around with success. Remember, readership is constantly rotating with new prospects continually coming into the market.

Be careful of abbreviations. Unless you are confident the buyer understands the meaning of an abbreviation, don’t use it. Beware of representing false claims. Don’t describe a home as immaculate, if in fact, it is just the opposite. This is important when describing a home to buyer Sales Associates also. You will develop a reputation, not to be trusted.

Each Sales Associate should assess his own operation and decide upon an advertising program that is effective for them. Have a budget, have a plan and keep your sellers informed as to how and what you are doing to advertise their home.

Mail a copy of the advertising schedule for each property to the homeowner. Clip out a copy of the ad and include it in the communication.

Track results

Analyzing advertising results is one of the most important phases of a successful advertising campaign. It is expensive and foolish to spend money in advertising without knowing what kind of results this investment is producing. Every Sales Associate should keep careful records of the number of inquiries produced by each ad. In addition, you should try to ascertain from the prospect what specifically appealed to him in the ad. This way you can continue to use words, phrases and formats that produce successful results.

Remember, when the prospect reads your ad and calls your office, that ad has done all it was supposed to do...the rest is up to you.

Feature Sheets

Feature/ highlight sheets or brochures are excellent tools to promote a house. Display exterior and interior photos with special emphasis on the most attractive part of the home. Include information you would have in an ad for the property – room sizes, square footage/meters, recent upgrades, financing available, address, your contact information and photo. Leave these with the seller to display where they can easily be seen and accessed by a buyer or their Sales Associate. Ensure that they are replaced as they are used up.

Mailers

Whenever you get a new listing, you should send a mailer to the surrounding homes. Often neighbors have friends and family they know who may be interested in moving into their neighborhood (or may be interested themselves). Also, seeing a home go up for sale gets people discussing their own plans and it is often the case that when one home goes for sale on a street it is closely followed by another. In your mailer you might ask the question “If you have any friends or acquaintances who are interested in locating in this neighborhood, please call me. Choose your own neighbors.” Send a mailer to invite neighbors to attend your open house. They are interested in home values where they live and also check on you as a possible Sales Associate should they be interested in selling.

Signs

Signs are critical when it comes to marketing homes and the RE/MAX sign with its distinctive red over white over blue is easily recognizable and effective. Sellers give preference to the firm whose SOLD signs indicate it is producing much of the selling action in a specific community or neighborhood.

Business cards

Your business card is another effective marketing tool which you should always have on hand and in quantity. The RE/MAX logo will instantly tell the prospect what you do. Your photo is your own personal logo in a personal selling business. The contact phone number you want used should be large so anyone can read it preferably without glasses. Sales Associates use the back of the card in many creative ways. Some use it to remind people they are looking for referrals, some display mortgage or similar information to entice the holder to keep it. Whenever you get a business card, make sure to look at it for creative ideas. The photo on your card will tell the holder a lot about you. Many Sales Associates like to have a white shirt with dark suit, others are more casual. Whatever you do should be part of an overall marketing strategy for your business. Remember, business cards don't do any good in a drawer. Hand out many and often.

Lesson 3: Prospecting Systems

The key to success in real estate is lead generation, turning those leads into appointments, appointments into contracts and contracts into sales.

Sales Associates want to generate as many leads as possible, in the shortest amount of time and at the least expense.

There are three methods of prospecting – passive, active and purchase.

1. **Passive** – Waiting for business to come to you - floor time, website leads, and open houses.
2. **Active** – Referrals, FSBO's, expired listings, canvassing – door knocking, cold calls.
3. **Purchase** – Ads, signs, flyers, personal brochures, media – radio, TV, billboards, ad words.

Passive and active prospecting may be done with little or no expense to the Sales Associate. There is prospecting done by phone to FSBO's, expired listings, past clients, centers of influence and prospecting done in-person by door knocking, open houses, client parties, networking events, seminars, promotion booths and teaching or speaking opportunities.

Walk into a deli at lunch hour and you will find a long line of customers. You will take a number and stand in line. As you near the front of the line, the counterperson will call the number before yours. If no one answers, the counterperson will call it once more, then immediately call your number. He won't run out onto the sidewalk, looking for this customer who had given up his place. He doesn't waste an instant on the customer who left. He knows there are other prospects right there in front of him, waiting for service.

The moral of the story is prospecting for a sale doesn't have to be a painful experience. There are always more prospects. Sooner or later you'll meet one who says "yes." Don't get hung up on the "no's." Just politely thank them for their time and move on. It also tells us that you need to generate a steady stream of prospects.

A great way to think of prospecting is to consider a political campaign. Whenever an election is called the candidates hit the streets cultivating votes. What methods do they use? They mail flyers to their constituency (farm). They rally their base (past clients). They door knock. They have a well thought out message (Mission Statement). They try to differentiate themselves from their competitor through their policies (position themselves). They use Public Relations (spokesperson on market conditions). They post a lot of signage (for sale, bus benches, and billboards). They shake a lot of hands and ask people to remember them on voting day. They sell their brand – liberal, conservative, democrat or republican. They strive for name recognition by using these tools.

Prospecting is:

- Giving a business card to everyone you meet.
- Letting everyone you meet know you are a RE/MAX Sales Associate
- Asking for business
- Farming and personal leads
- Preparing a personal brochure
- Advertising
- Sending thank-you cards to everyone who helps you

Ask everybody for business - friends, relatives, the dentist, everybody. Remember, if you don't ask, the answer is always "no!" Realize that prospecting is a numbers game. There are always more prospects. If someone says "no," you can immediately find a dozen more prospects. Don't get fixated on any one prospect. Just move on.

Repetition

There are lots of myths about prospecting, like the one that you can only call a prospect once. A RE/MAX office in a small city in Southern California gave its Sales Associates a list of neighbors to call, and told them that this was going to be a monthly phone call program. The Sales Associates went ahead and made the phone calls and obtained no results.

The next month, lists were distributed again among the Sales Associates, who were surprised to find out that ... it was the same people that they called the month before! But they went ahead and made the phone calls anyway, and this time they did obtain some results.

The third month the same lists were handed out, and so on and so forth. By the sixth month most Sales Associates were getting results consistently from these calls!

The morale of the story is the importance of consistency. Initially people don't even think about what you are selling but by keeping in front of them your message starts to resonate. Your prospect doesn't want to buy from you today but they may tomorrow.

Research has found that a marketing message must penetrate the mind of a prospect a total of six to nine times before becoming top of mind. To get in front of your prospect six to nine times you need to send out as many as four times that i.e. 24 - 36, as your message may get lost or picked up by others.

Seek opportunities for leverage

You may prospect by holding open houses, sending flyers, knocking doors or cold calling or you could work on having past clients and centers of influence identify prospects and send them to you. Although you will do both, the latter gives you leverage.

Some people are able to send you a lot more referrals than others due to the nature of their work or their connections:

- Lawyers
- Mortgage brokers and bankers
- Builders and developers
- Companies needing relocation services
- Human Resources departments
- RE/MAX Sales Associates across the system
- Property managers
- Military bases
- Immigration attorneys

Try to do prospecting that can give you leverage. Send your mailer to people who can make a difference then follow up with a calls or an email.

Decide what prospecting method you are good at and become the best at it:

- Online campaign
- Your church
- Signs
- FSBO (For Sale By Owner)
- Expired Listings
- Mailers
- Open Houses
- Past clients and centers of influence
- Door knocking
- Farming

6 Steps to getting started

First, realize that you already have a center of influence which consists of family, friends, old schoolmates, previous business associates, soccer buddies, and more. These are people that know you and people you have some influence over. Start collecting names, phone numbers, addresses, email addresses and other information from your friends, family, co-workers, high school class, health club, church and other places. Throughout your career in real estate, you should always have a plan to grow this group and implement it faithfully. This will become a huge source of repeat and referral business over time.

1. Get your current list all in one place.

This is a big task, but it's important and requires planning to avoid duplicate work later. You'll be surprised at how large a list you can come up with when you start pulling in your friends, old classmates, sports team members, business associates, your doctor, lawyer and others. What is important is to hopefully start with something more than a list on paper. Use Outlook or a contact database like it to get people into a system for management.

2. Make contact the way you usually do.

This has to do with being effective, but also saving some money. There are plenty of advisors out there that will suggest you develop a really nice letter in envelopes and mail via first class mail. This may be how you do it for some of your list. However, if you're making a really large contact list, many of them will be people you usually talk to via email, text messaging or phone. It's okay to contact them the way you always have. Just split your list into groups by contact method.

3. Go ahead and categorize by how you know them.

As you progress in your career and your knowledge of contact management, you'll find that you want to have certain common types by which to identify contacts. Go ahead and start working toward that now. If you're using Outlook, you can use the "Categories" function for this. You could have categories such as Friends, Family, Vendors (doctor, lawyer, etc.), Buyer Prospect, Seller Prospect, and so on. The buyer and seller prospect categories are for those new contacts you're about to get.

4. Develop your announcement content and send it out.

If you're contacting via several methods, such as some email, some mail and some phone, develop scripts for each and let them know about your new business. It's as simple as: "Hi (name), I've started a new career and wanted to let you know about it. I've gotten my license and I'm now a real estate Sales Associate with RE/MAX (name) in town. Please think of me if you're planning a real estate transaction or if you know someone who is."

5. Plan ongoing contact and do it!

Now that you've sent out your "new Sales Associate career" announcement to your center of influence, make a plan for how often you want to contact them. This can vary by type, such as family will not need a lot of follow-up, but your lawyer, probably not as much. Follow the plan and make regular contact. There's nothing worse than finding out a good friend bought a home with another Sales Associate because they forgot about that first announcement a year ago.

6. Do some quick list-building activities.

Get started immediately and constantly add to your center of influence list. Get involved in community activities, go to homeowner association meetings and give your business card to the person behind the dry cleaner counter. If you go for coffee in the mornings alone, stop getting a table and sit at the counter. Strike up a conversation with the person next to you.

Farming

Farming is a tried and true method of prospecting. Farming is soliciting business from people you don't know or have a relationship with. You may farm a geographic area or neighborhood or a niche market.

A farming system:

1. Keeps your sales volume consistent.

You don't deal with high peaks and low valleys like many Sales Associates do. While you are busy working with customers and clients, your prospecting system is still working for you. Often, people ignore

prospecting when they get busy showing and marketing houses. After they've sold the houses of their current clients, they find themselves without any prospects.

2. Avoids burn out.

A business cycle with high peaks and low valleys is like a roller coaster. A constant roller coaster ride in business can be emotionally, physically and mentally draining, causing burn-out, which ultimately causes people to leave the business. A farming system frees you from having to deal with high rejection types of prospecting, which is another cause of burn-out.

3. Increases your income.

If you have a substantial income now and are not farming, you can increase it by having a farm.

4. Offers you a better quality of life.

If you want to continue at the level of income you are already at, but with less work, farming is your ticket.

Neighborhood farm

Start Small: If you start with too many homes or contacts, the expense will break you and you will have to quit prematurely. It takes a while to get a response, so budget to be able to continue to mail without a return for up to nine months. Decide on an amount you are willing to invest per month and then calculate how many mailers per month that would allow. Send at least once a month but more frequently as you start and less often once established. When the farm starts to work for you, expand to include more homes.

Look for Good Turnover

Choose an area that has good turnover. These are usually homes where the sale price is lower than average and the demographic is younger. Younger people tend to move more often and can afford less.

Know Your Competition

Know how they are marketing themselves, and stay one step ahead of them. Don't let them intimidate you or convince you not to farm an area.

Consider Distance

Your farm does not have to be close to your office. You are likely to offer better service to homeowners if they live close to your own home or office.

Give away and send out items of value

Choose items that are useful and will stay in front of potential clients.

Ideas:

- Magnetic business cards or calendars
- Promotional flyers or postcards
- Notepads
- Just listed/just sold cards
- Free market evaluation certificates
- Emergency (police, fire) contact phone numbers on a magnet or a letter opener
- Magnetic memo pad

Effective mailers

Your mailers are going to be thrown out. Your goal is to have the homeowner register your name and face on the way to the garbage can.

- Use postcards. Choose not to use an envelope as people generally don't open junk mail.
- Maintain a balance between cost effective, attention grabbing and a professional look.
- Consistency is crucial. You need to send a postcard at least once a month.
- Include your picture on everything you mail, because people focus more on images than they do on words. Companies have logos for this reason, and your photo is your personal logo.
- Having a distinctive slogan is a good idea, and be sure to put it on every mailer.
- Create a distinct look & format that is identifiable as you.
- Keep your message very short and have a call to action such as call now!
- Just Listed and Just Sold Cards make great mailers. Every time you take a listing, you can send out a "Just Listed" and when it sells you can send out a "Just Sold" card.

Results of farming

Don't expect results immediately. It may be a few months before you have results. Farming takes time to be effective, however, will be rewarding as time goes by and the response becomes greater. Investing in a farm will eventually generate a return which you should expect to be a minimum of four times your cost.

Direct response marketing

In the USA this system is becoming less popular due to the amount of "junk mail" that people receive at their houses. But it is still a very valid prospecting system in many parts of the world.

To be effective, such a program must be:

- Targeted
- Measurable
- Personal – you know who gets it
- Testable – test headers, copy, color
- Flexible – you can change it easily

Your goal is to get your customers to act; your objective should be attainable, specific and measurable. You want them to call or visit your website.

Direct mail campaigns

- **Identify your objectives.** What do you want to communicate? What action do you want the customer to take? You want to build a relationship.
- **Sell benefits not features.** A feature tells what your service does, while a benefit tells how your service satisfies a need or overcomes a problem. Customers want to know, "What's in it for me?"
- **Include an offer. Give your prospects a reason to respond—now.** Make it relevant, irresistible and worth their time and effort.

- **Personalize.** Personalization has a tendency to increase response. Why? Because the recipient is more likely to read your message when you use their name and personalize the offer to them.
- **Keep it simple.** Get to the point and make it easy for your audience to find out what you're saying or selling. Pay attention to the language; if something is free, say it's free.
- **Always include a call to action (CTA).** Tell your target what you want them to do. If you don't and ask for the sale or order, you may not get it.
- **Include a response device.** Make it easy for your target to respond either with a business reply card, a prepaid envelope, a toll-free number or a website address.
- **Deliver.** Only make promises you know you can keep. If you say they'll receive something in a week, ensure you have the process in place to do so.
- **Use targeted lists.** Direct Mail that is targeted to the right audience is more relevant to that audience and is more likely to generate the kind of response you want.
- **Track and measure your results.** Test different offers, formats, lists and more. Your communications should evolve as you learn about what's working and what's not. Use a headline that targets specific prospects for example: Free to Home Buyers.
- **Mention your offer immediately** in your headline. Example: Free “How to Prepare Your Home For Sale” Video. (Make a compelling offer for a free report, video, etc).
- **Test** many different ads in order to find your best pulling ad.
- **Show a picture** of your offer - booklet, video or sample.
- **Feature words** like “Free, Guaranteed, No Obligation, and No-Charge”.
- **Use testimonials.** Example: “My home sold for full price in just one week”.

Be a resource for information on buying and selling by keeping several information brochures and videos available for the public. These may be offered on your website or in flyers, ads etc. Many of the leads you generate are not of high quality, therefore a consistent and systematic follow-up system is required if you want to turn these prospects into customers. Many can take up to six months to finally get into the market, but they will do so. Patience is the key.

Ideas for brochures and information pamphlets you can make available:

- Home expired? How to Sell a House That Didn't Sell
- 27 Free, Easy Fixups to Sell Your Home for the Best Price
- First-time Buyer information booklet
- Home makeovers that every seller should know
- Relocation Handbook
- Condo buyers guide

Your marketing must include a call to action. You must motivate the reader to act – call, come in etc. Basic motivators are greed, fear, security, success, recognition, problem solutions and ways to save time, money and effort.

Dialogues

In this section you will find several dialogues for you to use as a starting point to develop your own dialogues. The tone should be conversational, not like you are reading from a textbook. Several successful RE/MAX Agents stand before a mirror when they make calls, to force themselves to be more energetic and to smile at all times.

Invitation to an Open House dialogue

Hi, my name is _____ and I'm calling on behalf of RE/MAX _____.

We just listed a home for sale at _____. This home has ____ bedrooms, and ____ baths and is on the market at \$ _____. We would like to invite you to attend our open house this Sunday from ____ to _____. If you cannot attend and would like information on this or other homes in the area we would be pleased to send it out to you.

Sold dialogue

Hi, my name is _____ and I am calling on behalf of RE/MAX _____.

We recently sold a home in your area on _____. This home had ____ bedrooms and ____ baths and sold for \$_____.

We know that when a home is sold, that information may be of value to neighbors in the area, especially if they are planning a move.

- When do you plan on moving?
- How long have you lived at this address?
- Where did you move from?
- How did you happen to pick this area?
- If you were to move...where would you go next?
- And when would that be?

Thank you for your time.

Buyer dialogue

Hi, my name is _____ and I am calling on behalf of RE/MAX _____.

We are conducting a survey of homebuyer intentions and would like your permission to ask you a few questions?

- When do plan on buying your next home?
- If you were to move, where would you go next?
- How long have you lived at this address?

Thank you for your time.

Survey dialogue

Hi, my name is _____ and I am calling on behalf of RE/MAX _____.

We are surveying market activity and would like to ask you a few questions, with your permission.

- When do you plan on moving?
- How long have you lived at this address?

- Where did you move from?
- How did you happen to pick this area?
- If you were to move, where would you go next?
- And when would that be?

Thank you for your time.

Cold calling dialogue

Hello, this is _____ with RE/MAX _____.

I am calling to inquire as to whether there a possibility of your moving within the next year?

No Thank you for your time.

Yes When do you plan on moving?

Are you presently looking for another home?

Would you like a complementary evaluation of your home?

Yes Would it be possible to see it tonight at 7 p.m. or would tomorrow at 8 p.m. be better?

Would you like to receive our complimentary brochure?

Pre-qualify all leads when setting up an appointment

- Are you planning on listing your home?
- Are you planning on interviewing more than one Sales Associate?
- Where are you moving?
- When do you have to be there?
- How much do you plan on spending?
- Have you thought of selling yourself?
- Will you describe your property with as much detail as possible?

Expired listings

Expired listings are those that have not sold during the period contracted under the listing agreement. The reason they haven't sold is the price is too high, which usually means the Sales Associate they had took an overpriced listing and did not bother to reduce it during the listing period.

Many Sales Associates like working expired listings because by reducing the price, the property usually sells and they can point to the previous Sales Associate's marketing efforts as the reason the property didn't sell. It also helps because the client has been through the process and knows what to expect.

Other Sales Associates avoid this business for the same reason. The client is upset with Sales Associate for not having sold their home as promised.

Expired listing system

Each day, do an expired listings run. All listings for areas you prospect should be added to your telephone list and called. Always ask to view home.

Dialogue

“Hello, is this Mrs. _____? This is _____ with RE/MAX _____. I noticed your home is no longer on the market and was wondering if it is sold or is it still available? Are you still interested in selling? There is only one reason why your home hasn’t sold and that’s because of the marketing. I can give you my opinion on why it didn’t sell. May I stop by at 6 or would 7 be better?”

Add to lead list if applicable. They are then entered into the appropriate database and a call back date set. Send a personalized letter to the prospect including:

- recent stats (monthly average sales prices in area, number of new listings, number of sales)
- Free Market Evaluation Certificate

Call back dialogue:

- Ask if they have listed their home
- Ask if they received your letter
- Ask if they would like a complimentary market evaluation and a copy of our marketing plan

Work old expired listings not just recent ones.

Spend 30 minutes each day prospecting expired listings.

Develop four letters to send the expired listings each week until they relist or a month has passed.

Expired listings letter 1

Dear Homeowner,

We have been recently notified your home is no longer being marketed on the Multiple Listing System. As your home did not sell during the listed period you may have some questions as to why and what could be done differently to ensure a sale. We would appreciate the opportunity to speak with you with regard to what should be done to get our home sold.

Homes in _____ and elsewhere, do not sell for three reasons:

1. The asking price is above market
2. The condition of the property
3. The marketing plan

We provide you with a quick opinion on which of these were the reasons your home did not sell and how to remedy the situation. Please call me at _____ to set up an appointment to review our plan.

RE/MAX _____ sells 30% of all homes sold in _____ and we are confident we have the answer to your home sale.

Should you have already re-listed your home, please disregard this letter.

Expired listing letter 2

Dear Homeowner,

Since we last wrote to you, we have noticed that your home is not back on the market. Should you still desire to sell your property, we would appreciate the opportunity to show you our marketing plan.

After first letter, call and see if it was received and ask for an appointment.

For Sale by Owner (FSBO) System

Each day FSBO ads are pulled and names and addresses obtained from classified ads, flyers and Internet sites. Identify all listings in the area you are working and add to telephone list and call. Be sure to ask to view the home and if they would like to be added to your mailing list. Enter these listings into the appropriate database and set a call back date.

Mail them a personalized letter and include:

- Recent stats like monthly average sale prices in the area, number of new listings and number of new sales.
- Free Market Evaluation Certificate

Diarize for following Monday morning and call.

- Ask whether they have listed their home
- Ask if they received any of the information you have sent
- Ask if they would like a complimentary market evaluation and a copy of your marketing plan

Call each Monday until listed, sold or off the market as many people will decide to list their home as a result of poor weekend results.

Email your presentation to private sales on the Internet and include:

- Why use a Sales Associate
- Resume
- Perils of selling yourself

Ad/Sign Call System

A high percentage of your sign calls are going to be from sellers, not just buyers. When the call comes in, before asking any questions, make sure to find out “which home in the area do you own?”

Dialogue

Greeting	Good morning, may I help you? Describe ad/house Ask them to hold while you get information Offer your name - ask for their name, phone number
Qualify	What was it about that ad/house that caught your eye?

How long have you been looking?
 Are you working with a Sales Associate?
 How many homes have you looked at?
 Why didn't you buy one of those?
 Do you own your present home or are you renting?
 Trade Info Is that what you are looking for?
 Do you have any other ads circled?
 Close for Appt Why don't we get together?

Open houses

Why Open Houses are Important

Despite the popularity of the internet and its ability to open the doors of listed homes to the viewer with multiple photos and video tours, nothing takes the place of the buyer being able to see the home in person. For that reason alone, the open house will continue to be one of the most effective marketing tools for Sales Associates, and a compelling reason to have a real estate Sales Associate involved in the transaction. According to the conversion ratios as taught in the CRS classes by the Residential Sales Council, (U.S.A.) Sales Associates who hold open houses sell the home one in 10 times, making it still one of the most effective ways to initiate and close a transaction. This is much more effective than telemarketing (1:500), door knocking (1:100), classified ads (1:25), and calls from signage (1:20).

But open houses have other uses. Not only does it convey to your seller, in a concrete way, that you are actively working to sell the home, it gives an equally favorable impression to potential buyers and other Sales Associates who may attend. Open houses are important business builders. If you don't have active referrals, you have to obtain new customers somehow.

An open house perfectly demonstrates your services in action. Potential buyers meet you and immediately know whether or not they would enjoy working with you to find a home.

Home buyers across the board use a variety of methods to search for a home, with over 39% saying they attend open houses. By comparison, 82% use real estate Sales Associates, 51% use newspaper ads, 38% use yard signs, 34% use home books or magazines, 24% use friends, neighbors or relatives, and 18% use on-line services and the internet. With open homes selling one out of 10, and 39% of home buyers using open houses as a means to search for a home, the odds are definitely in favor of the Sales Associate who holds open houses as part of their overall marketing plan. Sales Associates should use all resources available to them in order to market the listing and themselves. One never knows where the buyer will come from for that particular property.

Open House System

The ad should show the address and the price. Two open houses could be scheduled 1:00 - 3:00pm and 3:30 - 5:00pm. Evenings can also be an option.

Many successful and experienced Sales Associates do not do open houses, because they don't rely on this prospecting source. For new Sales Associates they are a valuable prospecting tool. Be prepared for your open house. If there are obvious repairs required, try to have an estimate available for the cost of repair but do not speculate! Arrive on time, be dressed for success and have work to do for the quiet times. Put your signs up ahead of time, put up a lot...start them from the closest busy road and put them up on every corner. There is nothing more frustrating for a buyer than to be following your signs, then the trail comes to an end, and they have not yet arrived at the house. Check other open houses in the area and place your signs strategically to attract their visitors.

Open house checklist

- Ask the seller to leave before the open house.
- Lights should be on.
- Have monthly payment analysis for financing.
- Name tag.
- Thank you card to leave for the seller.
- Business cards.
- Feature sheets that are up to date with the correct price.
- Directional signs with your name and photo on them.
- Invitations for the neighbors – put in mailboxes in advance.
- Open house sign and/or borrow an 8' RE/MAX balloon.
- Listing catalogue or laptop computer.
- Print out of similar homes for sale in the area. (Which you may choose to show them by appt.)
- The open house section of the newspaper.
- A file for each of the following for the house, with 6 months records in them:
 - Gas bills
 - Water bills
 - Hydro bills

Make sure to have a sign-in sheet (register). This could be a separate card to be completed by each customer with the following detail:

- Name, address, postal code and phone number.
- Would you like a complementary market evaluation of your home?
- Would you like a complementary Home Buyers Guide?
- Would you like to be notified when similar homes come on the market? (Note area and price)
- Would you like a complementary Home Sellers Guide?
- Please let me know the sale price of this home when it sells.
- Are you currently working with another Sales Associate?

Qualify as many visitors as possible - this is done by asking questions. Watch for buying signals. Anticipate objections, such as high property taxes or needed repairs, and know how to deal with them.

After the Open House

Call all open house registrants within three days and thank them for attending, offer further assistance, and qualify. If qualified, set up a meeting to provide complimentary material, review their needs, preview their home for market evaluation, and to show them comparable homes. If a meeting is arranged, send them a thank-you note for visiting your open house.

Call the seller and report on activity, make suggestions based on comments from the public, schedule an appointment for review of marketing/price reduction.

Open House Preparation for the Seller

Send the seller a note advising:

Buyers decide which home to purchase based on comparison. When holding our open house, it is critical that the home is in its best condition. The following are a few of the most important things you can do to create a positive atmosphere for the open house:

- Curb appeal is of the utmost importance! The lawns should be freshly cut and trimmed. Remove any unnecessary items from the front of the house. Most important is to have a “fresh” appearance as the prospective buyers approach the home. This can be accomplished by washing down the sidewalks, turning the soil in bordering flower gardens and watering the lawn just prior to the open house itself.
- If snow exists, make certain you have a clear walkway from the parking area to the front door. A door mat may come in handy as well.
- Allow for your air conditioner to be turned down low during summer months. If you have this feature in your home, you want the prospective buyer to notice it the minute he/she walks in the door. In colder months, a roaring fire will set a wonderful tone in your home. Have adequate firewood available for the afternoon.
- Obviously, the cleanliness of the home is imperative. The most important rooms in the home are the kitchen and bathrooms. Extra effort in these rooms will go a long way toward a favorable impression.
- Check to see that all the lights work in your home, including garage and closets. During the open house and during all showings, make sure to have all the lights on.
- Doors should open and slide freely. Lubricate where needed.
- Most important is to leave the home during the hours of an open house. Prospective buyers are more comfortable when the seller is not present.
- Put away/lock up keepsakes and valuables

How to make the most of an open house

Open houses are a tool. They not only supply buyers for a particular home, but you can pick up buyers and sellers for other homes as well. In short, this is a market place. You need to be there! What do we have to sell except service? How do you get inventory without meeting people? Weekends are when buyers are together as a family. If you can talk to both the husband and wife that is always better.

Nothing stops you from holding open houses during the week; just make sure you advertise them well. The key is to have people see you working. You are out in public. They see the ads in the paper, and open house signs. They see your activity and will remember it when it comes time to sell their home.

Listen carefully to what the lookers say and ask a lot of questions.

If the house is sold at the open house (or after), canvass the neighbors and tell them several people have expressed an interest in the area. Tell them you have obtained the names of potential prospects, and ask if they are thinking of selling. Ask whether they saw the ad in the paper and if they did, they are actively looking and in the price range and area of the home. Ask where they are currently living. It is amazing how with this question, they will often give you a lot more information than you asked for. If you know the other homes in the neighborhood currently on the market or coming onto the market, offer to show them. Ask what they are currently looking for in a home, and what features of the ad brought them to this particular open house.

If they are just driving by, ask if they live in the area and are thinking of selling or buying a home. You will know they don't know the price or anything about the home, so are starting from a different point. Maybe they are just thinking about buying or selling and they are exploring the neighborhood, either to get an idea of what their home might be worth or to see what is available. Ask if this is the neighborhood they want to live in. If they are neighbors and are just curious to see the inside of the home, then that is fine, too. Ask if they are thinking of selling and would they like a market analysis of their home.

Ask if they know anyone in their neighborhood or elsewhere who is thinking of selling. This is an excellent way to meet people one on one, but be careful not to hover over them.

People come to an open house for a reason. Your job is to find out what that reason is.

It is immaterial whether an open house brings in two people or 20. It is the quality of the customer that matters. If you can pick up one or two new clients from an open house, that is wonderful. If you get a serious buyer or seller - **get the appointment.**

To summarize, when a potential client comes into your open house or calls you from an ad, you must ask questions.

- Where did you hear about the open house?
- Where are you currently living?
- May I show you through the home?
- Are you working with another Sales Associate?
- What about the ad appealed to you?
- What are you looking for in a home?
- Are you looking particularly for this area?
- Do you mind signing my attendance register?

Inclement weather = great prospects

There are many buyers who are so well motivated that nothing will deter their desire to acquire a home. This is the reason that Sales Associates love to get prospects during inclement weather conditions. If a prospect will come out on a rainy or snowy day, he or she is a serious buyer. It should also be understood that the prospect is seeing the property under its worst conditions, and should be so advised.

Open house dialogue

- Hi, thanks for coming by today. My name is _____ and your name is? (Common courtesy. Shake hands with both husband and wife.)
- Did you find the home through the ad or from the signs? (An ad tells you they are actively looking, and in the price range and area of the open house. If they saw the signs, they want to know the price right away).
- Here is some information I put together on the home. As you wander through the home you may find it helpful. Please let me know if I can help in any way. (Stay out of their way. Let them know you are there to help them.)
- Are you from the area? (If not, can you help them with schools, community clubs, restaurants, or any other information)?
- Have you seen any other homes in the area? (If yes, are they working with any other Sales Associates or have they visited other open houses?)
- Would you like a map of the area? (Have your name and phone number and if possible your picture on each map you give away. Open it up and show them where they are as it relates to any other place they would like to know.)
- Would you like a list of other homes currently for sale in the area?
- Is this is the type of home you've been looking for? (Don't ask them if they like the home.)
- The sellers have asked that visitors fill in the guest register.
- Why don't I do this for you? Tell me what you're looking for and I'll keep my ears and eyes open. If something comes up that I think fits, I'll give you a call, and tell you where it is. You drive by, take a look, and if you like, we'll make an appointment, and look inside. Does that sound like something that would benefit you?
- Have you discussed your possible purchase with a bank? I can arrange to have them meet with you to assess what you qualify for in terms of a mortgage.
- If I hear of a similar home in the area, would you like to know about it?
- Have you seen the house around the corner that is currently for sale? Would you like me to arrange to show it to you next week?
- Why are you thinking of selling?
- When would you like to be in your next home?
- Have you narrowed it down to a specific area?

Ways to increase attendance

- Select the right listing:
 - New to the market.
 - High traffic area.
 - Attractive to many buyers.
 - Make sure of the condition. How does it show?
 - Select a home with curb appeal.
 - Two short open houses are more effective than one long afternoon open house.
 - Traditionally Sunday is the most successful; in the summer time Monday night is also effective.

- Invite the neighbors
 - Phone them (during the open house) or send an invitation mailer.
 - Put on a sign rider – “open house this Sunday 1 to 3 pm.”
 - They get to know you, who you are and how you work.
 - This is an opportunity to have them help you market the house. Give them a feature sheet and ask to post it at work and talk about it to anyone that is house hunting. After all, they’ve seen the product and now they can choose their new neighbors.

Lead follow-up

There is no point to prospecting if you don’t follow up on your leads. The object is to obtain appointments.

Lead follow-up plan

Outline your lead follow up system in detail:

- Define Lead Types: Buyer, Seller, Referral, Past-client, Cold call, Sign call, Ad call, Open house, People farm, Expired, FSBO, Hot, Warm, Cold etc.
- Set up your follow up cycles for calls and letters.
- Write a script for each type of lead call.
- Create or review all your follow up letters

Block out a one hour appointment each day for lead follow up calls. Once again this appointment is no different than a listing appointment. No distractions during this time and no excuse not to do it!

Note: Always say thank you for the business and always ask them to remember you if someone they know is looking to buy or sell a home.

Lesson 4: Working with Sellers

Presentation to a seller

The appointment with a buyer or seller is something you need to prepare for and what many Sales Associates take for granted. If you are not closing at least 50% of your appointments you need to re-evaluate your presentation. If you have done a good job with your presentation, the customer should enter into a contract with you. Presentations must be the same every time to develop a selling system that can produce predictable results. Once you have made the appointment ask the seller the following questions in preparation:

- Are you planning to interview more than one Sales Associate?
- Where are you moving to?
- When do you have to be there?
- How much do you plan on spending?
- Will you describe the property in as much detail as possible?
- What improvements have been made to the property?

Two different options:

Two step listing process - Some Sales Associates do a two step listing presentation. The first step would be to gather information, look at the house, meet the sellers and take some pictures. The second step would be to return with a prepared market analysis. The advantage of the two step method is having a better relationship with the seller and more information for pricing.

One step listing process - The goal of a one step listing presentation is to list the home on your first visit. To do this you need to prepare in advance in order to determine an approximate listing price. The advantage of a one step presentation is it does not allow competitors to compete for the listing which will save you valuable time and get the home on the market sooner.

You will need to experiment to decide which process works best for you, or maybe a combination of both options.

Pre-listing package

Some Sales Associates will send or drop off a pre-listing package. The customer learns about you and RE/MAX beforehand which enables you to spend less time on this during your listing presentation. A pre-

listing package may have all the elements of a listing presentation without the market analysis. A pre-listing package should include:

- Introductory letter
- Testimonials/references
- Performance history - Yours, RE/MAX office, market, competition
 - Market share graph
 - Sales to list ratio
 - Time on market
 - Sales volume
- Dangers of overpricing
- Promo pieces on you and/or RE/MAX
- Sample marketing pieces
- Listing agreement

Listing package

- Letter to client from you
- Listing agreement
- Disclosure forms
- Comparative Market Analysis (CMA)
- Company brochure
- Personal brochure or resume
- Sample property brochures, feature sheets, flyers
- Testimonials/letters of reference
- Information pieces
 - Why use a Sales Associate?
 - Remodel or sell?
 - Dangers of overpricing
 - RE/MAX market share graph
- Market statistics
- A market share graph to show the RE/MAX market share in your community.
- Your marketing plan
- Service guarantee
- Performance history (use office numbers if you are a new Agent).
 - A new Sales Associate may use RE/MAX statistics for your area and compare to competitors/total market.
 - # of transactions
 - Sales to listing ratio
 - Days on market stats
 - % of sale price received
- Professional designations, education courses and certificates received.
- Seller's Guide - May include information described above plus:

- Steps in the selling process
- Preparing your home for sale
- The agency relationship
- Pricing
- Seller's Checklist - items you need to market home
- Showing information
- Open House procedure information
- Lawyers
- Cost of Selling
- Deducting your move (tax information)

Presentation steps

- Preparation and research
 - Prepare your listing package including marketing plan and CMA to take with you or mail/deliver if you use a pre-listing package.
 - Customize to the seller based on information gathered focusing on sellers needs and wants.
- Call and confirm appointment
 - Share with the seller your goals and agenda for the appointment.
 - Be on time and have a professional appearance.
 - Be personable and professional – establish rapport.
 - i. Note their hobbies and interests, children, pets, leisure activities, career.
- Establish seller's objectives
 - Preview the home – note features, why sellers bought initially.
 - Timelines, motivation
 - Base your presentation content on this information.
- Presentation
 - Present your marketing plan and CMA.
 - Keep seller involved by asking questions as you go.
- Sales Associate selection
 - Present your credentials, RE/MAX credentials.
 - Ask “Can you see us working together?”
 - Handle objections
- Confirm asking price
- Explain & sign the listing agreement
 - Ask for house key

Without a standardized presentation with a set of questions, you will have a tendency to take listings for too high a price, too short a term, or with people whose expectations are not compatible with what your skills and experience can offer them.

Explain the features of your marketing program in terms of benefits to the seller. I do this SO THAT...

For example, I will call you each week through the listing period SO THAT you know exactly what is happening and how prospective buyers are reacting to your property.

Identify prospective buyer – age, marriage status and lifestyle and show the seller how your marketing plan will reach these customers. Be sure to address any issues the sellers have brought forward in your discussions with them. Show the seller the benefit of working with you. This is, after all, what they will be paying for. You need to show them how your skills, experience and strategy will benefit them. They need to know and understand the benefits of your approach to selling their home. Differentiate yourself as much as possible!

Create a step-by-step presentation that is well prepared, concise, price focused and clear about what service you offer to the client.

For every listing appointment, showing appointment and contract negotiation, you must be 100% prepared each and every time. Preparation is achieved through:

- Planning
- Practice and Repetition - Knowing your scripts and presentations well.
- Anticipation/Pre-Qualification - Asking the right questions and listening to the answers.

Prospecting and lead follow up will get you there. Knowing what to say will give you the confidence and ability to perform.

Please keep in mind ... making mistakes will be part of the game. You will learn more from your mistakes than anything else you can do. The more presentations you make ... the quicker you will perfect your presentation!

Establish trust

The seller will list with you only if they trust you. If you know of any reasons why the seller may be hesitant to list with you, make sure your presentation covers them. For example:

- You are new to the industry.
- You are unfamiliar with their neighborhood.
- You have vacation plans during the listing period.

Don't let the seller's questions bring out these negatives as this will lessen the trust factor. Bring out the negatives early and have solutions.

Determine the seller's motivation

Most sellers want to sell their home for the most money in the least amount of time and with the least inconvenience.

- Why have you chosen to move now?
- What would happen if you didn't sell?
- Are there any issues which need to be resolved before making a move?
- Have you definitely decided to move at this time?

Experience and expectations

“Tell me about your experience in buying and selling?” Some Sales Associates like to go through a listing package as part of the actual presentation while others will leave the information with the seller once the listing has been signed. Create a form that asks for all the improvements/features of the home to be completed by the seller and include it as part of the pre-listing package. This helps you identify why they like the home and their perception of its selling features. Use this information in your feature sheet.

Length of your presentation

It is important you respect the consumer’s time and your own as time is money, however, this is an excellent time to build rapport. A good listing package will answer many of the questions your clients have. While you do need to build rapport with your client you don’t want to overstay your welcome. So, while it is good to show an interest in them as people, focus on your presentation. Maintain control by asking questions. Sell yourself and RE/MAX first - keep the price for last. Be positive and assume they will list with you and act accordingly.

Seller questions

During the listing presentation you will receive a number of questions from the sellers. As much as possible, anticipate them and include in your presentation.

Be able to answer the following questions for a very professional presentation.

- How long have you been in real estate?
- What is the average number of days on the market for your listings?
- What is your list to sale price ratio?
- May I have a copy of your marketing plan?
- For corporate transfers; do you understand the Corporate Buy-out Agreement?
- What do you know about our area?
- Have you sold any homes in our area?
- What is your professional fee?
- What is the standard duration of a listing contract?
- Does my home need any repairs?
- At what price range would you market my home?
- Do you have any references?
- If you don’t have a track record, use your office statistics

These are some of the things that you can put into your personal brochure.

Sell your credentials and marketing plan

- Community expertise
- Many satisfied customers (use testimonials)
- Personalized service
- Company that has listings/out of town buyers in their price range
- Successful marketing plan

- Outstanding feature sheets
- Call back service
- Open houses

Listing or marketing plan

This is a list of steps to be taken from signing the listing all the way to offer acceptance. Ensure you have the contact information and documentation to complete them.

- Sign installed
- Title search
- Lockbox installed (if applicable)
- Enter listing into office website (ideally should escalate up to global.remax.com)
- Notify your buyers
- Thank-you for the listing card
- Feature sheet
- Progress report – form
- Advertising – when, where
- Follow-up on all showings
- Price reduction

When competing for a listing, ask the seller, “Do you believe I can sell your home?” or “Can you see yourself working with me?” Always want a listing or sale, but never need one! If a customer senses need, they will attack your commission rate as it shows lack of confidence on the part of the Sales Associate and it puts the seller in control of the negotiation.

Sellers look for a Sales Associate who is positive, upbeat and enthusiastic about selling their home. Enthusiasm is contagious and can be the key to your success. Never disclose your personal problems - credit or otherwise. Remember the customer is hiring you to sell their home, not to chase buyers away. Selling is transference of feeling. You need to believe in yourself and then you must convince your customer to have the same belief. You must demonstrate to them why you should sell their home.

Follow-up to a presentation is critical as you can still have an impact on a customer after it is over. Sales Associates have found that their success rate improves 50-80% with a good follow-up program.

Customers will take advantage of the most recent information; therefore, you always want to be the last person to present. Be last even if you are scheduled to be first. If you can't be last, your follow-up must be as powerful as your presentation. This is basically the principal that you will find something in the last place you look. The customer will eventually get the last bit of information he/she needs to make a decision. They will hire whoever is there when they do.

Most customers will only interview one or two Sales Associates. If your presentation is first and you sense the customer is not signing because of a previous commitment to another Sales Associate, tell the seller you will advise the other Sales Associate they have already signed with you. Make it easy for the seller to sign!

Pricing

As you gather information from the sellers, keep in mind that presentations should be focused on price, rather than on secondary issues such as marketing or advertising. Price is the dominant reason a home sells or fails to sell. Your presentation needs to reflect this reality. 80% of the marketing takes place the moment the asking price is set.

Aside from getting the listing signed, the most important part of a listing presentation is determining an asking price. To prepare for this discussion you need to prepare a Comparative Market Analysis or CMA. A CMA compares the seller's home to recent sales in the neighborhood, homes currently listed and possibly homes that did not sell due to being overpriced. The better your analysis and salesmanship, the better your pricing will be.

Although it is the seller who sets the price, it is the market that dictates the value. If the home is listed at an inflated price, it will take longer to sell than if it was priced correctly to start with. Most failed listings are the result of too high a price or poor servicing. The other factors related to price are current market conditions and the condition of the property.

Current Market Conditions

Real estate markets fall into three categories – Buyers Market, Balanced Market and Sellers Market.

Buyer's market – This occurs when there are many homes on the market for the buyer to choose from. It is basic supply and demand economics. An over-supply will drive the demand down. A buyers market is when the number of homes on the market exceeds five or six month's supply. For example, if there are 1000 homes on the market and 150 homes a month are selling, there is $1000/150 = 6.6$ months supply and a buyer's market.

Balanced market - Occurs when the supply of homes equals about 4 – 6 month's supply. For example if there are 1000 homes on the market and 250 homes per month are selling $1000/250 = 4$ months supply and a balanced market.

Seller's market - occurs when there are many buyers and few sellers. For example if there are 1000 homes on the market and 500 homes sell every month, there is a $1000/500 = 2$ month supply and a seller's market exists.

In a **buyer's market**, the buyer has many homes to choose from and a seller must price his home competitively. **Prices go down.** But in a **seller's market**, the buyer has few homes to choose from and is competing with other buyers to get one. **Prices go up.**

These factors need to be taken into account when pricing the seller's home. In either a buyer's or seller's market, a Sales Associate must look at trends – how fast are homes appreciating or depreciating? How much has the average sale price gone up or down in this city or neighborhood? Since last month? Since last year?

A buyer's market is ideal when a seller is trading up!

In a buyer's market, prices are going down and the seller will be required to take less for his/her home. However, if the seller is moving up, they will pay less for their next home...and will save more.

For example:

A seller's home was \$200,000 and based on the current buyer's market must take 5% less or \$190,000, a loss of \$10,000. Their next home would have had a purchase price of \$400,000, however, due to the buyer's market they can buy it for 5% less or \$380,000 – a saving of \$20,000.

The seller saves \$10,000 by selling and moving up in a buyer's market.

Now if prices bounce back and go up 5%, your seller will gain $\$380,000 \times 5\% = \$19,000$ whereas if they stayed where they were they would only gain $\$190,000 \times 5\% = \$9,500$. A net gain of \$9,500 (double)!

Sale to List Price

The other factor in assessing market conditions is sale to list price. Your objective as a Sales Associate is to have these ratios as close to 100% as possible. For example a home listed at \$500,000 may attract offers of \$475,000 or 95% of asking price. You need to know this when establishing an asking price. In a seller's market you will be relying on comparative data that is historical such as a similar home to your sellers sold for \$500,000 four months ago. But home prices are going up. You can, therefore, ask a higher price.

Average Sale Price Trend

Statistical data on the rise and fall of home prices over the last few years helps to set up the discussion about price. It's important to show prospects what has happened since their purchase so they can understand - relative to when they bought - how much they can hope to make or lose on the sale of their property.

Help them understand this is an issue that is governed by the marketplace, and not something you have control over. You can't help sway the market, but you can help them understand it and position their home optimally within it.

Total Homes Listed Versus Sold

Many home sellers automatically assume if they put their home on the market, it will sell.

You know this is not always the case. This is an important wake-up call to give your prospects, which will set up your discussion about how important it is to select the right price and Sales Associate.

Use statistics once you have been in the business for a year or two to show how your listings sell quicker and for a higher percentage of list prices than the average. Alternatively, use your office statistics.

Seasonality

Peak sales periods are spring and fall. Again, this information is used to help the prospect make the right decision and set realistic expectations with respect to the sale of their home. Remember, your knowledge and presentation of this information positions you as the expert information provider.

Condition of the Property

The price must match the condition of the property. Homes that show better sell faster and for more money. Make sure your seller is fully informed on how condition affects price. Fastidious buyers simply won't buy homes that aren't in prime condition which results in less demand and therefore, a lower price.

Staging

This has made home staging an important industry and an essential part of the marketing process. Staged homes sell faster and for more money. When selecting comparables for your CMA, you will base your selections on location, size, amenities and condition. The only area where the seller can make a substantial impact is on condition. Have the seller view a show home and explain to them that it is the standard. Staging results in one of two things:

- The seller's home becomes the best value in their price range.
- The seller's home becomes the least expensive in a higher price range.

Either way, the seller comes out ahead and receives full value for their property. They won't get a second chance to make a first impression. Some buyers will look past the condition of a home and will buy it, although they will reduce their offer price accordingly. Other buyers, the Felix Unger's of the world will simply not even consider it. Fewer buyers = less price.

Review with the seller what they need to do to make their home show its best, starting with curb appeal.

Other Factors in Pricing – Location, Size and Amenities

Location contributes the most to price such as waterfront homes or those with views have much higher prices, followed by size. Contributing least are amenities and condition. Amenities often don't make the house worth more. They will, however, increase the salability of the home.

Initial Impression

The most important marketing period is when the seller's home first hits the market. A large group of waiting buyers will decide whether it warrants a viewing. If the home doesn't sell then, the seller must wait for new buyers to enter the market and decide on a viewing. If the home is priced and staged correctly, it will attract offers. If not, it is very hard to get these buyers interested, even later when the price has been reduced or improvements made. You must make the seller understand that the longer a home is on the market, the less its perceived value. Again this comes down to the trust you have established and your ability to convince the seller your CMA reflects the correct price. The great Sales Associate has the ability to persuade a seller of the need to act in their best interest by not "trying it at a higher price because we can always come down". By then it may be too late, especially in a buyer's market. If it is priced too high you should know quickly based on showings and feedback from other Sales Associates. Get the price reduced as soon as possible.

Taking Overpriced Listings

Some Sales Associates won't take an overpriced listing for the following reasons:

- It reflects badly on their image
- They cost more to market
- They monopolize your time

These are all valid concerns, especially in a buyers' market. On the other hand many Sales Associates will take an overpriced listing:

- They provide a marketing opportunity
- When the seller is motivated and must sell
- Price may be reduced

A new Sales Associate should take advantage of all marketing opportunities as it provides an opportunity to attract buyers. After three weeks an appointment must be made to review the price. Schedule this right at the beginning when you get the listing. Many Sales Associates leave this too long and upset their sellers who realize that an absence of offers means the price must be reduced. There is nothing worse than letting a listing expire, only to have the next Sales Associate reduce the price and sell it quickly.

Dangers of Overpriced Listings

An overpriced listing is one in which the asking price is clearly above what comparable sales information and current and projected market conditions justify. Pricing is a critical part of your presentation and one you should spend some time on. This entails a thorough review of the Comparative Market Analysis (CMA). Always remember that the price is the only determining factor in selling a home. You don't want to take overpriced listings and you should only take them when the seller is highly motivated or will agree to a prompt price reduction. Market conditions also need to be taken into account. Take a longer listing time frame if possible under these circumstances. An overpriced listing with an unmotivated seller can cost you time and money. As part of your marketing plan, have time lines for price reductions.

The only reason a property doesn't sell is price. Show your seller the competition his home is entering into. What has sold in the area lately and what do those homes offer? Show what is currently on the market and how these properties compare.

There are numerous potential dangers, problems and liabilities in taking and attempting to market overpriced listings such as:

- It can result in a home not selling at all.
- It can result in very few, if any, showings.
- It can result in a home selling for less money than it should.
- It can result in a home sitting on the market for long periods of time, resulting in a very frustrated seller.
- It can result in numerous price reductions which will eventually make buyers wonder what is wrong with the property.
- It can lead to a difficult, emotional and unsuccessful negotiation process.
- It can hurt sellers, because Sales Associates are not motivated to list or show their home.
- It can hurt the overall image of a real estate firm and listing Sales Associate, because of having a reputation for overpricing.
- It can result in a real estate firm and listing Sales Associate receiving less call-in and walk-in leads.
- It can cause a home to become stale on the market.
- It helps realistically priced homes to sell faster by acting as a negative comparison.
- It can lead to serious listing Sales Associate frustration.

- It can lead to the seller wanting to take their house off the market.
- It can result in the seller wanting to cancel their listing agreement, because the first thing that sellers blame when their home does not sell is the Sales Associate - not the price!
- This will then cause a loss of referral business.
- If you do get an accepted offer, it could lead to numerous appraisal problems.
- It can lead to extreme emotionalism and anxiety - selling your home ranks in one of the top ten most stressful things people do - and a home not selling makes it even worse!
- It can result in real estate firms and Sales Associates having to agree to reduce their listing and sales commissions which is unfair as an overpriced listing gets advertised for longer.
- It can result in real estate Sales Associates having very short careers.

Negotiating with sellers

Negotiation is the ability to influence the opinions, decisions or actions of others. Negotiation is as much an attitude as a skill. Remember everything is negotiable at some level. Make this thought pattern a habit. Negotiation involves changes in thought and the ability to be flexible. The outcome of any successful negotiation is a WIN-WIN situation. All parties involved should experience a certain level of satisfaction.

Overcoming Objections

Typical objections:

- Asking price is too low.
- Commission is too high.
- Need to speak to my lawyer.
- Bad market.

How to handle:

- Echo (Question back objection) - Find out what the objection really means.
- Paraphrase - be more specific.
- Advise / Counsel - “seek to understand” what the objection means and how it will affect them.
- Sell features and benefits. Deal with the objections rather than avoid them and then move on to the benefits and the wonderful features.
- Negotiate - look for the solution and as a final step give concession for concession.
- Know when to walk away and find new prospects...there are plenty more.

Seller Objections

- **We want to look before we list.**

I can certainly understand that. Are you open to carrying two mortgages? Unfortunately, once you’ve found a home, there often isn’t enough time to list your house and get it sold in time to secure the one you liked. May I make a suggestion? I presume you’d like to get as much for your current home as possible. And, you’d also like to get the best value out of your next purchase? Yes. Why don’t we discuss a strategy that does just that?

- **I have a friend or relative in the business.**

Most people have friends in the real estate business. Why did you happen to call us? Articulate advantages you have such as the fact that you specialize in the area, your experience and your track record.

Do NOT in any way denigrate the friend or their company. You need to find out why you are there if indeed they have a friend in the business. They may be looking to you for an answer that they can give their friend when he/she finds out that you have the listing. Focus on selling RE/MAX and your marketing plan. Advise the seller you will be happy to work with their friend if they have a buyer for their property. It can be disconcerting to enter business relationships with friends. The need to discuss financing issues, pricing and negotiation issues is better with someone at more arms length.

- **Can't we just try it at this price? They can make an offer.**

- That's true, they could make an offer. That is, if they see your home. If you were going to look at homes that met your specifications and some were under \$120,000 and some were over \$120,000, which ones would you look at first? Don't you feel most buyers would do the same things as you? Let's do this: price it at \$119,000 and hold tight. I'd rather see you get 10 offers and have to turn them all down than get no offers. Make sense?
- Even if I could find a buyer to pay that price, we have a problem. Let's look at it together. Do most buyers purchasing a home today pay cash, or do they get financing? Financing. What's the first thing a bank does to protect their investment? They do an appraisal, right? The appraiser's job is to look at the same information we have here. Now, put yourself in the shoes of a buyer that has just been told you overpaid for the house. How would you feel?

- **Another Sales Associate said they would list for a higher price.**

- Make it part of your listing presentation to explain the dangers of overpricing. Go back to the market analysis and review its findings to substantiate your price. That your price is based on comparables, the current market conditions and a sale within a reasonable time.
- Are you planning on selecting your Sales Associate based on experience, performance and what they can do for you or based on the price they tell you?

- **We need more money.**

- I can certainly relate to that. Unfortunately, however, what you need has no bearing on price. Do you understand why? Let's imagine that the home you want to buy is worth \$150,000 and I come to you and explain that some really nice people have owned the house and they are moving to Hawaii. Hawaii is really expensive and although their home is only worth \$150,000 they need \$175,000. Would you help them out?

- **Negotiating a low offer or price reduction with seller.**

- Don't be upset at these people. They're trying to buy your home. If you want to be upset at anyone, be mad at the 15 to 20 people that traipsed through your home, and didn't even have the courtesy to make you an offer.
- We have 3 options: We can accept it, reject it or counter it. If only part of it is acceptable, why don't we counter it?
- I'm really excited for you. I think your counter offer is a good one. If these buyers don't go for it, would you sell your property to another qualified buyer for the same price tomorrow? Yes, of course. Okay, then with your permission, I'm going to change the price on the listing to the same price as your counter offer. That way, if these negotiations don't work out, at least we got something accomplished, and you'll get more activity at this new price.
- **We want to only give you a 30/60 day listing.**
 - You must know the average days on market for homes in your area. If they want to list for less time ask why they need the home sold quickly and attempt to price accordingly.
 - The normal recommended time is 90 days, but if it is not sold by then we can always extend the listing.
- **I've never heard of you before.**
 - Maybe not, but you have heard of RE/MAX and we offer world class service. Advise the seller you are part of a larger team of Sales Associates from your office. Buyers also like to deal with RE/MAX Sales Associates as they know that we offer high standards when it comes to service.
- **Let's list high; we can always come down later.**
 - That's a valid point. Are you aware that only 3% of buyers in today's market will even look at a property that is 10% overpriced. Can I explain? 17% of today's buyers will look at properties that are priced fairly. 80% of today's buyers are looking for properties that are priced 5-10% below fair market value. If you were a buyer, which properties would you look at? In today's market we can't afford to lose 80% of the potential buyers. Let's start at \$_____. Are you prepared to list your home at that price tonight? All we need to do now is simply sign the contract, so that I can help you get what you want, in the time you want.
- **We want to think it over.**
 - You're right; this is a big decision, isn't it? Yet the decision must be made based upon what you want, correct? Let's do this, sign the contract tonight, contingent upon your approval within 24 hours, that way we both win. Can I tell you how? You have 24 hours with no pressure, so you can feel comfortable and sleep on it tonight, then I'll call you in the morning and you simply tell me yes or no. If you say no, I'll rip up the contract, and you have no obligation to me, if you say yes, I'll begin marketing your property immediately without having to come back and take up more of your time. All we need to do now is simply sign the contract, so I can help you to get what you want, in the time that you want.

- **You're too new, or inexperienced versus other experienced Sales Associates.**
 - That is a valid concern. Let me ask you a question; are you aware there are two kinds of real estate Sales Associates? There are passive and active...not new versus experienced. I am an active Sales Associate, which means that when you sign that contract tonight, I will spend all of my time marketing your home to the public and to the other Sales Associates in the town. Isn't that what you want?
 - You want someone who will actively and aggressively get your home sold, right? We have incredible training at RE/MAX and are known to be the best at what we do.
- **I want you to cut your commission.**
 - No ... any other questions?

Cutting Commissions

Once you start cutting commissions, you can never stop. The key is never to start and never to play favorites. Charge everyone the same and let them know it; family and friends included. You will get a reputation for not allowing it and even past clients when they refer you will tell their friends "He/she will never cut their commission, so don't even try."

If RE/MAX Sales Associates don't get full commission, who will? We are the best and are supposed to be the best negotiators. We tell our clients we will get them the best price and the best terms at the least inconvenience to them and certainly not at the least amount of money to us! Assume you will receive your asked commission and don't invite negotiation - inform the seller as a matter of course.

One key to getting a full commission is to provide great service. Service levels in the real estate industry are very inconsistent. Sales Associates who don't know heating costs on their listings, put lock boxes in awkward places or not at all, don't return calls, don't warn their sellers of showings, don't report back or make it generally difficult to sell their listings are not giving the industry a good name.

You have to believe in your service if you are going to believe in your fee; otherwise you get what you deserve. The most important factor in getting a full commission is having a good listing presentation that is convincing. Have your service critiqued by asking your clients to rate you on the following:

- Overall impression
- Did I look after special needs?
- Would you use me again?
- Product Knowledge
- Would you refer me?
- Response time
- Professionalism
- Listing presentation

Finally - Did I earn my commission? This becomes a powerful weapon in commission negotiation. Explain the commission breakdown to your clients.

- 50% to outside Sales Associates
- X% for expenses

- Balance to Associate

Develop a pie chart to show where the commission goes. Explain that a lot of the commission goes into paying the expenses for marketing the home.

- Selling Company
- Selling Sales Associate
- Listing Sales Associate
- Advertising/Sign
- Gas
- Printing
- Office Expenses

Your seller needs to know that you will only be paid in the event the home sells.

No is an answer! When asked to reduce your commission, simply say no and wait for the client to talk further. (Negotiators will tell you that the first person to talk in this situation loses). Most of the time the client will say “well, you can’t blame me for asking” and move on. If your presentation is great it probably won’t even come up. The biggest problem is that Sales Associates cave in too quickly. If you look after your clients, they keep coming back and commission will not come up. Tell your customer that if a Sales Associate can’t even negotiate their own commission, how do you expect them to get you the most money for your home? Be sure to charge extra to clients for hard to sell properties, out of town properties etc. Have the commission typed into the listing agreement before you go on the call.

“This is what my company charges.”

Commission Objections

Seller asks you to do it for less.

I only get paid if and when I sell your home. Let’s figure out what you need to walk away with, and let me negotiate a price that’s acceptable to you and a fee that’s acceptable to me. Ask the customer what services they want to cut like feature sheets, advertising etc. The money has to come from somewhere.

If you both list and sell our home will you cut the commission?

No. Note this is often a closing question from the customer, and the Sales Associate, recognizing it as such, will give in as they know the next thing to happen is the listing is signed.

The other Sales Associate will do it for less.

If the other Sales Associate is capable of negotiating the same price as me, then you should list with them. Our track record shows that we get our sellers 98.2% of their asking price, versus the board average of 94%. That’s 4.2% more on average. Even if we are one percent higher, you’re still 3.2% ahead with us, isn’t that right? Or which scenario works best for you? Do you want to save 1% and lose 4.2%, or do you want to invest 1% and gain 4.2%. What does 3.2% net for you?

We’ll save the commission by selling it ourselves.

If the seller is selling the property themselves as a For Sale by Owner (FSBO), you need a system of regular contact to build rapport. Explain to the seller that most buyers use the services of a Sales Associate. Buyers will reduce their offer price by the commission so the seller is no further ahead. That your job as their Sales Associate is to negotiate the top dollar for their home and buyers prefer to negotiate through a Sales Associate than directly with the seller. Would the seller pay a commission to a Sales Associate with a buyer? If so, they are paying ½ the commission without any representation for themselves. Discuss how many homes are selling in the area and what percentage of sales are by Sales Associates.

Don't open the commission cutting door.

It is important to have confidence in yourself and your abilities. This confidence and self assurance, plus the knowledge you have and the service and professionalism to back it up, is the reason why you never have to compromise.

Sales Associate's signature first.

The easiest signature to get on a listing or offer is the first one. The best way to do this is to review the total document with the customer point by point and get agreement. Start to fill in the blanks and then turn the document and pen over to the customer.

Follow-up System

Have two systems that are implemented after a listing presentation, one for if you were successful and one for if you were not. If you don't get the listing, have a post presentation follow-up plan. Over the next 10 days, the seller receives four mailings. This information is in addition to the pre-listing package they received.

1. Thank you letter
2. Information or graphs comparing you to other Sales Associates in the market place
3. Info on preparing their home for sale
4. Info on the team

Then call the customer. The result of this system is an increase from 5/10 to 8/10 listings taken (if they list). It also helps to sell your services and shows sellers you have an efficient follow-up system.

Once they list, follow up with a thank you note or card and info on how to prepare their homes for sale, make an appointment to measure, photograph etc.

Set up a weekly or bi-weekly market report for your active listings.

Send each client a report with the following:

- Number of homes currently listed
- Number of pending sales in the last 30 days
- Percentage of homes selling per month
- Average sales price over the last 30 days
- Number of days on market for homes sold over the past 30 days
- A list of your marketing activities over the past two weeks to get their home sold

Note: Your local board or MLS (IF APPLICABLE) should be able to provide you with statistics.

Set up an aggressive price reduction campaign.

- Call after every bi-weekly status report and ask for a price reduction.
- Include an addendum in the listing contract where the seller agrees to meet with you in your office every month to review the price.

Make your daily contacts as outlined in month one or assigned by your business planner. Send copies of new listings to:

- Client mailing list
- Lead list
- Top Sales Associates
- Lower priced listings in the area

After closing

Exceptional after sale service the first 60 days after closing:

- Call your clients the day of closing to make sure that there isn't anything that they need before going to the closing.
- Call them the morning after closing to make sure that everything appears in order. Most real estate Sales Associates dread making this call. Don't be one of them.
- Call them, either on moving day or shortly thereafter, to find out if they have found anything that might require your assistance.
- Call or e-mail them at week two to make sure that everything is still OK and if there is anything you can do for them.
- Call or e-mail them at week four to find out how they like their new neighborhood.
- At week six and week eight do a quick e-mail or call to make sure that everything is in order, and then transfer the closed client to your "past client" care program.
- Call them and sincerely thank them for the business.

Send a handwritten note thanking them. Thanking them in person is even better.

Customer Satisfaction

At the end of this process, if you have done your job correctly, the seller will be happy to refer you. What makes satisfied customers?

- Results – their home sells faster than the market standard at the time.
- The process was one with little inconvenience and problems were dealt with quickly.
- As their Sales Associate, you were knowledgeable, professional and thorough.
- Regular communication- .accessibility.
- They feel respected
- You appreciate the business and followed-up after the closing and thanked them.

Handling Complaints

In a service industry such as ours which is heavily reliant on referrals, the ability to handle complaints with tact is critical skill. If you receive a complaint, use the opportunity to turn a negative into a positive by conveying your genuine concern and demonstrating your competence in problem-solving. Follow these six steps to successfully handle a complaint:

- Respond quickly. Don't let the issue fester and blow itself out of proportion.
- Handle the situation in person. Don't delegate.
- Stay calm, even if you feel the complaint is not justified.
- Show genuine concern. Ask what the client feels should be done.
- Accept responsibility to clarify or rectify the situation even if responsibility for creating the problem is not directly yours (e.g., It was created by another party to the transaction).
- Negotiate and settle the problem promptly.
- Follow up after the fact.

How to Avoid the 8 Biggest Selling Mistakes

Mistake #1. Wrong Price

Experience shows the right price sells a house faster than any other factor. When the listing price is more than 5% over market value, the price alone discourages buyers. This is because overpriced homes scare away potential buyers who think they can't even afford to look. Buyers who do look at an over-priced house know they can get more home for their money elsewhere. **THE MARKET SETS THE PRICE!**

Mistake #2. As-Is Condition

In a competitive market buyers won't even consider a house that needs fixing up. In contrast a sparkling showcase home gets top dollar. What most buyers are looking for is an inviting home in move in condition, one that looks as good as a model home. Buyers who are willing to make the repairs after moving in automatically subtract the cost of needed fix ups from the price they offer. Either way you save nothing by putting off fix ups and it will likely slow the sale of your home.

Mistake #3. No Curb Appeal

Your house only gets one chance to make a good first impression. That's why curb appeal is one of the most critical points in selling. Buyers are apt to fall in love at first glance - or not at all. If your home lacks curb appeal chances are the first impression will not be counteracted by a perfect floor plan or tasteful interior. Spruce up the view of the house from the street including shrubs, lawn, shutters, windows, front door and mailbox. Add potted flowers out front, a wreath on the door, outdoor lighting fixtures - whatever will enhance your home and say "buy me."

Mistake #4. Not Making Your Home "Fit to Sell"

A clean bright decor is what buyers want. Perhaps the best dollar for dollar investment for selling your home is fresh paint. Neutral colors are best. Next to fresh paint, new carpeting, replaced for either wear or color - makes a big difference. Elbow grease can be as effective as spending cash to brighten your home. Start by ruthlessly getting rid of the junk you've accumulated. Clean each room top to bottom. Dare to make

your home look better than you've ever had it looking before. Focus on three rooms most inspected - kitchen, master bedroom and bathroom. Forget those and you may as well forget the buyer too.

Mistake #5. Lavishly Over Improving

While it is important to fix whatever needs fixing to get your home ready for sale, undertaking a major project can cost more money than you could recover from the sale. Spending too much on a remodeling project drains money out of your pocket. If your improvements will push your home's value more than 20% over the average neighborhood house values, don't expect to recoup the entire cost. Some major projects, however, like replacing a roof should be undertaken if they are needed.

Mistake # 6. Not Using a Professional

Without professional advice, you probably won't sell. Even if you do, surveys indicate sellers often net less from the sale than those who use a real estate Sales Associate. Selling a house is a team effort between you and the listing Sales Associate. You'll find Sales Associates do a lot more than most people think - from bringing qualified buyers to keeping things on track until possession date.

Mistake #7. Not Disclosing Defects

Make sure you disclose any hidden or material defects to prospective buyers. When you know there is a problem, don't keep it to yourself and risk being a party to a misrepresentation lawsuit. If there is a defect, obtain a quote to get it fixed and either get it done or pass this information to a purchaser. Water seepage, foundation problems and a leaky roof are the ones that are the most critical to deal with.

Mistake #8. Play Hardball

When you put your home on the market, it will attract waiting buyers looking for a home in your neighborhood. Your Sales Associate will use the newness of your listing to attract showings and offers. Sometimes a seller will decide to play hardball assuming other offers will be forthcoming. This can backfire. Too often we see sellers take months to sell their home at a much lower price after rejecting early offers. No one wins if you approach negotiations with boxing gloves on. Treat every offer with respect. These are buyers who want to make your home their own. Do negotiate the best terms possible and rely on the advice of your Sales Associate.

Lesson 5: Working with Buyers

When you first begin your career in real estate, you will more than likely start working with buyers. There are many reasons for this which is centered on your prospecting and trust issues. Typically sellers pay the commission and look for more experience which is why a Sales Associates will usually start out working as buyer Sales Associate. Regardless, you are a Sales Associate who wants to build a business and the buyers you work with will be your future sellers. It is important to build a good relationship with them so they will trust you with the sale of their home in the future. Being friendly, helpful, understanding, listening to their needs and maintaining constant communication and service are the keys to success. You want to become the buyer's Sales Associate for life.

Try to be discerning and to establish as early as possible in the game how serious this buyer is. They are more likely genuine buyers if:

- They are an out of town buyer due to a work transfer.
- Their home is listed or sold.
- Someone has referred you.
- They have been pre-approved for financing.
- They sign a buyer representation agreement.
- You can establish a sense of urgency for any reason.

Where do you find them?

There are numerous ways to find buyers. Typically, they come to light in your day to day business through such vehicles as:

- Calls on property ads – newspaper/magazine
- Sign calls
- Former clients, friends, center of influence, etc
- Open houses
- Door knocking and cold calling
- Clients with homes currently listed
- Website inquiries
- Social media
- Generic promotion ads - bus benches, billboards, etc
- Referrals
- Flyers, Just Sold/Just Listed inquiries
- Office call duty inquiries
- Office leads

- Relocation referrals
- Referrals from veteran Sales Associates

Many successful Sales Associates have more business than they know what to do with and if they don't have a team, they will drop buyers first due to their time requirements and lack of control. You should make a conscious effort to work with these Sales Associates and let them know you will work their buyer leads and pay them a referral fee.

Others Sales Associates specialize in working with buyers either because they enjoy the effort in finding them homes or they want to build a client base and see this area as an opportunity to do so. The question then becomes how can I attract as many as possible and then ensure that maximize the use of my time? Many new Sales Associates start by going after buyers, however, fail to qualify them and spend countless hours with poor results.

An excellent way to pick up buyers in the beginning when you don't have listings of your own is to do open houses for other Sales Associates. Speak to the other Sales Associates in your office and see what they have available. However, don't take just any open house. Look for a new listing in a high traffic area at a price point that will attract many buyers and ideally in your farm area.

Remember, you are not selling real estate; essentially you are selling yourself, your services and building trust. You need to be constantly meeting people and building relationships. Join clubs or a church, association to get involved in your community. Go where you will find people and make sure that they all know what you do and that you need and appreciate their referrals.

What can be done to attract them?

Start by looking at the typical sources of obtaining buyers and then develop a prospecting plan to target them. Decide on the services you can offer buyers. Options available may include:

- Home matching service - where you have a system to email new listings, meeting the buyer's criteria of price range, neighborhood etc., as they come on the market. Offer this service on your website to buyers who provide contact information.
- Market evaluation of their present home.
- Sign on to your mailing list for market updates.
- Provide them with a buyer information booklet on various topics.
- Offer to do detailed legal and marketing searches for houses they are interested in (process known as "due diligence.")
- Home search plan - actively target homes that meet their needs by letters to specific neighborhoods "I have a buyer looking for a home in your area."
- Pre-qualifying or assistance arranging financing.
- Buyer seminars – for first time buyers, investment property buyers, recreational property etc.
- Expertise in the neighborhood they desire - pricing, schools, listings not yet on the market.

You may be interested in attracting a specific type of buyer:

- First time buyer
- Condominium buyer
- Buyers looking in a specific neighborhood area
- Buyers who sign representation agreements
- New construction home buyer
- Executive homes

There are numerous niche markets which may be pursued. By doing so you will naturally attract those buyers by offering expertise in the area and property they are looking for.

Qualifying buyers

It is frustrating and disheartening to spend long hours with a buyer only to have them:

- Decide not buy.
- Buy a directly from a For Sale by Owner (FSBO).
- Buy from another Sales Associate.
- Buy and not qualify for the mortgage.

There are four ways of dealing with this problem:

1. Have the buyer pre-qualified for financing.
2. Have the buyer sign a representation agreement.
3. Pre-qualify for urgency.
4. Obtain a commitment for loyalty.

You need to find buyers that are ready, willing and able to buy. To be able to buy they must have the ability to finance their purchase. The first step then is to have them pre-qualified for a loan. There is no point showing \$500,000 homes to a buyer qualified to buy a \$400,000 house. You may qualify the buyer yourself or better still, refer them to a bank or mortgage broker who has access to credit records and can give you a letter stating what they qualify for.

To find out if a buyer is actually ready to buy, you need to know their motivation. Why are they looking? This is important in order to find them the right home and then to sell them on it. Buyer's remorse is a real concern and you can overcome it by reiterating the reasons they were looking to buy in the first place.

Finally, you may show a buyer many homes that meet their needs and wants only to have them not make an offer. They need to be willing to buy. Buyers get concerned when they think the price is too high and that if they wait, the price may come down. They also care about what their parents or friends will think or that they will make a mistake. You overcome this with trust. They need to trust you in order to clear this last hurdle. This means holding their hand through the process. Being positive and supporting them throughout the process, not taking them for granted, following up continually and building their confidence will overcome their reluctance. Sometimes people need someone to tell them it's okay; that they are doing the right thing. Never lose sight that you are that professional.

Be strong throughout the process. Buyers are looking for leadership. Buyers will lose their trust if you don't exude confidence. They want a strong ally who represents their interest. Remember, "People don't care how much you know until they know how much you care."

Whenever a buyer calls from an ad/sign etc. you should have a script handy or memorized that pre-qualifies them for urgency.

Ask the Following Qualifying Questions:

- When do you want/have to move?
- Why is that an important time?
- How would your plans be affected if you moved sooner? Later?
- If you found a home today, are you prepared to purchase it?
- Where are you currently living?
- Do you own your present home or are you renting?
- Will you need to sell your current home before you purchase?
- Have you been pre-qualified for a loan with a lender?
- How long have you been looking for a new home?
- How many homes have you looked at?
- Why didn't you buy one of those?
- Is there anyone else who is going to be purchasing this home with you?
- Are you working with a Sales Associate? If yes, have you signed an exclusive buyer representation agreement? Is the agreement current or has it expired?
- Do you have any other ads circled that you were planning to call for information? If yes, please give me the names and addresses, I'll research and provide the information when we meet.

Financial Qualifying

- What price range do you have in mind?
- How did you decide on that amount?
- How much over that amount would you go if the home was really appealing?
- What monthly payment are you comfortable with?
- Do you know about different down payments and closing costs?
- Is your down payment a gift from someone?
- Do you have the down payment in your own savings account?

Needs and Priorities

- What will this move accomplish for you?
- What neighborhoods interest you?
- How far from work do you want to be?
- What items must be present in your new home?
- What feature, or lack thereof, would immediately rule out a home?
- What type of home are you looking for? What size?
- Are you moving up or scaling down?

Use the information that you gather to decide whether these are people you want to show a home to now or get pre-qualified first. Have an arrangement with a favorite lender to call them and have that lender sell them on you. Pre-qualifying for a loan tells you that they are serious about purchasing.

Sign Calls - A high percentage of your calls are going to be from sellers, not just buyers. When the call comes in, before asking any other questions, ask the following: “Do you own a home in the area?” This will help you to know if you are speaking to a potential seller. When doing open houses, use plenty of directional signage. They are great and inexpensive personal promotion as they have your name and photograph on them. The For Sale sign outside the house should also have a picture of you on it.

Ad Calls - Spend extra time writing and designing your ads. Know that the headline sells the ad. Keep in mind that you are in the personal promotion business, not the property advertising business. Try and keep your advertising consistent and include your name and photograph on everything as you want to make an impact.

Your advertising will attract buyers with and without homes to sell. Make the best use of the calls you receive by having a script to get their business. If you don’t want to handle the customer, pass them on for a referral fee.

Relocation Buyers

Out of town buyers may be referred to you by RE/MAX Sales Associates or by other means. They require a different level of attention. For one thing, they will have a small window in which to buy. You need to prepare for this business by having additional information available such as maps, neighborhood data, school data, brochures on your city, website recommendations and a personal brochure or business card on you.

Referrals from RE/MAX Sales Associates, either to you or from you, should be done through RE/MAX Mainstreet so the information is on file. The information on the buyer may be set out on the forms provided. Be sure to promote your city! This is especially important when spouses and children are involved due to a corporate transfer.

The Buyer Interview

The purpose of a buyer interview is to find out how best to assist your client and to build client loyalty and rapport. Buyer interviews are important in building a real estate business. They build a foundation of clients upon which you can expect years of future business and loyalty.

- **Where:** The buyer interview should be held at your office, unless the buyer has a home to sell, in which case you will be doing a listing presentation and that is done at the buyer’s home.
- **When:** The interview should be conducted before showing a buyer any homes, except a home you have for sale. The interview will take one to two hours.

You have a number of objectives during the interview, but most important is to establish trust and a great rapport.

Determine the "why?" behind the move and the emotions that they are using to make the buying decision. We all buy things because it appeals to our emotions. We then rationalize our emotions through logic. To create long-term satisfied clients, a great salesperson makes sure the buyers' emotions are met.

A Buyer Presentation may include:

- Offer of purchase and sale agreement
- Mortgage rate/financing information
- Articles on market conditions and statistics
- Your newsletter
- Testimonials
- Title insurance information
- Area information
- Relocation information Utilities info, moving with kids' info, property tax info
- Schools, Utilities, Amenities information
- Home Buyer Plan (Canada)
- Buyer representation Agreement
- Want / needs form
- Buyer Guide
- Closing cost information
- Agency brochure
- Your resume, personal brochure or "Meet _____" with contact information
- Company brochure
- Map Book

You need to obtain all the relevant buyer information:

- Names (correct spelling)
- All pertinent phone numbers incl. business, fax, emergency
- E-mail address
- Employment details, where, for how long
- Family members names and ages, education requirements
- If out of town, where family and friends are located

Discuss Finances

Clients are qualified based on three criteria and you need to know details of each to ascertain where to have them pre-qualified.

- **Employment history** -Have they been in same occupation for at least 1 year and if not, in the same industry? If self-employed, what was their total income? The bank will credit for deductible self-employed expenses such as car lease, etc.
- **Down payment** - How much and do they have access for more?
- **Credit** - Are they aware of anything that may be a concern?

Discuss Buyers' Needs and Wants

- Have them describe their present home in detail, lot size, number of rooms, best feature and why, worst feature and why, style of roof, type, etc. Have them bring a photo or copy of listing if from out of town. What do they like about it? What don't they like about it?
- Have you seen any homes recently that you really liked?
- What did you especially like about them, what did you dislike, what was the reason you didn't buy it?
- Describe home/community they grew up in. What did they like/dislike about that home?
- Describe your ideal home.
- Details needs and wants for home. What must you have and why? What would you like to have and why?
- Review city map and discuss areas that meet their price range, schools, transportation services, kind of neighborhoods, lifestyle issues.
- Advise buyer of fact they may not get everything they want.
- Advise buyer they won't need to see 60 - 70 homes and you will narrow to three-four.
- If you found a home that had everything you were looking for but didn't have what you must have, do you want me to show it to you or do you want me to take it off the list of possibilities? (The answer will tell you if it is a 'must' or 'would like' item).

Discuss and Sign Buyer Representation Agreement

How you promote and protect your client's interests:

- Recommend home inspections, advise your client that this is necessary to avoid larger problems and that resale homes can expect minor deficiencies.
- Due diligence, what steps you take to protect them.
- At open houses advise them to tell every Sales Associate they have an agreement with you, also, not to fall for sales pitches like "there is an offer coming and you have to buy now" or "this is an exclusive listing and you have to buy from me."
- Advise them not to leave name and phone number when calling on an ad.
- FSBO's, explain you can show these to them and not to call direct.
- New homes, explain you need to introduce them.
- Advise the buyer they are to only deal through you and then look them in the eye and get a pledge of loyalty.
- Ask: What services is the buyer looking for from their buyer representative?
- Ask: What are the buyer's expectations of their buyer representative?

Review Purchase Agreement

If you review the purchase agreement then there are no shocks or surprises later in the deal. Make sure that you review:

- Clause by clause
- Deposit requirements
- Interim financing requirements
- Importance of making a fair offer

Review closing costs:

- Legal fees
- Property tax adjustment
- Land transfer tax
- Condo fees - common element

Discuss Procedure Followed for Viewing Homes

Point out it won't take long to buy. Give buyer print out of available listings plus, brochures on yourself/city, map of city, MLS Catalog (if applicable). If they have a fax machine, fax them the listings to review. Keep using the process of elimination. Give them a supply of your business cards should they decide to go to an open house. Advise the buyer to drive by and make a list of the homes they want to see so you can make appointments for viewing. Be sure to find out when the best time is for them to see homes.

Keep in Constant Contact

You need to be so busy with your buyer that they never feel neglected. If you are, they will never feel the need for any other Sales Associate.

Property Selection

Your job is to find a home based on the buyer's expectations which hopefully have been set out in the buyer interview. Your first avenue will be a home the buyers may have already selected through searching the web. This will be followed by homes you search on the local multiple listing service. Discuss your property requirement at your sales meeting. Contact your center regularly with needs and desires of your buyer clients as they may just know of a property you are not aware of. Contact recently expired listings if the home meets their needs. Check for FSBO's. Use classified ads to place property wanted ads on behalf of your buyer clients. Look in internet sites. Keep abreast of the new home market, foreclosures, etc. Contact owners in neighborhoods which are of interest to your buyer client. Resources are endless to find properties.

Make an objective evaluation of each shown property, including positives and negatives. Make objective comparison with competing properties.

Showing Property

Please review each point carefully before taking your buyer out to sell them a home!

- Show your own personal listings first.
- As quickly as possible, separate the looker from the buyer.
- Listen for buying signals.
- Make it as easy as possible to buy from you.
- Always call first before showing the property.
- Always call back and explain why you didn't show a home you were supposed to.
- Don't oversell the home prior to the showing.
- Select a good route to the home.
- As you approach the front door say, "Let's look at this home as if it were vacant."

- Once inside the front door say, “Make yourselves at home, I’m here just to answer your questions.”
- Try to save something good for last. But show it to them first. Drive by or show the listing.
- Be enthusiastic.
- Encourage the customer to take notes while showing property.
- Never make statements, only ask questions while showing property.
- Be conscious of personal safety (see Safety Considerations below).
- If you pre-screen homes, advise sellers on making their home presentable for your buyer.

Sample Due Diligence Checklist:

- Conduct title search/ verify property owners.
- Obtain copies of easements, zoning and building restrictions, development agreements, etc.
- Examine location of easements to see if they affect development plans.
- Obtain existing building location certificate and verify lot size through available building survey or search of the plan at the municipality.
- Check for easements and encroachments on building survey and verify encroachments onto property from adjacent structures or onto adjacent property by existing structures.
- Obtain existing zoning and examine to confirm if location of structures complies with zoning by-law.
- Verify zoning and the existing as well as permitted use of property.
- Check current real property tax and assessments. Check deadline for appealing tax assessments.
- If available, obtain and examine the seller’s property disclosure form through the listing Sales Associate.
- Ask about any existing homeowner’s warranty and check square footage for accuracy.
- Verify age of structure and confirm if connected to water and sewer.
- Verify utilities and estimate their costs.
- Check with local planning authority for future development plans in area.
- If near a river or stream, check for building permits.
- Check for future street expansion and verify building permits used for any prior modifications.
- Check for proximity to high voltage power lines and for sources of potential pollution or potential hazardous conditions.
- Noise pollution. Check for proximity to subways, airports, railways and confirm that the property complies with by-laws.
- Check for commercial development nearby.
- Check comparable values and prepare a Comparative Market Evaluation
- Recommend re-keying the locks (and, where applicable, re-coding the security system).
- Check roof condition, landscaping, busy corners
- Verify if any damage history due to fire, wind, moisture, insects or rodents.
- Identify all the necessary contingencies.

Recommend Professional Property Inspections to Cover:

Structural condition of property

Radon

Foundation / structure / basement water seepage

Condition of appliances

Roof condition and remaining life
HVAC system
Electrical capacity
Plumbing systems
UFFI or asbestos insulation
Extent of adequate insulation
Asbestos in ceiling or around plumbing
Water purity
Mold damage

Presence of excess moisture
Existence of aluminum wiring
Presence of lead based paint
Lead in water
Pool pump, heater and liner
Well capacity
Septic system
Water drainage
Condition of wood stove/fireplace

Protect Yourself and Your Client:

- Ensure the offer contains the same information as the feature sheet and MLS (if applicable) agreement.
- Ensure that any fixtures the buyer is relying on are included. Sellers, simply put, do not know what a fixture is and remove kitchen cabinets, mirrors, shelves, etc.
- Advise your buyer, in writing, to get a home inspection.
- Record in the offer every representation the buyer is relying on.
- Personally check representations buyers are relying on - see due diligence list.

Presenting an Offer

- Determine the seller's motivation.
- Discuss the qualifications of your buyer.
- Discuss the deposit.
- Review the benefits of your offer.
- Ask for the signature.

Negotiation

You have a responsibility to protect your buyer client's interests in the negotiating process. In addition to the items noted in the Due Diligence section, obtain and provide as much information on the seller, the seller's motivations, the seller's real estate needs, financial status, etc. Do not disclose to the seller any information about your buyer's position such as whether the buyer has an option on an adjoining property, buyer identity etc. if this would help the seller in negotiations. Provide price counseling to the buyer, including providing a CMA. Suggest to the buyer financing alternatives. In the offer ensure you have the required terms and conditions to protect the buyer client including inspection clauses. Buyer should pay for all inspections so they can trust the results.

The amount of the deposit should be based on:

- Availability of money to the buyer client.
- Activity in the marketplace.
- Potential competing buyers.
- The property purchased.

If the buyer client has a home to sell, discuss this with your buyer and put in the requisite clauses.

Overcoming Objections

Objections are fundamental to the selling process and Sales Associates should welcome them. They provide needed information on the buyer's thought process and allow you to narrow your focus on property selection. Without an objection you would be at a loss to know what your buyer was thinking and why they were rejecting properties you are showing. They help you clearly define your buyer's wants and needs.

A great Sales Associate will anticipate objections and be ready to handle them. Experience will teach you what objections typically come up. You should have answers for these and if possible address them in the buyer interview. Also understand that from a buyer's perspective, home buying is a learning process and they may change their needs and wants as they see houses.

Typical Objections:

- Price too high
- Talk to lawyer
- Bad market
- Too much taxes

Handling Objections:

- Ask questions!
- Echo (Question back objection) - Find out what the objection really means.
- Paraphrase – be more specific.
- Advise / Counsel - “seek to understand” what the objection means and how it will affect them.
- Sell features and benefits. Deal with the objections rather than avoid them, and then move on to the benefits and the wonderful features.
- Negotiate - look for the solution and as a final step give concession for concession.
- Know when to walk away and find new prospects. There are plenty more!

Other Buyer Objections

- We want our parents to see it.
 - Ask if the parents okay the house if they are prepared to purchase.
- We want to think about it.
 - Ask probing questions – what do you need to think about?
 - Would you like me to arrange a second viewing?
- We would like to see other homes first.
 - Overcome through their trust in your market knowledge.
 - What is it you don't like about this home?
 - Does this style of home suit you?
 - How do you feel about the price?
- We haven't sold our present home yet.
 - Not an objection but a condition and may be but as a condition in the offer (this should have come up in the buyer interview).

- House needs work.
 - Is this an affordability concern?
 - Who would be doing any needed renovations (buyer or contractor)?

Commission Cutting

A key to getting a full commission is to provide good service. Service levels in the real estate industry in many cases are appalling. Sales Associates who don't know heating costs on their listings, who put lock boxes (if applicable) in awkward locations, who don't return calls, who don't give their office a copy of their listings, who don't have keys, who in general make it hard to sell their listings. You have to believe in your service if you are going to believe in your fee.

The most important factor in getting a full commission is having a good listing presentation that is convincing. This becomes a powerful weapon in commission negotiation. Explain the commission breakdown to all of your clients. Have a pie chart to show where the commission goes.

“No” is a valid answer! When asked if you will reduce your commission simply say no and wait for the client to talk further. Negotiators will tell you that the first person to talk in this situation loses. Most of the time, the client will say "Well, you can't blame me for asking" and moves on.

If your presentation is great the commission objection probably won't even come up. The biggest problem is agents cave in too quickly. If you look after your clients, they keep coming back and will have totally forgotten the difference in fees (let alone how much they even bought the home for). Inform your customer that if an agent can't even negotiate their own commission, how do they expect them to get the most money for their home?

It is valid to charge extra to clients for hard to sell properties, out of town properties, etc. Have the commission typed in the listing before you go on the call. You will be surprised how infrequently the topic of commission arises if people simply perceive that it can't be changed.

If they insist in lowering your commission, you may ask the customer what services they want to cut as the money has to come from somewhere.

Have confidence in yourself and your abilities. Know that when you go in you will get a full commission. This confidence and self assurance, plus the knowledge you have the service and professionalism to back it up, is the reason why you never have to compromise.

Recognize that sometimes one objection may hide another. For example the request to see more homes may be because they feel the price is too high. This is why it is important to get to the bottom of the objection. Sell the buyer to the seller – that they really like the home. Never run down or denigrate a seller's home – it is unprofessional in addition to cause them not to want you to own it.

Be prepared to negotiate – speak to the other Sales Associate on price, possession date, terms and motivation to find ways to bring deals together.

Above all - be patient!

Safety Considerations

RE/MAX has a safety awareness program **S.A.F.E.R.** – Safety Awareness for Every Realtor. Here are some tips:

- Don't show a home without knowing the client. Hold a pre-showing interview with every client in the office or a public place.
- Give someone at the office your plan for the day which outlines where you will be at what time. Be sure to check in regularly.
- If you call 911 (US) while at a showing, try to do so using the house phone, not a cell phone, as emergency responders can more easily trace a call from a land line. If the home has a cordless phone, carry it during the showing.
- If possible, put the garage-door opener of the house you are showing in your pocket. If you feel threatened or in danger, discreetly open the garage and say the owners must be returning.

The National Association of Realtors' (US) Field Guide to Realtor Safety is another resource. Here is a sampling of its tips:

- Never show a property alone at night or advertise it as vacant.
- If you must show a property that doesn't have a phone, bring along a cell phone. Tell someone at your office that you will call every hour and do it so that the person will know right away if something is wrong.
- Always take your own car for showings. When you leave your car, lock it.
- Let potential buyers take the lead when exploring a home, with you following behind.
- Avoid going into the basement or confined areas with a prospect.
- Ask prospects for identification. If they question you about it, say it is company policy.
- Find out as much as you can about prospects, such as where they work, what they do and how much they earn.
- Ask lots of questions and be a good listener.
- Preview the property if possible so that you are familiar with the area.
- If you are suspicious, it's better to walk away from the listing or a showing; it's not worth your life.

The Lowball Offer

When does it makes sense to make a lowball offer? You can't blame someone for trying to strike a bargain. Here are five signs that a property might be ripe for a lowball bid:

- The seller has to move, or has already vacated the property. Sometimes the seller's Sales Associate will disclose that a client has a firm date by which he must relocate or that he's already bought a new home and moved. (In general, if a house is empty, there's a better chance the seller is flexible.) These situations make for extremely motivated sellers, who may accept a low offer.
- The home has been listed 90 days with no price change. Few sellers are going to take a lowball offer right out of the gate. On the other hand, if they've been seeing little activity at the listed price and are considering dropping the list price anyway, a low offer may seem more enticing.
- The seller has plenty of equity in the property and isn't at risk of being "underwater." In most areas, it's relatively easy to use public records find out the amount of a homeowner's outstanding mortgage;

for a would-be homebuyer, this can be key information. A homeowner who has listed a property for far more than the amount they owe the bank has more flexibility than a seller who owes the bank nearly the full value of the home. For most homebuyers, submitting a lowball offer that's less than the seller's mortgage balance isn't a strategy with great odds of success.

- The home is the last one in a new development. Developers that are pessimistic about the housing market may want to get unsold homes off their books. That's particularly true if it's the last unsold property in a development and as soon as the builder moves it, he can close up shop, move his sales rep to a new location, etc. That's a huge incentive to cut a deal.
- The home is being sold as part of a divorce or estate sale. Particularly in a contentious divorce, soon-to-be exes may be willing to take a discount just to get on with their lives (and apart from their ex). And in an estate sale, inheritors with no sentimental attachment to a property would probably love to have it off their hands, and since an inheritance is often treated like "found money" anyway, they may be less inclined to hold firm for a particular price.

Seminar Selling

Seminar selling involves developing and marketing a special public presentation, which can range from one hour up to a full evening, for the purpose of creating sales leads. The seminar is designed to present new information or knowledge to a specific, targeted group of individuals. The Sales Associate leads the event. People will be attracted by the well-known personality of the speaker or their interest in the theme of the seminar.

The key to a successful seminar is planning well in advance. You need to work out the best date, the location, your target audience, the message and who will deliver it, the budget, how you will market it and any handouts. If you are planning on a computer or video presentation, ensure you have the necessary equipment, phone lines etc. Just in case something goes wrong, have a back-up plan ready.

Typically, people respond by calling and registering their attendance. At this time you should gather information about them such as name, address and telephone number which will be important for maintaining contact after the event. Seminars are almost always free of charge, which is an attractive incentive to get people to attend. The audience is normally targeted and specific.

Seminars can be planned any number of topics including:

- First time homebuyers
- Condominium Ownership for Seniors
- Leases (long term rentals)
- Relocation
- Buying a cottage/recreation property
- Real estate as an investment
- Buying property internationally

The marketing strategy to attract prospects is built around:

- Direct Mail – postal walks and/or newspaper flyers and client mailers

- Radio and Newspaper Advertising
- Community event listings
- Cold Calling
- Word of mouth/personal invitations

Targeting the appropriate section of the newspaper with a picture of you or a speaker increases the probability of a strong response. The larger the ad and the more diversified you are, the better. You may want to include a partner or sponsors. This allows you to offer attendees more expertise on the selected topic. It also helps by sharing costs. Sales Associates often include a mortgage specialist, lawyer and home inspector. You will have to arrange your program to accommodate additional speakers if necessary. Know what each is contributing or paying for. Costs for a seminar vary, depending on the cost of facilities and whether speaker fees, refreshments and handouts are included.

At the seminar, ensure you deliver a structured well-planned message. Those in attendance should be asked to complete information cards about themselves, and to induce people to return those cards you may offer a door prize. Alternatively you may ask people to sign in.

Do not oversell the expectations for the seminar. Such overselling may leave people disappointed and less receptive to the message of the seminar. Prompt follow-up to response cards is critical – 24 to 72 hours is ideal. Participants also like handouts and information packages to take home and read. With a professional approach, you should expect to convert many attendees to buyers and sellers. It is absolutely essential to always follow a totally ethical, honest and professional approach to seminar selling.

Here is a suggested timeline to plan a seminar:

- Get in contact with potential partners
- Create plan to hold seminar
 - Time
 - place
- Establish team structure
 - Speakers
 - Timing – who will do what when?
- Establish a budget
 - Who is paying for what
 - Refreshments, hall, audio visual, advertising
- Select a date and location
 - Book well in advance
 - Plan audio video requirements
- Plan the seminar
 - Agenda
 - Videos
 - Registration
 - Guest speakers
 - Subjects covered

6 Mistakes Buyers Make

Mistake #1. Not Pre-qualified.

Before looking for a home, take the time to get your buyer pre-qualified by the bank of his/her choice. This can save you hours of searching for homes in the wrong price range or worse, they want to purchase a home and then find out they don't qualify for financing. Pre-qualifying gives you peace of mind and helps narrow your search criteria.

Mistake #2. Don't shop for a mortgage.

All mortgages aren't created equally. Rates are negotiable and banks will sharpen their pencils to get your buyer's business. This is especially true if they bring other business to them like RRSP's, general account, savings, etc. Also, ensure the mortgage is portable so you can move their rate if they have to move. Ask about buy-out fees, penalties, payment options, etc. The time spent can save your buyer thousands of dollars over the life of the mortgage.

Mistake #3. Don't get professional inspections.

Nobody wants to purchase a home only to find out later there are defects, latent or otherwise. Ensure you obtain inspections where needed, home inspection, structural engineer, etc. You need to advise your buyer on options they should consider.

Mistake #4. Don't use a professional Sales Associate.

It is important that buyers obtain the services of a professional who can help them make a purchase with the least amount of problems. Ensure that the price your buyer pays is market value. You need to offer expert advice on what to look for, conditions to include, negotiation strategy, etc. Make sure that you are a Professional for your buyer and not just a house finder/detective.

Mistake #5. Buy first.

If price is important your buyer should always sell their present home before ordering another to save the most money. It also, has the advantage in letting you know exactly how much money your buyer will have available for their next purchase. Selling their home first allows you to place fewer conditions on their purchase which makes their offer more attractive to a seller. They often will demand more money to take a "subject to" offer which takes their home off the market. The other advantage is if you find a terrific house, chances are others will also find it attractive and they stand to lose it if you can't make an unconditional offer.

Mistake #6. Don't know the cost of buying.

Know the costs associated with their purchase. Consider the following costs: legal fees, transfer tax, property tax, new home landscaping, fencing, appliances, window coverings, etc.

Lesson 6: Generating Referrals

Past Clients

The mark of a professional is to get repeat business. The best source of future business is from past clients and referrals from former clients. These referrals are what your career will be based on so it is critical you have a plan as to harvest this business. By focusing on your best customers and offering superlative service while staying in touch and asking for referrals, you can build a strong business from very few contacts. This process starts from the time you are introduced to the customer. To get a customer's future business, you must deliver excellent service. Once the client has bought or sold and the transaction nears completion, you enter a critical period. These are the appropriate and important next steps:

- Thank the client for their business.
- Advise them your business is built on client referrals and you would appreciate if they could refer your services to their friends and family.
- Ask for a letter of reference. This is very important. Having the client write a testimonial will lock in the clients mind the fact you did a great job for them. It reinforces their endorsement of your services. Even better, if the client is willing, record a video of your client's testimonial that you can post to your website.
- As soon as the client agrees to give you a letter of reference, tell them you or your assistant will pick it up the next day.
- Put the letter in a binder and use as part of your listing or buyer presentation.

A letter is preferable to an email; however, either is better than nothing. The process of writing a letter will remind your client about the job you did for them while reinforcing the message that referrals are needed by you to build your business. You need them to become invested in your success as much as possible.

If you had a friend who you knew was thrilled to receive something and you could give it to them at no cost to you, wouldn't you be excited to give it? When you receive a referral from a client, you need to make them feel great by showing your appreciation. In other words, encourage good behavior. You may do this by offering a referral fee (if permitted by your Licensing body) or a gift.

Keep your referring client informed of your progress. For example, "I just listed Bill & Mary's home and wanted to thank-you again for the referral." Or, "Bill & Mary just completed the purchase of a beautiful new home and I wanted to call and thank-you again." Following -up with past clients is critical as you need to consistently remind them of their pledge to send referrals. This can be done through social networking sites, calls, letters, annual calendars, etc. Inform your clients of your success in the business and tell them about referrals you have received from other clients. This is critical for new Sales Associates. But don't forget to reciprocate! You need to know your client's business and if possible, send business their way, use

their services or buy their product yourself. Ask your client; “Of all your friends and family, who do you think will be the next to buy or sell their house?”

Client Feedback

For your business to grow and prosper, you must focus on delivering customer satisfaction. From the customer’s perspective, satisfaction occurs when you meet or exceed their expectations. To deliver customer satisfaction, the first step is to determine a customer’s expectations about real estate service. To accomplish this, you must listen to your customers to find out what they want. Why do they do business with you? What do they say your strengths and weaknesses are? Within six months after closing, you need to call or have someone else call and ask a series of questions about your service and how it could be improved. A past client who is silent on your service or says it is “fine” must be scrutinized as they may be at best “satisfied customers.” You need to probe further. Past clients will open up if you show your sincerity and are credible. You are relying on these people to build your business through referrals so their feedback is important.

If you don’t listen to your customers’ feedback to learn their needs and desires, you will ultimately fail to serve them properly because you simply won’t know what their need really is. You must ask, listen, and respect their opinions. Review RE/MAX and other industry surveys for feedback customers have given on service.

For services, a customer’s expectations are:

- Keep promises (reliability and integrity).
- Offer honest communications, materials and clean comfortable facilities – your office and your car (tangibles).
- Prompt service (responsiveness).
- Competency and courtesy (assurance).
- Caring, individual attention (empathy).

What is most important is that you focus on delivering a highly reliable service - consistently. If you can’t be relied on, you won’t be used again nor will you receive any referrals. It doesn’t matter how much you apologize, customers will remember unreliable service.

Your mission is to not make any mistakes in the first place. But if you do, correct them swiftly. Today’s customer expects more convenience, information, responsiveness and access than ever before. Everyone has become spoiled by the speed technology has provided in communication and that technology has and will continue to play a key role in satisfying customers demands.

Client parties

Client parties are great referral generators although expensive for the newer Sales Associate and require planning and careful budgeting. Be sure to have a presence at events by arranging for a RE/MAX tent and giving out RE/MAX branded items. There are a great many different events Sales Associates plan for their clients including:

- Skating parties

- Pumpkin giveaways
- Picnics
- Movie matinees
- Backyard barbeques
- Christmas parties
- New Year kick-off
- Super Bowl or World Cup parties

These events/parties give you a great excuse to contact your client base, have fun and maintain your relationships!

Keeping your Customers

If you are like most Sales Associates, your underlying goal will be to build a business based on referrals from past customers but it is important to understand why businesses lose customers.

- 3% Move away or pass away.
- 5% Friends refer them elsewhere.
- 9% Competitors provide a better offer.
- 14% Experience product dissatisfaction – didn't like your service.
- 69% Indifference makes them believe no one cares about them.

You need to fight for the 80% who are either dissatisfied or indifferent.

Post Purchase Evaluation

Consumers judge service quality along 5 key dimensions: tangibles, reliability, responsiveness, assurance and empathy. The importance of each depends on the type of service offered.

- **Tangibles** – Appearance of you and your office, equipment and materials
- **Reliability** – Did you perform service right the first time? – dependably and accurately
- **Responsiveness** – Willingness to help customers and provide prompt service.
- **Assurance** – Respectful, considerate, listen to customer and answer their questions
- **Empathy** – Knowing the customer and understanding their needs. Approachable and available. This is an attitude – “It's my pleasure” should be part of your vocabulary.

As you are being judged based on how you perform in each of these areas it is important for you to know how you rate in order to address problem areas.

It is absolutely critical for you to deliver quality service consistent with customer expectations. They will not refer you otherwise.

Consumers are reluctant to provide feedback to service providers – typically only 5-10% offer direct feedback. Unhappy consumers don't respond; they will just take their business elsewhere. Feedback is important to obtain as both the customer and you benefit when service goes up.

Customer – returns and gets benefit of a single service provider, customized service potential, no need to research new provider. For a customer having to go through the whole interview process again to find someone who will meet their expectations is a stressful and time consuming process.

You – retain customer – less costly than finding new one, better time management and much more profitable through repeat business and referrals.

Almost all services have stereotypes. Accountants are humorless, lawyers are greedy, collection agencies are bullies, and doctors keep you waiting. Real estate Sales Associates are pushy and unethical?

A recent study found 24% of respondents had these troubles with a real estate Sales Associate.

- 16% - Dishonest, unethical, not straightforward
- 12% - Pushy, too aggressive
- 10% - Didn't work or promote listing hard enough
- 8% - Misrepresented property
- 6% - Only interested in commission, making sale
- 5% - Fees too high

Here are some factors that helped develop the overall perception of a Sales Associate:

Personality

The consumer perception of a Sales Associate starts with their personality, and whether there is the overall impression of an organized and effective marketing expert.

Length of the Transaction Time

Clearly, the length of time that the transaction takes directly affects the consumer perception of the transaction and the services provided by a Sales Associate. In the selling process the longer it takes, the more negative the reaction to the process. When buying a house, the more pressure there is to close quickly or to make the offer, the greater the anxiety associated with the process.

Buying Versus Selling

For some consumers the selling of a house was much more stressful than the buying. Sellers become attached to their homes and the memories they provide. As a Sales Associate, it is important that you recognize this and offer the appropriate empathy. Other consumers have a greater difficulty with the buying process. The fear of spending a large amount of money and potentially making a mistake created a great deal of anxiety. For some, the first time was clearly the most stressful because their experiences were out of line with their expectations.

Market Conditions

The type of market or the market condition was also critical to the perception of the work of the Sales Associate. If the market was slow for selling, people were left with a deflated view of the sale.

If the market was hot and properties were moving, the selling experience was generally rated more positively. Similarly, people who bought in a buyer's market had more positive feelings about their transaction. People who had been involved in multiple biddings on houses were also more likely to rate the overall experience lower.

Post Purchase Experience

A few of the homeowners received some surprises when they moved into their new property, and that led them to reassess the transaction and the services received from their Sales Associate.

To generate future referrals it is critical for the Sales Associate to follow-up through the post purchase. Clients appreciate and have come to expect house warming gifts such as gift baskets, plants and wine. Even a telephone call to see how they are doing or enjoying their home is an excellent example of service and makes your buyer feel much more positive about the transaction and your role as the Sales Associate. The value of follow-up cannot be underestimated because the reason often stated for not using the same Sales Associate again is "I could not remember their name" or "I didn't know if they were still in the business".

Sales Associates need to follow-up, even for years after the transaction has been completed. Whether it is through telephone calls, holiday greetings, a calendar or flyers; the customer expects to hear from you. Continuing communications should be done in a reasonable and respectful manner. No communication to the customer means they are no longer a priority.

Example of How to Lose a Customer without even knowing it

You are showing your client's home to someone who called on the sign. The consumer walks through the home and because the homeowner is listening, makes a point of saying that the kitchen is nice, master bedroom is a good size and how clean and well-kept the home looks. After he gets in the car, however, he says, "Why did you show me that house? It doesn't have a 2 car garage and the yard is too small?" You proceed to show him other homes. But what about your client? Your client thinks that he/she may be getting an offer. The longer you don't get back to him/her, the more he/she will question whether his/her trust is well placed in you. And many Sales Associates will forget to provide this valuable feedback to the client.

In Australia they have a name for this. They call it having a "**wheelbarrow Sales Associate**". A wheelbarrow Sales Associate is one that a customer constantly has to push. They have to call the Sales Associate to get feedback. The Sales Associate doesn't work unless the customer pushes.

You can be very profitable with a few customers if they refer you. This must to be a well planned and thought out part of your business. Some past clients have the potential to refer you numerous times, rule of thumb - each customer has the potential to influence 100 people – their wedding list.

Client Follow-up

We continually stress the need to call your past clients and centers of influence quarterly to maximize business. The question often asked is, "What would I say?" The following is a list of possibilities. A contact management system makes this much easier as you have detailed information on your clients at your fingertips.

Reasons to Call:

- I was in your neighborhood and just wanted to see how you were doing.
- Anniversary of purchase (why you need contact manager).
- Birthdays (why you need contact manager).

- Market Update - how real estate is selling in their area.
- Follow up on mailer - did you get it/read it/like it?
- Have buyers for your area, do you know anyone who is thinking of selling or just listed a home in your area. Do you know of any people interested in moving to your area?
- I am putting together a personal brochure/flyer and wanted your ideas on how I could do a better job for my clients, etc. or would you mind giving a testimonial?
- Invitation - to lunch, client appreciation party, etc., give away tickets.
- If they have given you names, etc. - follow up report on what you have done.
- To advise them on how you are doing, e.g. awards received, courses taken, conventions attended. This can be done without sounding self serving and people like to hear from people excited over achievements.

Contacting Past Clients

- Create an “A” client list. Develop a plan to obtain referrals.
- Call your clients four times a year
 1. Anniversary of Purchase
 2. Christmas/New Year
 3. “I just listed a great house in your neighborhood”
 4. “Just driving by thought I’d call and say hello”
- Send out client mailer every month or at least every second month.
- Entice past clients to move. You can do this by keeping in touch and promoting properties they may desire, on a regular basis. This is the new frontier. You can cause your clients to move if you make it easy for them and lure them with properties you know they could be interested in.
- Make sure you educate your clients on why your service is valuable and more valuable than a competitor. Again, set yourself apart and ensure your customers know that they need to refer people to you because a referral to anyone else, or worse, allowing their friends and family to go off and select someone at random, would not be in their best interest. This is where due diligence can be promoted. Explain to clients why you do certain things to protect them and that not all Sales Associates do them.
- Hold a special event for past clients.
- Use Email
 - to contact clients with market updates
- to send birthday cards
- ensure your signature file has:
 - Website address
 - Phone and fax numbers
 - Name/Address/Postal Code
- Give a gift to every client after purchase.

A thank-you gift may be related to your client’s hobbies or interests. If you do give a nice gift with purchase - market that fact. An example would be Sales Associates in Atlantic Canada who offer Lobster with referrals. Sales Associates living in wine country offering wine. Be creative!

- Follow Up!

Eight out of 10 people would use the same associate if they followed up right after the sale. With no follow up for six months only two out of 10 people would use the same Associate.

- Ask your client “is there is any one thing I could do to do a better job for you.”

Creating “A” List Clients

- Ensure customer knows how you make a living i.e. from referrals
- Decide on level of service you will provide. Ensure you can deliver it consistently.
- Obtain feedback from your clients on service and use this information to redefine your service.
- Look for points of difference with other real estate Sales Associates to make your service stand out.
- Find a system you can use to connect with the customer
 - Gift at closing
 - Thank you note through process
 - Gift for referrals
 - Client parties
 - Hand deliver annual gift
 - Call after closing to ask how it went etc.
 - Advertise their services/ companies
 - Client mailings (personal)
- Continually improve your service
- Monitor feedback from clients and determine why they would definitely use you again – promote this – TO THEM
- Review client responses – VERY CAREFULLY – if your client is “satisfied” and not “very satisfied” ask yourself why and what can be done to improve the perception
- Remember the little things – prompt return of calls, advertising schedule, dress, etc. may be extremely important to a client and need to be consistent
- Memorize referral dialogue to be included in your presentation e.g. I make a living from referrals; I am excited to get them.
- When you get a referral – Be excited! Keep the person who made referral apprised of your progress. They should be so happy about your reaction they can’t wait to send you another one.
- Use your monthly newsletter to promote referrals, e.g. “just sold a home to x whom...” “want to thank Mr. & Mrs. _____ for the referral” etc. Use it to promote expanded services you are offering.
- If you referred someone to your car dealer or insurance Sales Associate how would you expect them to be treated? Thank by phone, card, after initial meeting, on conclusion. HAVE A SYSTEM!

International Referrals

In today’s changing economic times, real estate Sales Associates everywhere are looking for new ways to generate and capture solid business leads. While you might search for these leads in your own service area, have you ever considered working with RE/MAX Associates in other countries to find new clients?

Many baby boomers are looking for a slower pace of life, but might have had their retirement plans derailed by recent financial losses. Instead, they are looking for less expensive options to enjoy their golden years. And in many cases, they are finding these affordable alternatives overseas.

By exchanging international referrals with other RE/MAX Sales Associates, you will benefit in a variety of ways:

- Cultivate positive working relationships and network with RE/MAX Associates overseas.
- Create a virtually effortless source of income through referral fees.
- Establish yourself as an international real estate expert. Clients will refer you to friends and family who are buying or selling internationally.
- Develop an entirely new database of clients you would otherwise miss out on.
- Expand your promotional reach to other countries by getting referrals from overseas Associates.

Do you hear clients and friends talking about their recent vacations to the same popular destination? Have you noticed a large influx of certain expatriates settling in your area? Paying attention to these details can guide you to the countries that might yield the most international business for you.

Here are some other suggestions:

- Look at which international routes serve your local airport.
- Surf online or check nearby community centers and churches to find out if there is a sizeable expatriate group that regularly meets in your community.
- Talk to neighbors, clients, friends, family and other Sales Associates about where the hot vacation destinations are located. Also, draw on your own vacation experiences – are there places you would love to relocate to?
- If you are fluent in another language, reach out to Sales Associates in countries that speak that language to learn about their markets. Then narrow down your target area to the places that have the most activity.

Once you have decided on a target area or country, it is time to connect with Sales Associates. You can easily find RE/MAX Associates in other countries by searching Mainstreet. Simply hover over the “Connect” tab on the Mainstreet home page then select “Find Sales Associates & Offices.” From there, click on “Find People,” then select the country of your choice from the dropdown menu. You also can search for Sales Associates who speak certain languages, specialize in certain areas or hold specific international real estate designations.

You are no stranger to self-promotion. And when it comes to letting everyone know that you can help with international referrals and purchases, there are plenty of ways to catch people’s attention. Before promoting international listings, however, make sure you get the listing Sales Associate’s permission in writing.

Business cards – A one-line tag such as “Ask me about Costa Rica” can pique curiosity and grab attention. You could even make double-sided cards with one side dedicated to your international referral business. See if you can leave your business cards at local travel agencies or tourism offices that might send you referrals (and kindly return the favor).

Online – Create a tab on your Website about your international specialization, and link to multiple resources that visitors can check out. This is a great place to post some overseas listings, as long as you have permission from the listing Sales Associate. Write about the target country on your blog or discuss it on your Facebook or Twitter page. Use Search Engine Optimization techniques to put your name at the forefront of international property searches in your area.

Informational seminars or mixers – Host an info seminar or a social mixer, such as a wine and cheese party, and talk international real estate. Make sure you provide resources for them to get more information and contact you directly about buying abroad.

RE/MAX – Exchange referrals and learn about markets in other countries at the RE/MAX International Convention. During the Global Referral Exchange, you can meet with Sales Associates from more than 85 countries worldwide and establish long-lasting relationships with those Sales Associates.

Email and/or Postcard Campaigns – Send your top clients emails or postcards promoting your international focus. Get their attention with pictures and taglines that would make them want to visit – And ultimately buy – in another country.

Media promotion – Spread the word about your international business with a press release.

Share a video with your clients – Show your clients the benefits of buying internationally with a two-minute video from RE/MAX International. It's an easy-to-use tool for promoting your international business. Forward the video link to your database, add it to your email signature and link to the video from your Website.

Networking during conventions

Working Conventions - The key word is work.

One of the great benefits of working for RE/MAX is the ability to generate Sales Associate to Sales Associate referrals. To take advantage of this you first need to build relationships with other RE/MAX Sales Associates. The best place to do this is to regularly attend RE/MAX conferences and conventions.

Relocation referrals are excellent buyers to work with as they invariably have to buy and they usually have a time pressure so they are not going to be time wasters especially if you can keep their loyalty.

Unless you go with a plan to work the conference you will not get the results you are looking for. Before you can work you need a plan and before deciding on a plan you need a goal.

Goal

Your goal for the conference can be any of the following and may vary, depending on whether this is your first conference or you have attended many in the past.

- To meet new Sales Associates.
- To establish a group of 6-12 Sales Associates you can develop a connection with professionally and socially.
- To have fun.
- To get promotional ideas.

- To speak to top Sales Associates from other cities and learn what they did to develop their careers.
- To listen to the speakers - if you pick up even one good idea to put into practice it will be worth it.
- To renew old acquaintances and re-establish referral connections.

Plan

First decide which conferences you want to attend when setting your goals for the year. In addition to RE/MAX conferences, there may be one or two real estate industry conferences. For each of these conferences you need to:

- Take advantage of seat sales or other travel arrangements
- Reserve your hotel
- Car rental
- Register for the conference

Plan your vacation (if any) for after the conference and your work is done. This makes your airfare dual purpose. Make arrangements with a Sales Associate in the office to look after your business. Call Sales Associates in the Host City you want to meet while there.

Business Cards

Picture business cards are ideal for conferences. Take lots of them to hand out and to put in supplier booth draws. On your business card you include the office toll free number, your email address and your website. Cards with a backdrop your city and/or specific to the conference you are attending are excellent.

Promotional material

A simple brochure or flyer is the least you should do. These may be distributed on chairs before events and arrange with the host hotels to place under the door of convention attendees (there is a fee for this). You can also try to have your brochure placed in the conference handout by contacting well in advance. You will also want to take an afternoon to visit RE/MAX offices in the host city, remember, these Sales Associates are also anxious to meet you as the relationship is usually mutually beneficial.

Try to think of a giveaway item that captures everyone's attention. Leave time for production if you are having an item custom made e.g. a special marketing postcard designed to generate referrals.

Digital Camera

Or use your cell phone to take pictures of Sales Associates you meet, awards night photos, sites at the new city, pictures with speakers or presenters. Some Sales Associates upload these photos on their websites or social media like Facebook or email to Sales Associates they met together with a short note.

Personal Promotion Booths

This is a terrific way to meet Sales Associates. Design a booth and have a draw to entice Sales Associates to leave their business card. Sales Associates also may have promo items to give away. If you plan on doing this often, give the promo item a lot of thought. It is best if the item offered is consistent so that you become identified with it. As promo items take some time to arrange you must plan for them well in advance. Sales

Associates often try to find something inexpensive, but unique, that Sales Associates might keep and possibly display on their desk or in their office e.g. Letter openers, magnets, coasters, rulers and mugs etc.

The business cards entered in the drawing are used by the Sales Associate to send a follow-up letter, usually extolling the virtues of the conference and asking to be remembered for referral business. If you plan to send this letter try including a real estate tip you have found useful, in order to draw some attention. Continue to send letters throughout the coming year. You will be expected to attend the booth at certain times when the supplier booths are featured.

System for Meeting Sales Associates

Like any other part of your business you will accomplish your goals at a convention if you have a system. Most conventions and particularly RE/MAX conventions provide a number of opportunities to meet Sales Associates. RE/MAX usually has a welcome reception, continental breakfasts, supplier/exhibitor lunches, fun-nights etc. All of which afford you the opportunity to meet Sales Associates and discuss business. Use these opportunities to meet new Sales Associates that may be cultivated for referrals, as opposed to Sales Associates from your own office.

Promote your city. Sales Associates want to deal with someone who will promote their city to their client. Never refer someone who isn't proud and excited about his or her city. Promote what you do to give their client a great experience in their new city.

Do make note of any specialty niches e.g. condos, commercial, military, cottages etc. Sales Associates often will know other RE/MAX Sales Associates in your city, however, if they have a client with particular needs that you specialize in, will refer them to you.

During the Convention

Arrive the day before the welcome reception. The next morning, plan to visit offices, meet Sales Associates and pass out cards. Many Sales Associates do this so your visit will not be unexpected. Don't forget to tell them that if they have friends in your home town, they can refer them to you when buying or selling.

Create a small group of top Sales Associates from different cities and share ideas on how to improve your business. At lunches or dinners, try to sit with Sales Associates who are not from your home town. If you work a niche market e.g. Military, condos, luxury homes etc. seek out Sales Associates for referrals and exchange information in the specialty area. Conventions will stimulate your creativity.

Attend top producer panels, opening ceremonies, keynote speakers etc. to obtain new business ideas and motivation. At these seminars, Sales Associates will often place materials on chairs to be picked up by attendees. A better and less costly system (a lot of material is left on empty seats) is to stand at the door and hand out your brochure to Sales Associates as they go in.

After the Convention

Create a database of Sales Associates to follow up with for referrals. These would be treated like clients who refer you business. You will send them copies of pictures taken; correspond with ideas for building your business and make referrals to. These are Sales Associates you will follow up with before the next

conference to arrange meeting for lunches and dinner etc. Send a postcard or letter to your data base of RE/MAX Sales Associates. Include pictures of yourself with other Sales Associates in your listing presentation. You can point out that networking at a convention brings referrals and referrals mean more buyers for your listings. Send a thank you note to each person from whom you received a giveaway and follow up note to everyone you met. Update your mailing list accordingly.

If you can make ten good contacts at the convention, you'll have spent your time wisely.

Tips:

- Make sure your time is as productive as possible.
- Pass out your personal promotional items with discretion.
- Be sure to spend time really talking with people and then give them something to remember you by. Expand your center of influence as much as possible.
- Be part of a referral group or network
- Exchange ideas and information, commit to send referrals to one another.
- Bring at least one marketing idea or system that you have developed that is working well for you and a copy for each person in the group.
- Bring a notebook so that you can jot down the best ideas.
- When exchanging business cards, write something about each person on the back of the card.
- Network and have fun!
- Brainstorm with top producers you meet at lunch and elsewhere for ideas
- Dress appropriately and be conscious of your image.

Summary for making the most out of Conferences & Conventions

- **Plan ahead** - What's your goal? Do you want to improve certain skills? Make contacts for referral business? Solve a business problem you're having? Whatever your goal, it must be defined before you go so you can review the schedule and plan your days accordingly.
- **Network** - During breaks, take the time to introduce yourself to strangers. But, forget talking about the weather, ask them where they're from and what they're seeing in their market. Make sure you have plenty of business cards to hand out. And, take the time to jot down (on the back of his or her business card) a brief description of the conversation you had e.g. "excellent drip marketing campaign." You need just a few words to jog your memory.
- **Share** - It can't be all take and no give. Be prepared to share your success strategies and offer information about your business. You'll be surprised at the number of ideas you can gain from your peers and they'll be thankful to get some fresh insight on marketing and business tactics.
- **Follow up** - After the conference, sort through your business cards, read the notes you wrote and send out a quick email. Make the email personalized and specific to the conversation you had with the person.

Lesson 7: Sales Associate Personal Finances

Have a budget

Mishandling of personal finances is a common cause of Sales Associate failure. These are people that were good at listing, selling, marketing, and technology, but were horrible at handling their personal finances.

Oftentimes we hear Sales Associates say that they cannot budget their income and expenses because their income is variable. Actually it is the other way around – it is because their income is variable that they have an absolute need to budget their income and expenses.

So the first thing to do when it comes to personal finances is to develop a budget. The only people that can afford not to have a budget are the few people that are so strict with their own personal finances that they always come up spending less than they budgeted for. As mentioned, there are very few people that fall into this category. For the rest of us, budgeting is a mandatory activity.

Budgeting sounds like a scary proposition but it is actually quite simple. In broad terms, these are the categories you need to budget for (in strict order of priority):

1. Giving back to the community
2. Saving and investing
3. The RE/MAX fees
4. Business expenses
5. Personal expenses
6. Fun and luxury

1. Giving back to the community

Many RE/MAX Agents are very generous when it's time to give back to their communities. For reasons nobody fully understands, giving back to the community tends to have a pay-back effect and whatever you donate will come back to you in different ways.

You can also take the opportunity to market your services as you make charitable contributions or contribute to your community in many different ways. This is known as “cause marketing” and many studies indicate that buyers and sellers prefer agents that are involved in cause marketing over those who are not.

If you leave this category at the end of your list you will never have enough money for it. That is why it is so important to put it at the top of the list.

2. Saving and investing

This is what some authors refer to as “pay yourself first.” It is your preparation for the slumps that you will find in your career. Please note – it is not a matter of whether you will have slumps or not; it is a matter of when you will have them. Everybody goes through a down period.

Many people do not save or invest because they never have enough money to do it. This is why we put it almost at the top of the list. You need to do it regardless.

If you are living paycheck-to-paycheck, here is a simple trick to develop the habit of giving back to the community and saving/investing a portion of your income. Start by giving back this month 1% of your income and also saving 1%. Next month move up to 2%, then 3% the month after, and so on and so forth until you are donating 10% and saving/investing 10%. If this sounds too aggressive for you, try increasing in 0.5% increments so that in 20 months you will be donating 10% and saving/investing 10%. This is part of the financial program of most successful self-employed professionals.

3. The RE/MAX fees

The third category that you must budget for is your RE/MAX fees because this is like putting gas on the car you use for work. You would not be late on your utility bill or your house payment, so do not be late on your RE/MAX fees.

These fees pay for a variety of the services that help you grow your business, such as RE/MAX Mainstreet, conventions, RE/MAX University, online webinars, remax.com, global.remax.com, and the services provided by your region and by your office.

4. Business expenses

Then you need to budget for your business expenses such as gas, car depreciation, business cards, advertising, promotion, website, real estate association fees, etc.

These are the expenses that keep your business running, it is what helps you make money, and it is feeding your workhorse so it is not something you can delay.

5. Personal expenses

Here is where you budget for your house payment, school tuition, food, clothing, etc.

People are tempted to pay these expenses first, but that is putting the horse before the cart. Be realistic and conscious about your finances. You need to feed your production engine first, and then pull out the funds for your personal expenses.

6. Fun and luxury

After you have covered all of the previous categories, it is time for fun! Here is where you budget for your next big family vacation, your new car, a special gift for your significant other, etc.

The process that we have described in the last two pages guarantees financial success. It is doing things

right and building your career on solid financial ground.

We would hate to see you fail in this lucrative career only because you did not know how to manage your personal finances! You don't have to be an accountant or have a finance degree to be the master of your money.

Keep your business and personal finances separate

Agents mix business and personal finances all too often. But even if you are just starting out, it is important to separate these two parts of your money life. Treat your business, big or small, as a separate entity from your personal life.

For starters, this means setting up a separate checking account for your new business. Deposit in that account the money that you consider your startup capital, and take it from there.

Pay everything either with a debit card or with a check so all expenses are easy to track.

Some banks offer basic finance software that can work well during the first year of your operations. If your bank doesn't offer such service you have two options for the essential task of keeping track of your finances:

- a) You can use an electronic spreadsheet like Excel by setting up a tab for each expense category. For each expense category have 4 columns: Date, concept, amount, and accumulated. Total each expense category every month and start anew.
- b) Invest in an inexpensive personal finance package such as Quicken, QuickBooks, or Microsoft Money.

Another important step is to choose an accountant that will help you with this task. Meet with him/her and ask them what kind of business entity you should set up, which varies from country to country. Your Broker can also point you in the right direction regarding entity types that are most convenient for you.

Manage your cash flow

"Cash Flow" is the name that Robert Kiyosaki, the personal finances guru, chose for the game that he developed and that has become a big sensation in many countries. The fact that he named it "Cash Flow" is not a coincidence; cash flow is of critical importance to anyone running a business, independently of its size.

Your real estate business is not an exception. As an agent you must monitor your cash flow every month and every week; sometimes every day!

The number one reason why businesses fail is because they run out of cash, not because they are bad at marketing. Always keep a 2 to 3 month safety net when it comes to cash flow, and you will shield your real estate career against any slumps that you might have.

5 Finance Secrets of Successful RE/MAX Sales Associates

We would like to close the last lesson of FIRE/UP with 5 finance secrets of some of our most successful

Sales Associates:

- a) Take charge of your finances. The easiest way to lose control of your business is to lose control of your money.
- b) Don't buy consumer items (cars, clothing, vacations, etc.) on credit.
- c) Use credit cards only for convenience, not for carrying debt.
- d) Live within your means and don't try to keep up with your co-workers, neighbors, and family members.
- e) Invest in real estate. You can make money selling real estate, but you can get rich by buying real estate. Make the specialized knowledge that you have work for you hard.

Appendix A

Sample property marketing program

Dear Mr. and Mrs. Seller,

I am pleased to present the following report as a suggested action plan. It describes the manner in which we would proceed with the task of marketing your property, to ensure the best possible sale is negotiated on your property in the shortest period of time.

You will benefit in retaining our services for the marketing of your property by dealing with a reputable, professional real estate organization with a proven track record in residential marketing. This includes expert knowledge and experience, access to the most current real estate technology and information, along with the professional guidance needed to successfully manage the sale of your home. In this capacity it is our responsibility to develop, organize, and execute an effective marketing program, to result in a satisfactory sale.

I will take several approaches to represent your property. You can expect an aggressive marketing program that has continually had a high level of success.

I look forward to representing you!

Respectfully,

My commitment to you is to market your property and to ensure you receive the best price and terms with the least inconvenience to you and to keep you informed of the process and progress. This is achieved by following a system/plan.

There are three important considerations that are requisite in obtaining the best price and terms.

1. Ensure proper visibility/exposure to prospective purchasers
2. Ensure accurate pricing from the beginning with quick adjustments
3. Knowledge/experience of Sales Associate on terms, conditions and negotiations

Sign

The RE/MAX "For Sale" sign - the most direct marketing tool of all - will go up in front of your property to catch the attention of people walking or driving by. People who inquire about your home after seeing a For Sale sign are likely to be interested in your neighborhood and already like the look of your home. A For Sale sign also lets your neighbor know you are selling and they may know someone who is interested in the area. Your neighbor might even be interested in buying it himself; plenty of people move on to bigger and better homes in the area they have lived in for years.

Multiple Listing Service (if applicable)

The properties will be listed on the _____ Real Estate Board Multiple Listing Service (if applicable). This will expose the properties to its _____ members.

Feature Sheets

We will prepare a full color feature sheet on the property and distribute to potential customers and real estate firms throughout the community.

Advertising

The property when listed will be advertised in the _____, the highest read real estate publication in _____.

I will determine additional print advertising - from classified ads in daily and weekly newspapers and further advertising in _____. Your property may also be part of a mailer sent around the neighborhood to let people who may be thinking of a move know what is available nearby, to former customers who may be ready for another move, and to clients who already have their homes for sale but have not found a new home.

Internet

All properties are listed on a minimum of five sites on the Internet:

www.mysite.com My personal website

www.remaxmyoffice.com Our office website

www.remaxregionalsite.com Our Regional website

www.remax.com RE/MAX LLC website

global.remax.com RE/MAX LLC Global website

RE/MAX Sales Associates

Our Sales Associates cover the entire City of _____ and surrounding area. At RE/MAX, Sales Associates typically generate over 70% of their business from personal and business referrals. RE/MAX _____ sells over ____ % of the homes sold in _____. I will ensure your property is exposed to these Sales Associates and their waiting buyers.

Other Sales Associates

I ensure your listing is promoted to Sales Associates from other companies who work in the area of each property listed. Sending a feature sheet under covering letter to each real estate office will do this.

Comparative Market Analysis

I will prepare a professional Comparative Market Analysis that will consider recently sold comparable homes as well as homes with which your home may be competing. It will establish the appropriate pricing for your home. Once that is established we can list the property on MLS and begin our other marketing activities.

My Buyers

Once the listing is complete, I will check my contact lists and begin trying to pinpoint and pre-qualify potential purchasers for your home. This will help prevent an endless parade of unqualified buyers from going through your house.

Teamwork

It is important that we work together and have a good working relationship. Essentially you and I form a team for the purpose of selling your home.

As the owner, you will be responsible for trying to assist in the marketing of your property where possible - without actually becoming physically involved in showings. Examples of this would be having the home available whenever possible for showings, open houses etc, keeping the home neat and clean for showings (See my letter on preparing your home for showing) keeping a low profile during showings (or preferably go out somewhere).

Progress Reports

Whether the response is good or bad, I believe you should be aware of what steps are being taken to market the home on your behalf, and to report feedback from other Sales Associates and buyers who have viewed

your home. There are many other specific marketing activities that may be undertaken. I will review these with you so you have a good understanding of the process to be followed.

- Contact Sales Associates working the area of the listing by sending a copy of the feature sheet
- Distributing a copy of the listing to past clients and potential prospects
- Contacting 50 houses around the listing
- Contact with client a minimum of once per week
- Advertising on submission of MLS (if applicable) listing, and open houses as often as you can stand them

Action Plan

Upon receipt of a request to list, a computerized market analysis would be completed and discussed with you.

Once the property is listed on MLS (if applicable), the following steps would immediately take place:

- Utility costs (gas, electricity) for the past year requested
- Color feature sheets prepared
- Two hundred “Just Listed” cards prepared and delivered in the neighborhood
- For Sale sign ordered.
- Copy of feature sheet sent to local Sales Associates
- Open house scheduled

Ensure Proper Pricing from the Beginning with Quick Adjustments

I complete and provide the following documents:

Comparative Market Analysis (CMA)

The critical component in the sale of any property is price. To assist in determining the correct price you require a market analysis for the property. This analysis would compare prices of recent sales and active listings in the area the properties are situated and recommend a list price. A minimum of three comparable properties would be used.

Monthly Property Status Report

A Monthly Property Status Report gives you a detailed analysis of the property’s marketing and includes recent comparable information, suggested changes to the marketing strategy and pricing. The monthly report will be faxed to you, commenting on calls, showings etc. Feedback from other Sales Associates and buyers who have viewed them will be provided.

Knowledge/Experience of Sales Associate on Terms, Conditions and Negotiations

Our record speaks for itself. RE/MAX gets results! We have a financial investment in our listings and as a result are aggressive in ensuring they sell. Our Sales Associates are the most experienced in the industry.

The RE/MAX Network

RE/MAX has 90,000 Sales Associates in over 6,000 offices spanning over 85 countries!

RE/MAX (office name)

RE/MAX _____ has #__ locations to serve you with approx. ____ Sales Associates.

Top of the Line Marketing

We utilize both the traditional, tried-and-true methods of advertisement, as well as some of the newest electronic programs to get your property information into the homes and offices of the people that matter most.

Bulk Mail Flyers: Periodically, I mail professionally designed and printed flyers to every home in your area, advertising listing information as well as my website.

In-Office Flyers: Every time the listing information for your property changes, i.e. price adjustment, I create a flyer that I distribute to all the Sales Associates in my office as well as the other real estate offices. This way, your property stays at the top of their minds and they have the most up to date information about it.

Sales Associate's Tour: Once a week the Sales Associates in our office visit new listings within the office, and I make sure all of my listings are on the tour. This way your home is more than just information on paper, Sales Associates can better describe it to their buyers, and it stays foremost their minds! Can you think of somewhere else you'd like to see your home advertised? Let us know; we'd love to do it!

Unparalleled Service

At RE/MAX, we understand that selling your home may be the most important transaction you ever make, and therefore, can also potentially be the most stressful! That's why it's so important to have professionals working for you around the clock to make things go as smoothly as possible. I will keep you informed every step of the way so that you are fully in control of the sale of your home.

Below is an outline of the services we offer to aid you in the comfortable, easy to understand sale of your home:

Marketing: See details on my comprehensive marketing plan.

Scheduling Showings: We will take care of appointment coordination, access to your home the way you feel most comfortable, and feedback.

Regular Feedback from Showings: We know how important it is to you to find out the result of each and every showing, which is why you'll receive a call with feedback after **every** showing. Also, we have professional strategies for turning cool showings into warm prospective buyers.

Weekly contact: You can expect to hear from us at the end of every week whether we have good news or no news. With my assistant in the office full time and my 24h paging service (if applicable), we'll be easy

to reach for any questions or concerns you have at any time.

Listing Updates: Monthly, we will send you a package of information created especially for your property. It will show you up to date comparable properties that are currently for sale and recently sold in your area. It will include a current market report, as well as a summary of the advertising efforts and action seen on your property. You can always be confident that you are making informed decisions.

Transfer of Title: You won't have to lift a finger. Just tell us which lawyer or notary you'd like to use for your transaction, or we can recommend some reputable ones, and our office takes care of the rest.

Instead of a resume, introduce yourself to clients and prospects by using:

Meet _____ (photo)

Comfortable and confident, those are the feelings you come away with after meeting _____. Here is someone you can relate to and whose company you will enjoy. _____ has that ability to impart trust and caring, because he/she wants your real estate experience to be enjoyable adventure.

_____ is a resident of _____, where he/she is married and has two children. He/She has over ____ years of experience in helping people buy and sells homes. He/She believes in a professional approach but not a clinical one. He/She lets you make the decision, but ensures you have the benefit of his/her wisdom and expertise, to ensure there will be no regrets later. Buying and selling a home has been well documented as a stressful and demanding experience. _____ takes these factors out of the process and gives you the confidence you need to make your housing experience what it should be ... positive and rewarding. Because that is what he/she believes it can be. Working with people to make dreams come true.

_____ has a marketing plan designed to see you through your real estate buying or selling process. He/She also works with RE/MAX Sales Associates from around the world, should relocating be your plan.

_____ is a graduate of The University of _____. He/She attended _____ high school. His/Her interests outside of real estate include _____ and _____.

Call _____, meet a friend.

Top Reasons to use a Sales Associate

The number one reason, of course, is that the Multiple Listing Service, (MLS) (if applicable) provides exposure to literally thousands of people through Sales Associates; the efforts of a For Sale by Owner just cannot compare with the exposure the listing will have on MLS.

- The internet! I have my own personal website, www.mysite.com; I actively market, where I post all of my listing information including dozens of photos. RE/MAX has two of its own sites as well, www.regionalsite.com and www.remaxrealty.com, where all RE/MAX listings are posted.
- Real estate offices have secretarial assistance during peak hours and message answering and paging services during off peak hours. I also have my own assistant, which means that at all times you will have at least two professionals available to handle inquiries, set up showings, set a variety of

marketing strategies into action, and the list goes on. Any time a private seller is away from home; his home is off the market.

- A seller selling privately can expect to put in a minimum of 80 hours "work" into the project. This does not account for other out of pocket expenditures such as marketing and a lawn sign. Selling a home can be extremely stressful.
- A Sales Associate must adhere to a rigorous code of ethics. A direct buyer or seller is not so constrained. Purchasers want the protection a Sales Associate can offer.
- By use of a comparative market analysis (CMA), a salesperson can help a seller choose the right price to ask. While some sellers ask too little, others ask for too much. Once a house sits unsold for too long, it becomes stale. Often a seller is forced to reduce the price and may have to accept less money for his home than he would have received had he started at the right price originally.
- A property depreciates the longer it is on the market. The first two or three weeks are a crucial period. Many owners fail to take advantage of this excitement by limiting the market to their own contacts and advertising.
- Market value is influenced by perceived value just as much as by the concrete statistics. Sales Associates are able to offer suggestions about how to improve a home's "show ability" and hence increase that value.
- Much of a real estate company's business comes from corporate or personal referrals. This market is unavailable to private sellers.
- Out of town buyers seldom have the time or knowledge to deal directly with owners, but they do contact sales representatives through relocation systems.
- The best buyers work with Sales Associates. People who have been transferred from out of town, people who have their home for sale, or people who have sold their home all work with sales representatives.
- Other homeowners who have already listed their homes usually purchase through the company with which their own home is listed.
- Sales Associates are capable of qualifying prospects so that only those who qualify to buy the home are introduced to it. This eliminates most "lookers" and non-serious purchasers and saves you a lot of time and falsely "getting your hopes up."
- Sales Associates screen all prospects and accompany all potential buyers through the property. There is less chance that strangers who may have activities in mind other than that of buying a house will come, and it makes opening your home to the public safer in general.
- Showing your home becomes much less of a headache: you get advanced notice of appointments, and you are not required to be home.
- Private showings eliminate the possibility of a personality conflict between seller and purchaser.
- Demonstrating property is an art. Not everyone enjoys poking through other people's closets. It's the salesperson's job to demonstrate the home's strong points and its features.
- A Sales Associate can select the best route to a showing and point out comparable properties that will assure that the property is shown in the best light possible.
- Virtually every buyer has objections, which sales representatives are trained to handle. A private seller is more emotionally involved, and may be less equipped to quell these concerns.
- Private sales attract bargain hunters. Any time a buyer doesn't buy from a store or through a salesperson he expects to pay less. In effect, he expects to save the commissions or profits that would normally go to the sales-person or store owner. Why should someone do all the work a sales

representative would normally do and still pay the full price? For example, if the seller is trying to save about six percent commission and the buyer is trying to save six percent, now they are 12 percent apart.

- Not all buyers will come out and say what is bothering them, particularly in front of the seller. A real estate professional is trained to smoke these out and handle them professionally.
- Real estate professionals are trained to follow-up all leads, inquiries and showings. Such follow-up is normally expected and does not have a detrimental effect on a seller's bargaining position, while a private seller doing follow-up can seem desperate.
- In real estate, the offers are in writing and irrevocable. Private buyers often give verbal offers and then revoke them.
- Sales Associates are trained to negotiate better than a seller can on his/her own behalf.
- A Sales Associate is aware of many different ways to finance a purchase and often have reliable financing contacts, while a private seller doesn't normally assist in finding suitable financing.
- A Sales Associate can help eliminate red tape and keep legal costs to a minimum. If you are not using a Sales Associate to draw up your contracts and collect other legal documents, a lawyer will have to do it for you, and they will charge you accordingly.
- Sales Associates stay involved with the deal until the transaction is closed.
- A buyer can remain secure in the thought that although a seller may leave town, the Sales Associate will be there to help out should a problem arise after closing.
- From a buyer's perspective, a licensed real estate representative is more credible than an owner, who will not likely be around after the sale.

Something to consider - selling your own property is a hassle for which most people are ill-prepared. Most real estate commissions are cheaper than most law suits.

Answers to FAQ

Can I sell my house myself?

Some people believe they can save a considerable amount of money by selling on their own. They look at the average commission on a house, and remember stories of friends or relatives who managed to get through the process with seemingly little trouble. It can be done, they say - so why can't I?

A small percentage of homeowners handle their own sales. But in order to join the ranks of the successful ones, you need to realistically assess exactly what's involved. The routine parts of the job involve pricing your house accurately, determining whether or not a buyer is qualified, creating and paying for your own advertising, familiarizing yourself with enough basic real estate regulations to understand (and possibly even prepare) a real estate contract, and coordinating the details of a closing. The greatest downsides are the demand on your time, and the possibility that a mistake may cost you the money you're trying to save.

The best reason for working with real estate brokers is the enormous amount of information they have at their disposal - information that can help make your house sell faster and easier. Professionals know about market trends, houses in your neighborhood, and the people most likely to buy there. They also know how to reach the largest number of people who may be interested in your house, and are trained in areas like screening potential buyers and negotiating with them. Finally, they're always "on-call", and willing to do

the things most of us hate: working on the weekends, answering the phone at all hours, and always being polite about it.

What is the MLS, and why do I need it?

A Multiple Listing Service, or MLS (if applicable), makes it easier to reach a large number of prospective buyers and dramatically increase the property's exposure. This is a Sales Associate's best resource for finding his buyer a home.

Quite simply, it's a system under which participating brokers at the Real Estate Board agree to share commission on the sale of houses listed by any one of them. So, for example, if you list your house with one broker and another actually sells it, they split the commission. The advantage to you is clear: more people have an interest in selling your house and your home is exposed to many more buyers since Sales Associates have access to the largest buyer pool available.

What makes a house sell?

An entire book could be devoted to answering this question. But to be as concise as possible, a successful sale requires that you concentrate on five considerations: your price, terms, condition, location, and market exposure. Since you can't control all of them, you may have to overcompensate in one or more areas to offset a competitive disadvantage in another.

How do I price my house?

In a single word- realistically. See the section further on about the criteria that professional appraisers use to value a home. Today's residential real estate market is no place to look for easy profit. That's not to say you can't get what your house is "worth"... you just get what it's worth today! You have to be realistic about its value, and price it accordingly. A good place to start is by determining the fair market value.

What is "fair market value," and how do I determine mine?

Simply put, the fair market value of a house is the highest price an informed buyer will pay, assuming there is no unusual pressure to complete the purchase. It is usually not the asking price. To get an estimate of fair market value, call me and ask for a free Competitive Market Analysis (CMA) of your house. The analysis will give you a realistic figure based on the most recent and relevant transactions in the local real estate market.

What's the difference between fair market value and asking price?

Generally speaking, the owner's asking price - the advertised price of a house when it goes on the market - is set 3-5% above estimated market value. You can assume that some negotiation will be necessary to reach an agreement with a buyer. However, too large a variation in price above market value will result in reduced showings and typically only "bottom fishing" offers.

Why couldn't we just try it for a while at that price?

Homes that are overpriced will not sell and will end up becoming stagnant on the market. The longer your house sits on the market, the less interest it will generate. Potential buyers start to ask, "What's wrong with this house? Why hasn't it sold?" Reducing the price later does not generate nearly as much new

interest as a new listing does, and it contributes to the stigma that there may be something wrong with it. This can also weaken your negotiating position once you do have an offer.

Who can help me determine the right asking price?

Sales Associates suggest asking prices based on a variety of information you may not have at your disposal, including recent listing and selling prices of houses in your neighborhood. If you're not completely confident in their suggestions, you may want to order an appraisal.

Next, establish clear priorities. If you had to choose, are you more concerned with selling quickly, or getting the most money possible? Do you think the Sales Associate's suggested asking price is reasonable? What would you pay for the house if you were the buyer?

Someone else - a neighbor, friend or relative - may point out advantages or disadvantages about your house that you hadn't thought about. Third-party views will help you start thinking of your house as a commodity, with positive and negative selling points. Then you should decide on a price that you feel is competitive and consistent with what other houses in your area have sold for.

How flexible should I be about the asking price?

Most buyers also leave room for negotiation when they make an offer. Thus, a certain degree of flexibility is usually called for on the part of both the buyer and the seller. A range of 1-2% above the mid-point of your property's market value range is often best!

While it is ultimately your decision to accept or reject an offer, or present a counter-proposal, a good Sales Associate can be of great assistance to you during the negotiating process. In fact, negotiation is one of the most valuable skills a Sales Associate can offer you.

As negotiations proceed I will advise you of your options in responding to each offer from the buyer. A cool, rational manner, in what is often a long, emotionally-charged process, will usually net you a significantly higher price.

How do I find the Sales Associate that's right for me?

A good place to start is by talking to friends, neighbors, relatives - anyone whose recommendation you trust. Many Sales Associates build a major portion of their business from referrals. To do this, obviously they must provide an extremely high level of caring service to the people they deal with. This should be your first choice in choosing a qualified Sales Associate.

A second way is to work with a Sales Associate who guarantees his or her service... someone who is willing to put their reputation and money on the line if they don't provide the kind of service that you deserve and need.

Another way to find a Sales Associate well-suited to sell your house specifically is by responding to a Sales Associate whose marketing efforts are particularly appealing and successful. The very existence of such self-marketing efforts suggests that the Sales Associate may have more to offer you than the Sales Associate who picks up the phone when you call the local real estate office.

What makes a Sales Associate Effective?

We like to think good training and experience make the best Sales Associates. But the truth is, not every

Sales Associate is right for every seller. And that's why we suggest you follow this simple formula to help you decide whether a particular Sales Associate will work well for you:

COMPETENCE + COMFORT => CONFIDENCE

Competence: When you first meet with real estate Sales Associates, they'll do their best to show you that they have what it takes to sell your house. You can expect to see a portfolio of credentials, past achievements, sales volume and letters of recommendation. Look for evidence that their background is relevant to your needs - someone whose portfolio includes success with houses in your price range or type of property and someone whose method of business is to provide the best service to his clientele.

A Sales Associate who subscribes to on-going training, who keeps up with the latest trends in the industry, is going to be of much more value to you than someone who stopped learning the day they got their license. There are several top real estate trainers who bring their programs to our area on a regular basis. These trainers talk to top Sales Associates across North America daily and bring that accumulated experience to their teaching.

Comfort: The Sales Associate you choose should be very interested in what your goals and needs are, and should be someone you get along with! You're going to be dealing with this individual on a daily basis, maybe for months, during a time that can be emotionally trying for you and your family. Indeed, your Sales Associate may well become something of a family member, who shares in the tension, anticipation, frustration, and ultimately the joy of selling your house.

It takes a unique combination of those two characteristics to inspire the **confidence** and trust a homeowner needs to maintain peace of mind through the process of selling a house.

Should I select a Sales Associate based on their suggested selling price?

It is tempting to work with a Sales Associate that pacifies or flatters you with the price you want to hear, but don't be fooled. These Sales Associates will end up doing you a disservice in making your home a non-productive listing.

When is the best time to list a house for sale?

As soon as you decide to sell it! If you want to get the best price for your house, the key is to give yourself as much time as possible to sell it. More time means more potential buyers will probably see the house. This should result in more offers; it also gives you time to consider more options if the market is slow or initial interest is low.

Is there any seasonality to the market?

Peak selling seasons vary from year to year in our area and weather sometimes has a lot to do with it. But keep in mind that there are also more houses on the market during the prime seasons, so you'll have more competition. So while there is seasonality in the real estate market, it's better to time your sale based on your needs and not market predictions.

What about market conditions - price trends, interest rates, and the economy in general? Should they have any bearing on when I list?

Probably not. Even if you're under no pressure to sell, waiting for better market conditions is not likely to increase your profit potential. Real estate industry analysts don't foresee a return to the "boom" market of earlier years any time soon; they're also likely to tell you it's possible to sell your house in any kind of market, provided it's effectively marketed. Again, it's better to time your sale based on your needs and not market predictions.

How long should it take to sell?

Average listing times vary from 30 to 180 days, according to market conditions in a particular neighborhood, type of property and price range; and of course, price, terms, condition, location and exposure play an even greater role. Selling in any market is easier if you keep time on your side. Most professionals will tell you that allowing yourself at least three to four months of listing time will put you in a position to get a better return from their marketing efforts.

What if I can't sell my present house before we have to move?

If you don't have to sell in order to buy a new home, renting your existing property may be one option to think about. Consider the advantages and disadvantages. If you're being transferred, you may be able to obtain a short-term rental in your new location while you're becoming familiar with the new area. Either way, we can usually help by advising you how much you can expect to pay for rent in the new neighborhood, or what you need to charge for rent to cover your mortgage payments and other costs you'll entail as a landlord.

What if I DO have to sell my current house first?

First of all, you are best advised, in a buyer's market, to sell your property first with a long closing... enough time to be able to find another home on the market (after yours is sold firm) without being rushed about it! That time is usually 90 - 120 days. Since the average closing time is 60 days, you will then have 30 - 60 days to find your new home and close in the normal time period.

What if my Sales Associate doesn't sell my home?

Besides commission, the most important matter you negotiate at the time of listing your house with a broker is the duration of the listing contract. Terms vary, but listing agreements are seldom for less than three months or greater than one year.

So what if you find yourself dissatisfied midway through your contract? While the listing contract is legally binding, a few brokers offer homeowners an "out" if they are unhappy with the service they are receiving. If you are not satisfied for any reason, at any time, your property can be taken off the market immediately.

Should I fix my house up before it goes on the market?

Unless your house is nearly new, chances are you'll want to do some work to get it ready to market. The type and amount of work depends largely on the price you're asking, the time you have to sell, and of course, the present condition of the house.

If you're in a hurry to sell, do the "little things" that make your house look better from the outside and show better inside. Several specific ideas for making low-cost improvements follow.

What is "curb appeal" and how do I create it?

"Curb appeal" is the common real estate term for everything prospective buyers can see from the street that might make them want to turn in and take a look. Improving curb appeal is critical to generating traffic. While it does take time, it needn't be difficult or expensive, provided you keep two key words in mind: neat and neutral. Remember, when a family looks at a house, they're trying to paint a picture of what it would be like as their home. You want to give them as clean a canvas as possible.

What should I do to make the house show better?

Try to make it easy for prospective buyers to imagine your house as their home. Clear as much from your walls, shelves and countertops as you can. Give your prospects plenty of room to dream. See my [Preparing Your Home](#) checklist for more ideas.

Should I make any major home improvements?

Certain home improvements are useful to almost everyone and have been proven to add value or speed to the sale of houses. These include building a deck or patio, basement finishing, some kitchen remodeling (updating colors on cabinets, countertops, appliances, panels, etc.), and new floor and/or wall coverings, especially in bathrooms. However, professional renovators have found that, no matter how much you improve any given house, you're unlikely to sell it for more than 15% above the median price of the other houses in your neighborhood, whether you do \$1,000 worth of work or \$50,000. That's why you might want to ask your Sales Associate's opinion about the viability of recouping the cost of any major renovation you have in mind before you start the work.

Should I do the work myself?

You know your talents best. But be warned that it's not a good idea to engage in larger jobs involving mechanical systems (heating, electrical, plumbing, etc.) or work that must meet local building codes, unless you're licensed to do so. Your efforts could make you responsible for more than you realize if something you worked on goes wrong after you sell.

Am I liable for repairs after the offer has been accepted?

In certain situations. If the purchaser's building inspection reveals major problems with your house's structure or mechanical systems (heating, electrical, plumbing, etc.), the buyer may wish to negotiate the price downward on the basis of anticipated repair costs. So even though the repairs won't be made until after the sale, practically speaking, you do pay them.

Sometimes, repairs may be required before the transfer of the title takes place. This is especially true in sales that involve financing that's insured or guaranteed by the government. You may have also heard about lawsuits involving vendors who failed to disclose major problems before the sale - like an addition to the house that wasn't built to code. That's another good reason to retain a lawyer or Sales Associate who knows

as much about the condition of your property as you do. It's also a good idea to get the buyer's written acknowledgment of any major problems when you accept their offer.

How do I reach the right potential buyers?

Today, people are moving further and more frequently than they used to. The result is that the pool of potential buyers for your house is much larger and spread far wider than ever before, and the competition to reach them is fierce.

Real estate brokers have responded by developing increasingly sophisticated marketing techniques that define likely buyers, where to find them, how to reach them, and how to persuade them to buy one house over another. The fact is, virtually everything we've discussed up to this point, from pricing to home improvements, the Competitive Market Analysis to the "For Sale" sign in the yard, is part of a marketing process that's put into motion when you decide to work with a good broker.

Should we try to avoid being at home when the house is shown?

You should definitely try to be out of the house during any showings your Sales Associate has scheduled. If you do need to be home, don't "hang around" or follow them through the property. People often feel uncomfortable speaking candidly and asking questions when the current owners are present. You want them to feel as free as possible to picture your house as their "dream home"... to relax, settle in and visualize their own furniture in every room. I hope the Home Seller's Guide has helped clear up any questions or concerns you may have had about selling your home. More detailed information on the marketing plan would be discussed separately with a Comparative Market Analysis (CMA). My job is to make the selling process as easy as possible, and by doing so, to allow you to enjoy the excitement that goes with finding your next home.

Helpful Selling Hints

- **Let the Sales Associate do his/her Job**

We strongly recommend that your home be shown by appointment only. If someone sees the For Sale sign and knocks on your door, refer them to the Sales Associate handling your home. After all, the Sales Associate is professionally trained to handle the situation. Doing this will increase the chances of a quick sale.

- **Let's Make a Good First Impression**

The first thing a potential buyer sees is the exterior of your home. A freshly manicured landscape will ensure the first impression is a good one.

- **A Little Work Can Make A Lot of Difference**

Fixing leaky faucets, a coat of paint or new wall paper will not only increase the chance of selling your home; it could increase the price as well.

- **Bigger is Better**

Removing unnecessary articles from the basement, attic and closet will show the perspective buyer just how much space your home really has.

- **Show the Whole House**

Be sure all of the rooms in the house look the best they can. For a dull, dark room, a coat of paint will be a valuable asset. Don't forget the basement, give it the same consideration.

- **Ensure Buyer's Safety**

Make it a point to check that all passage and stairways are clear of all obstacles.

- **Closet Space Can Sell Your Home**

Large closets are an important selling feature. Be sure they are uncluttered, well organized and neat.

- **The Key to Bedrooms**

Fresh and Clean! Freshly laundered, bright, cheerful curtains and bedspread will leave a good impression.

9. **Buyers Are Not Walking on Water**

Be sure the carpets and floors are always kept clean. Professional steam cleaning may improve your chance of selling.

20 Secrets to Improve Your Home's Value

On the Outside:

- Resurface the driveway and redo the walk so your home makes the right "cared-for" first impression.
- Install a new front door with brass fixtures to make your entry welcoming then paint or stain the door surround.
- Replace the garage door and install an automatic opener.
- Put in a new flower bed, green up the lawn, and replace any overgrown bushes in front.
- Power wash your siding and deck, and repaint the trim or, if needed, the whole house.
- Consider sought-after double or triple-pane windows or storm windows and doors that keep the temperature indoors comfortable all year round.
- Install or upgrade porch and pole light fixtures to give your home a touch of elegance.
- Redo the roof and gutters to guard against hidden leaks.

On the Inside

- Repaint all interior walls using a neutral color to make the whole house shine.
- Install new carpeting and vinyl or ceramic flooring.
- Refinish wood floors to give that "new house" look.
- Hang new chandeliers, recessed or track lighting to make pleasant rooms brilliant.
- Keep things cool with attractive ceiling fans
- Add elegance by replacing switch and outlet plates and register vents with shiny brass ones.
- Make over the kitchen, new counter tops, and appliances will help it sell. Today's buyers want a disposal and dishwasher; consider replacing or refacing cabinets to bring them up to date.
- Replace bathroom lighting, toilet seats, medicine cabinets, bathroom hardware to bring a sparkle that goes beyond clean.
- Update your home's energy efficiency, possibly with new furnace or additional insulation and new weather stripping so it cost less to operate.

- Install cable TV lines and an extra phone line to the best room for a home office - even if you don't need them - to upgrade your home's electronic capabilities.
- Reorganize and add closet shelves to make closets function better and appear more spacious.
- Buy that new living room sofa or family room furniture you planned for the new house to improve the look of the home you'll be selling.

Why Moving Often Beats Remodeling

Now that you know how to fix up your home, why not make some improvements and then stay put? Consider these reasons:

- If your home was too small, too far away from work or family, had the wrong floor plan, or lacked the features you really want, your fixed-up home will still not suit you well.
- If you choose to remodel, you'll find yourself living in a construction site and overseeing the many phases of building
- If you pay to remodel, chances are you'll recover less than 100% of what the remodeling cost.

How Long Does It Take To Market A Property?

According to market conditions, the length of time it takes to market a house will vary. While some properties sell in just a few days, other may require several months. There are six factors that influence the time it takes to sell a property.

Competition

Every Buyer makes his decision about which home to buy, and how much it is worth compared to his other choices at the time of purchase. The supply of other homes the Buyer will compare with your home is constantly changing each week and month. The current COMPETITION always affects the buyer's opinion of your property and what he will think it is worth. So the question is, what will the buyer's other choices be at the time they are shown your property?

Financing

If financing should cost too much, or if the seller requires more down payment than most people have, then the financing may delay or prevent the sale.

Price

If the property has not sold after a reasonable length of time but other similar properties have sold, then the price may need to be reduced. If this is true and the price is not reduced, a sale may be delayed or prevented.

Property

If the property should show poorly or have major defects which are not corrected, a sale may not take place until the defects are corrected or until the price has been adjusted to compensate for them.

Timing

Timing is the condition of the real estate market at the time of the sale. Supply and demand are the factors influencing whether it is a Seller's or a Buyer's market. Neither the seller nor RE/MAX can change the condition of the market at the time the property is for sale. It must be accepted for what it is.

Marketing

At RE/MAX, marketing techniques are constantly being tested and updated for best results. But even expert marketing has its limitations because marketing cannot overcome any of the first five factors if they are out of balance and remain uncorrected. We will supply you with a constant flow of updated information which will help you determine the marketability of your property.

Tips on Low Cost Improvements

Interior Improvements

- Wash all windows inside and out. Curtains and drapes should be fresh and attractive.
- Open all drapes, pull up shades, and let the light in.
- Get all bugs and flies off all light fixtures. Wash fixtures and bulbs.
- Put higher watt bulbs in all fixtures for better lighting.
- If you cannot get rid of stains in toilet bowl, buy a new one. This applies to all bathrooms, including the one in the basement that is seldom used.
- If possible, send all cats, dogs, parrots, hamsters and pet monkey to your brother-in-law from the day the house goes on the market until the day it is sold, and get rid of the odors that are left behind. Over fifty percent of home purchasers are either allergic to, afraid of, or simply dislike animals.
- Clean all rubbish out of all fireplaces, particularly the ones that have not been lit in the last three years.
- Put two coats of off-white paint over chartreuse, tangerine, purple, orange or any dark colored walls. Also if walls are dirty, one coat of white paint will work wonders.
- Remove every bit of grease from the inside of the oven or ovens and burner trays.
- Fix the front doorbell, storm door and front entry (first impressions are lasting).
- Shampoo the carpets or carpeting.
- Put new washers in all dripping faucets.
- Throw away the torn shower curtain and put up a new one.
- Remove junk from the attic, basement, closets and tool shed, and have a successful garage sale. Contribute whatever remains to the next garbage pickup.
- Organize closets.
- Turn off all blaring phonographs, stereos, and television sets while house is being shown. Soft music is more desirable.
- Water all dying plants or get rid of them.
- Adjust all doors, including closets and windows so they can be opened and closed.
- Dust, clean and scrub everything that means EVERYTHING from attic to basement.
- Replace broken tiles on walls or floors and repaste loose or dangling wallpaper.
- Make the beds and keep all clothes out of sight.
- Keep kitchen countertop and sink clean and clear.
- Secure all banisters and handrails.

Exterior Improvements

- Rake leaves, mow lawn and keep edges neat. Lawns and flowers should be weeded regularly. Trees and shrubs should be pruned and trimmed.
- Remove old lawn mowers, tractors, disabled autos, broken lawn ornaments, topless tables, armless lawn furniture and seat less chairs. They are reasons for a buyer to make a U-turn.
- Hoses should be coiled or placed inconspicuously when not being used; other garden equipment should be stored in some type of shelter when not in use.
- A yard should be free from unnecessary clutter, a place should be provided for children's toys and equipment. All animal litter should be removed daily.
- Fix the garage door so it opens and closes. House and garage doors should be free from finger marks. Wood surfaces should be kept painted, oiled or stained.
- Porches, steps, verandas, balconies, patios and other extensions of the home must be uncluttered, clean and repaired.
- Shades and awnings in good repair without faded colors will improve exterior house appearance.
- Keep garbage cans deodorized and out of sight or placed inconspicuously.
- Walks and entrances should be well maintained and free from excess water, ice and snow. Put some crushed stone on walkways and driveways that turn muddy in the rain and fill in any pot holes.
- Keep gates, fences, walls and outer buildings repaired and painted.
- Outdoor furniture should be kept clean. Firewood should be neatly stacked. Barbecue grill should be cleaned.
- Metal accessories (door knobs, door knockers, lamps, etc.) need be cleaned and polished.
- Attach the downspouts to the gutters and paint, if needed. Any loose roof shingles, tiles, etc. should be secured or repaired.
- Paint the front, back and side entrance doors. Nothing looks worse than a peeling door.
- The fence is falling and so is the sale. Get rid of it or replace it.
- Buy a new mailbox without graffiti on it.
- Remove the half-dozen, slightly tilted, multicolored "For Sale" signs.
- Air coolers should be stored neatly if not in use.
- If you are neither prepared to nor want to spend hundreds of dollars for exterior painting, be ready to make an immediate price adjustment, or listen to everyone who views the home say, "It will cost a fortune to have the house painted!" If you can afford it, the money spent tidying up will be well worth the investment.
- Paint all chimneys and replace broken brick or stone.

Overview of the Selling Process

The initial step in readying for sale includes an initial tour of the property, and recommended repairs to ensure the property looks its best. Staging recommendations are made to "showcase the property".

This is followed by measurement of building and outbuildings as well as all rooms, noting the important details including type of: construction; foundation; heating/cooling; electrical; plumbing; flooring; exterior & roof. As well the lot size and shape are also noted. Photographs are taken at this time, or as soon as the property is in the condition for picture taking.

During the tour, notations are also made on the features paying close attention to the "fixtures" and "chattels" and the sellers wishes with respect to the inclusion or exclusion of particular items.

Once all the above is compiled, the marketing materials and the MLS Data Input Sheet (if applicable) are then prepared and the For Sale Sign is then ordered for installation. This information is then added to the Multiple Listing Database for all Sales Associates to cross-match with their buyers and posted for public viewing.

Showings:

All showings will be booked through me. You will not receive any calls directly, and no one without an appointment or any buyer should come to your door without first arranging an appointment respecting your particular scheduling needs. My main concern for you is that you have minimal intrusion on your home-time during the sales process.

Offers:

As soon as I am notified of, or given any offers, I will contact you to arrange to bring the offers to you at your convenience. You will then be able to review any and all offers, and ask questions to ensure that you make an informed decision.

With any offer, you may:

- Accept it
- Reject it
- Counter it

In countering it, you in essence are making an offer to the buyer to sell the property, taking the terms that they offered that you like, and giving the terms that you would like.

The buyer then may:

- Accept it
- Reject it
- Counter it

Eventually, we will either come to terms that both you and the buyer are happy with or not.

Once we have an accepted offer, the deposit check the buyer gave with the offer will be placed in the RE/MAX Trust Account and await your lawyers instructions once the sale is final. The buyer will no doubt have certain "conditions" that need to be satisfied by them. The most common is that they arrange mortgage approval. Other conditions may be:

- A home inspection and/or engineers report (this should be at the buyers expense, not yours)
- Their lawyers approval of the offer

The buyer will have a deadline to satisfy their conditions, usually ranging anywhere from 1 or 2 days to 1 week, and must do this in writing within that timeframe. I will keep you posted on the status of the offer every step of the way.

Once the offer is final (all conditions have been satisfied) the Sold sign will be ordered for installation and I will deliver a full set of the offer paperwork to your lawyer so they may begin their work.

Closing/Possession:

On the date of possession, your lawyer will collect the balance of the down payment from the buyer's lawyer, and instruct us on the deposit we have in our Trust Account.

If the buyer has a mortgage, your lawyer will let you know when you can expect your money, this typically happens in anywhere from 1 to 4 weeks after possession. The buyer will be paying you interest on the money, until such time as your lawyer has received the balance of the sale price. The reason for the delay to put it simply is that the bank will not forward the mortgage money until the title to the land has changed to have the buyer's name(s) on it and the seller's name(s) removed. This is what takes the 1-4 weeks to happen, during that time yours, and the buyer's lawyer will place "trust conditions" on the sale so that the buyer can take possession and the seller is protected as well.

This is a brief overview of the process from the listing of your property through the finalization of sale and possession. It is general in nature of the typical process that occurs, however can differ from transaction to transaction. Should you wish to know more details on your sale, please contact your attorney.

Appendix B

Sample "For Sale by Owner" Letters

FSBO Letter One

Dear Homeowner,

After three weeks in the marketplace, we generally evaluate the effectiveness of our marketing efforts and ask ourselves questions including:

- Have we generated sufficient inquiries?
- Have we had sufficient showings?
- Have we had any written offers?

If the answers to any of these questions is no, then it's usually time for a change. Because without a change, you can expect the same results.

This is where I can be of help; by showing you what to do next and why the services I offer will ensure a sale, in the shortest period of time and for the most money. It would be my pleasure to give you a hand. Please feel free to call on me.

FSBO Letter Two

Dear Homeowner,

Just a note, as I see your home is still being offered for sale. Often one of the problems homeowners face is lack of feedback on why a buyer is not making an offer. Another is the fact buyers often are misleading in their comments as they don't want to offend the seller. This is why buyers like to work with Sales Associates. They get objectivity in the buying decision and advice on a purchase that for many is the most amount of money ever spent on one item.

By hiring a professional to sell your home you ensure the marketing effort is exposing your home to all potential buyers. You also get the feedback you can use to ensure a sale in the shortest period of time – before buyers start to wonder if there is a problem with the property that is resulting in its not selling.

Please call me to discuss these and other aspects of selling your home.

FSBO Letter Three

Dear Homeowner,

The first few weeks are the most important time in the home selling process. By now, all of the homebuyers who were in the market for a privately sold home have seen yours. You must now wait for buyers to come into the market who are looking for a home like yours.

As Sales Associates, we have numerous buyers that are not looking privately. Some are past clients; others are people relocating to Mytown, others like first time buyers, are concerned about paying too much and seek professional advice.

By marketing your home with a RE/MAX you have a new opportunity to sell to one of these buyers. As a specialist in your neighborhood, I would welcome the opportunity to discuss our marketing plan. It is designed to get you the most money in the shortest period of time and with the least inconvenience.

Please call me for a no obligation meeting.

FSBO Letter Four

Dear Homeowner,

After three weeks on the market we generally evaluate the effectiveness of our marketing and decide on corrective action that may be required to sell the home. We would assess the frequency of showings, feedback from showings, offers written etc.

It may be that you are going through a similar process and would appreciate professional advice on the reasons your home has not sold. As a specialist in the area, I would appreciate the opportunity to discuss my marketing plan and why it is successful.

We guarantee your satisfaction and there is no obligation.

FSBO Letter Five

Dear Homeowner,

As a Sales Associate who has sold a lot of homes, I understand the frustration when a good house is not selling. I also realize that there is a reason for this and carefully review the marketing effort to determine what needs to be done. The key is to take remedial action as soon as possible. It does not take long for buyers to start asking serious questions as to why a property is not selling.

Currently, you have an advantage as your home is not being exposed to many buyers who have chosen to work with Sales Associates. However, the result may be the same without a careful review of the marketing.

It would be a pleasure for me to have the opportunity to see your home and present my marketing plan. RE/MAX sell one of every three homes sold in Mytown and I am sure our professional assistance would prove of value.

Please call at your convenience for a no obligation interview.

FSBO Letter Six

The Value of Exposure

The last study undertaken by the National Association of Sales Associates shows that Sales Associates get their clients, on average, 9% more for their home than selling privately. That more than pays the commission.

The reason is exposure. It is simple supply and demand. In Mytown, there are over ____ Sales Associates. Sales Associates sell, on average, ____ homes each year in Mytown. Therefore, they have over ____ buyers or approx. ____ each. None of these buy privately!

That is a lot of lost exposure you could use for your home.

For you to get market value for your home, by definition, you need to maximize exposure.

- **Exposure creates interest.**
- **Interest creates demand.**
- **Demand creates competition.**
- **Competition creates value.**

I know I can get more for your property than you can get selling it yourself.

Attached is some information about myself. It would be my pleasure to meet and describe my plan for maximizing exposure for your home.

Please call me at _____ for a private consultation.

FSBO Letter Seven

The Out of Town Buyer

Out of town buyers, with very few exceptions, work with Sales Associates. These buyers more often than not are looking at Mytown for retirement or have professions that allow them to work from any location and have decided to reside here for our beautiful location and lifestyle. For this reason they are in a position to buy what they want, buy quickly, and are qualified buyers making them much sought after.

This is an important element of the real estate market for you to expose your home to.

For a confidential interview on how to maximize your exposure to these buyers, call _____.

FSBO Letter Eight

The Internet

How important is it to expose your home to buyers on the Internet?

The Internet is only one of many tools Sales Associates use to maximize exposure to your home. It is, however, becoming increasingly important. Estimates are that as many as 80% of homebuyers preview homes on the Internet prior to buying. At RE/MAX we recognize the value of this exposure and advertise our listings on numerous sites.

- www.remaxregionalsite.com RE/MAX Regional Internet site
- www.remaxmytown.com RE/MAX _____ office real estate site.
- www.mysite.com My personal website
- www.remax.com RE/MAX LLC site
- www.global.remax.com RE/MAX LLC global site

Believe it or not, these are just a few of the sites your home will be advertised on, giving you a lot of exposure for your property. Although few buyers purchase their homes over the Internet, it is a useful tool for both local and out of town buyers to narrow their search to a few select properties they can then personally preview.

For a confidential discussion on these and other tools I use to maximize exposure for your home, call me at _____.

FSBO Letter Nine

The Question of Time

Once you have decided to sell your home, a lot of questions pop up as to timing.

- Should I buy or sell first?
- I know when I would like to move, I can't afford to move twice, so when should I put my home on the market?
- At what point should I consider a Sales Associate?
- How do I ensure my home sells in time so I am able to buy the house I want before it sells to someone else?
- How do I prevent losing prime market time by selling to an unqualified buyer?

I can help you time your move so as to minimize these risks. A mistake here could cost a homeowner thousands of dollars so you are wise to carefully review the options you have available.

Do you know how long it typically takes homes to sell in your area? What is the lead time between sale and possession? How do I know whether the buyer will close? There is a lot to the timing of a real estate transaction and due to the large dollars involved; it pays to get good counsel.

For a private consultation on these and other issues surrounding the sale of your home, call me. It would be my pleasure to help.

FSBO Letter Ten

Questions to ask when interviewing a Sales Associate

I spent a lot of time coming up with these questions... to ensure I could pass the quiz.

Finding a Sales Associate you enjoy working with and who you can trust is the common concern of all homebuyers and sellers. It is why referrals by past clients and customers are so important to Sales Associates.

- Do you have experience selling homes in our neighborhood?
- How long have you been selling real estate?

- Do you have testimonial letters from your clients?
- May we have a copy of your marketing plan?
- When will my property be advertised?
- Do you do open houses? How often?
- What makes you different from other Sales Associates?
- How often will you be in contact with us?

There are, of course, many other questions you can and will ask. The key is to find someone you can put your confidence in.

Also, does the Sales Associate work for a company recognized as the industry leader. The fact is RE/MAX sells more homes than anyone else in Mytown. Maximum exposure to these Sales Associates is a key to getting your home sold – for the most money – with the least inconvenience to you.

It would be my pleasure to have an opportunity to interview to sell your home. Please call me at _____.

FSBO Letter Eleven

The Service question or what do you pay for?

If you market your home through me, I will get it the exposure to ensure you receive top dollar. This will more than pay for the cost of my service. In addition, I will perform a number of other services to add value to your home selling process. Here are just a few:

- Take calls from interested buyers and Sales Associates with clients.
- Sell those Sales Associates and buyers on the features of your home.
- Prepare a first class feature sheet.
- Ensure buyers are qualified prior to viewing.
- Ensuring you are not rushing home, rescheduling family events and cleaning your home from top to bottom for people who can't afford it or are "tire kickers".
- Being available when you are not, for out of town and other qualified buyers.
- Coordinating appointments to suit your and the buyers schedule.
- Embark on a comprehensive marketing plan to expose your home to all interested buyers.
- Place the necessary advertisements, MLS exposure as discussed in the marketing plan.
- Negotiate to ensure you receive top dollar.
- Handle the inspection and disclosure processes (so you don't get sued!).
- Review with you my "Home Seller's Guide"

There really is a lot to selling a home. It would be my pleasure to meet with you to discuss a plan to ensure you get top dollar for your home. Call today.

FSBO Letter Twelve

What can go wrong selling it privately?

Fortunately, most real estate transactions close without any problems. The buyer is happy with their purchase and life goes on. We do, however, live in a more litigious age and the old axiom “buyers beware” no longer is the panacea it once was for sellers of real estate. It is to protect against these events that causes many a seller to look for the protection a Sales Associate can provide.

Why do buyers sue?

There are latent defects not disclosed by the seller.

A common example is water seepage.

Fixtures are removed.

There is a difference between a fixture and a chattel.

Sellers may not remove fixtures such as built-ins, shelving, and mirrors.

The feature sheet has errors in it.

Verbal statements made by the seller are exaggerated or misunderstood.

There are errors in utility or realty taxes.

Rental items are not disclosed

Square footage is miscalculated.

Unfortunately there are as many problems as there are lawyers. A Sales Associate can protect you from these concerns. I can review with you the pitfalls and how they are overcome. We can ensure adequate disclosures and safeguards are in place to protect against potential lawsuits.

For one, Sales Associates are insured (if applicable), so that for any errors made, buyers have recourse to that insurance. But, more importantly, Sales Associates are trained to spot potential problems and ensure they are covered off before they become problems. Because we know the potential for errors and mistakes we ensure our clients are protected. There are few things worse than fighting off lawsuits. My “Home Seller’s Guide” explains how to I protect against the many pitfalls that come up in a real estate transaction.

It would be my pleasure to meet with you and discuss a marketing plan for your home. Call me at _____.

P.S. One of the reasons so many buyers work with Sales Associates is to protect themselves from problems. It is important to expose your home to these prospects.

FSBO Letter Thirteen

What a Sales Associate can do for you:

The following is a list of some of the services I perform on your behalf:

- Walk through the process of selling your home from beginning to end
- Providing comparable information about the prices for which other properties have sold and analyzing the data for you to get a true comparison.
- Supplying information on local customs and regulations
- Placing your home on MLS and the Internet
- Placing advertisements on your home
- Fielding enquiries
- Negotiating the sales contract
- Qualifying potential buyers to ensure they can buy the property
- Alerting you to potential risks
- Complying with disclosure requirements
- Providing an estimate of closing costs
- Helping prepare for a smooth closing

Also,

- Suggest simple imaginative changes that make a home more suitable for sale
- Provide you with up-to-date information about what is happening in the marketplace and the price, financing and condition of competing properties
- Market your property to other Sales Associates and the public
- Know when where and how to advertise your property
- Help you objectively evaluate every buyer's proposal

It would be my pleasure to discuss a plan to sell your home. Please call me at _____

Appendix C

Sample home seller's guide

To Our Clients

Homes are lifetime investments coupled with strong personal ties. The selling of a home ranks among our clients' most important experiences and we approach our task with sensitivity, concern and professional competence.

Over and over, we at RE/MAX® find that our policy of conducting a diligently prepared market analysis of the property and reviewing it in detail with the owner reduces the time spent on trial and error and leads to a faster sale, at a better price and with less inconvenience to you, our seller.

Thank you for this opportunity. Our presentation is a measure of the quality of service which you can expect from us until your home is sold. It is another reason why RE/MAX® stands

Why you should use a full Service Sales Associate to sell your home

1. The number one reason, of course, is that the Multiple Listing Service-MLS (if applicable) provides exposure to literally thousands of people through Sales Associates; the efforts of a For Sale by Owner (FSBO) just cannot compare with the exposure the listing will have on MLS.
2. A property depreciates the longer it is on the market. The first two or three weeks are a crucial period. Many owners fail to take advantage of this excitement by limiting the market to their own contacts and advertising.
3. Much of a real estate company's business comes from corporate or personal referrals. This market is unavailable to private sellers.
4. Out of town buyers seldom have time or knowledge to deal directly with owners, but they do contact Sales Associates through relocation systems.
5. The best buyers work with Sales Associates. People who have been transferred from out of town, people who have their home for sale, or people who have sold their home all work with Sales Associates.
6. Virtually every buyer has objections, which Sales Associates are trained to handle. A private seller is more emotionally involved, and may be less equipped to quell these concerns.
7. Private sales attract bargain hunters. Any time a buyer doesn't buy from a store or through a salesperson he expects to pay less. In effect, he expects to save the commissions or profits that would normally go to the sales-person or store owner. Why should someone do all the work a Sales Associate would normally do and still pay the full price? For example, if the seller is trying to save about six percent commission and the buyer is trying to save six percent, now they are 12 percent apart.
8. Real estate professionals are trained to follow-up all leads, inquiries and showings. Such follow-up is normally expected and does not have a detrimental effect on a seller's bargaining position, while a private seller doing follow-up can seem desperate.
9. A Sales Associate is aware of many different ways to finance a purchase and often have reliable financing contacts, while a private seller doesn't normally assist in finding suitable financing.
10. Real estate offices have secretarial assistance during peak hours and message answering and paging services during off peak hours. You will have professionals available to handle inquiries, set up showings and to set a variety of marketing strategies into action. Often when a private seller is away from home; his home is off the market.
11. A seller selling privately can expect to put in a minimum of 80 hours "work" into the project. This does not account for out of pocket expenditures such as marketing and for a lawn sign. Selling a home can be extremely stressful and something you need to be prepared for.

12. A Sales Associate must adhere to a rigorous code of ethics. A direct buyer or seller is not so constrained. Purchasers want the protection a Sales Associate can offer.
13. By use of a comparative market analysis, a salesperson can help a seller choose the right price to ask. While some sellers ask too little, others ask for too much. Once a house sits unsold for too long, it becomes stale. Often a seller is forced to reduce the price and may have to accept less money for his home than he would have received had he initially started at the right price.
14. Market value is influenced by perceived value just as much as by the concrete statistics. Sales Associates are able to offer suggestions about how to improve a home's "show ability" and hence increase that value.
15. Other homeowners who have already listed their homes usually purchase through the company with which their own home is listed.
16. Sales Associates are capable of qualifying prospects so that only those who qualify to buy the home are introduced to it. This eliminates most "lookers" and non-serious purchasers and saves you a lot of time and falsely "getting your hopes up."
17. Sales Associates screen all prospects and accompany all potential buyers through the property. There is less chance that strangers who may have activities in mind other than that of buying a house will come, and it makes opening your home to the public safer in general.
18. Showing your home becomes much less of a headache: you get advanced notice of appointments, and you are not required to be home.
19. Private showings eliminate the possibility of a personality conflict between the seller and purchaser.
20. Demonstrating property is an art. Not everyone enjoys poking through other people's closets. It's the salesperson's job to demonstrate the home's strong points and its features.
21. A Sales Associate can select the best route to a showing and point out comparable properties that will assure that the property is shown in the best light possible.
22. Not all buyers will come out and say what is bothering them, particularly in front of the seller. A real estate professional is trained to smoke these out and handle them professionally.
23. Sales Associates bring offers in writing. Private buyers often give verbal offers and then revoke them.
24. Sales Associates are trained to negotiate on the seller's behalf.
25. A Sales Associate can help eliminate red tape and keep legal costs to a minimum. If you are not using a Sales Associate to draw up your contracts and collect other legal documents, a lawyer will have to do it for you, and they will charge you accordingly.

26. Sales Associates stay involved with the deal until the transaction is closed.
27. A buyer can remain secure in the thought that although a seller may leave town, the Sales Associate will be there to help out should a problem arise after closing.
28. From a buyer's perspective, a licensed real estate representative is more credible than an owner, who will not likely be around after the sale.
29. Something to consider - selling your own property is a hassle for which most people are ill-prepared. Most real estate commissions are cheaper than most law suits.
30. Full service Sales Associates owe you fiduciary duties of disclosure, confidentiality, and agency. In addition, full service Sales Associates will qualify buyers; provide advice on the market, contracts, legal issues, questions about the house and how to deal with an offer. Services which may not be provided by a broker who merely puts your home on the MLS (if applicable).

RE/MAX® and its Sales Associates

Things you should know

- **RE/MAX®** is a world leader in residential real estate with over 6,000 full-service offices in over 85 countries including Canada, the United States, Europe, South America, Caribbean, Mexico, South Africa, Australia and India.
- Today **RE/MAX®** Associates proudly number over 90,000 full-time, professional Sales Associates worldwide.
- The typical **RE/MAX®** Associate is among the most experienced in the industry, averaging over 11 years of service.
- These Associates are also distinguished by earning, on the average, more real estate educational designations than its industry competitors - a commitment to professional improvement.
- Over 70% of **RE/MAX®** Associates' business comes from repeat business or referrals from past customers and friends.
- **RE/MAX®** Sales Associates make a personal financial investment in every listing.
- **RE/MAX®** Sales Associates control the marketing programs for each of their listings.

Pricing it Right ... in the Beginning

How do I sell your home for the...

BEST PRICE, in the

SHORTEST TIME, with the

MOST FAVORABLE TERMS

and CONDITIONS?

By pricing it right ... INITIALLY!

A well priced listing is the most important factor in marketing your property for top price. Naturally, listing a property too low will preclude the opportunity for getting top dollar. On the other hand, setting the price too high discourages showings and tends to eliminate the most likely buyers from viewing the property.

The prime selling time occurs during the first few weeks your home is on the market. This is when buyers currently looking for a home in your price range will look and compare your home to others they have seen on the market. They will know if your home compares favorably as to price and if so will make an offer if the home meets their needs. These buyers look in price ranges they can afford and if your home is priced outside the range it will be ignored. When your home goes on the market these buyers will want to see it as soon as possible in case it meets their needs and before others see it.

Homes sell closer to their asking price during the first few weeks. Don't miss your prime marketing period by setting a price higher than justified by the CMA. If it is priced correctly buyers will make an offer quickly in order to beat out others who also may be interested. So don't be surprised if your home does sell quickly. If you do have a lot of showings without an offer, this may indicate a price outside the market. I will speak to the other Sales Associates to obtain their feedback and advise you on any necessary price adjustments.

An overpriced home runs the risk of selling for less later. You do not want to your property to become "stale" as it causes buyers to question its suitability. When this happens, you often will end up selling for less than you would have had it been priced right from the very beginning.

Remember, a brand new listing is a) exciting b) shown more c) generally SELLS FOR A HIGHER PRICE than older listings. Later, fair or not, prospective buyers begin to wonder why it hasn't already been sold.

Marketing Plan Plays a Key Role in Selling Homes

Comparative Market Analysis (CMA)

I will prepare a professional Comparative Market Analysis that will consider recently sold, properties that buyers will be considering while they are considering your home and with which your home may be competing. It will establish the appropriate pricing for your home. Once that is established we can list the property on MLS (if applicable) and begin our other marketing activities.

Sign

When your home is ready to be sold, the RE/MAX® "For Sale" sign - the most direct marketing tool of all - will go up in front of your property to catch the attention of people walking or driving by.

People who inquire about your home after seeing a "For Sale" sign are likely to be interested in your neighborhood and already like the look of your home. A "For Sale" sign also lets your neighbor know you are selling and they may know someone who is interested in the area. Your neighbor might even be interested in buying themselves; plenty of people move on to bigger and better homes in the area they have lived in for years.

Advertising

As part of the marketing plan, I will determine the appropriate type of advertising - from classified ads in daily and weekly newspapers to ads in real estate publications. Your property may also be part of a mailer sent around the neighborhood to let people who may be thinking of a move know what is available nearby, to former customers who may be ready for another move, and to clients who already have their homes up for sale but might not have found a new house yet.

Internet

All properties are listed on a minimum of four websites.

www.mysite.com	My personal website
www.remaxmyoffice.com	Our office website
www.remaxregional.com	Regional website
www.remax.com	RE/MAX LLC website
www.global.remax.com	RE/MAX global website

RE/MAX® Sales Associates

At RE/MAX®, Sales Associates generate 70% of their business from personal and business referrals. I will ensure your property is exposed to these Sales Associates and their waiting buyers.

Other Sales Associates

I am skilled in promoting my listings to Sales Associates from other companies working in your area, highlighting the home before showing, obtaining an offer and maximizing price.

My Buyers

Once the listing is complete, I will check my contact lists and begin trying to pinpoint and pre-qualify potential buyers for your home. This will help prevent an endless parade of people who are clearly not in a position to purchase your property from going through your house.

Teamwork

It is important that we work together and have a good working relationship. Essentially you and I form a team for the purpose of selling your home.

As the owner, you will be responsible for trying to assist in the marketing of your property where possible - without actually becoming physically involved in showings.

I will tell you about preparing the house, arranging showings or open houses and what is involved in an offer to purchase (when you get to that stage).

Progress Reports

Whether the response is good or bad, I believe you should be aware of what steps are being taken to market the home on your behalf, and to report feedback from other Sales Associates and buyers who have viewed the home.

There are many other specific marketing activities that may be undertaken. I will review these with you so you have a good understanding of the process to be followed.

The Real Estate Listing

When you list your home, you are entering into an agreement in which you give me, as your RE/MAX® Sales Associate, authority to act as your Sales Associate in offering your property for sale or lease, according to the terms and conditions set out. The listing agreement sets out details on the property to be sold and the commission to be paid.

The listing agreement gives RE/MAX® the authority to distribute listing information to members of the Multiple Listing Service (MLS® if applicable).

The listing provides that you will allow showings to prospective buyers during reasonable hours and for a sign to be placed on the property.

You will be asked for documentation on taxes, surveys, title and mortgage information. The agreement allows me to obtain this information if you are unable to provide it.

The Agreement provides for a circumstance where your listing has expired but a buyer who saw your property while it was listed comes to you with an offer to purchase the property. You should be aware that the MLS Agreement (if applicable) has a "holdover" clause, which provides that if a buyer who was introduced to the property during the time it was listed buys the property after the listing has expired, you will still owe a commission. The reason is the buyer would not have known about the property without the marketing activities provided by RE/MAX®.

Some items on the property such as water heaters or water softeners are sometimes provided on a rental basis. If this is the case, we need to indicate this on the listing and exclude the items from the purchase price. The buyer should be asked to assume the rental.

Finally, the agreement sets out an expiry date. Please read the listing agreement carefully and ask any questions you may have.

The Buy or Sell First Dilemma

Why You Should Sell First

There are compelling reasons why selling first is the correct decision. It will often save you thousands of dollars.

By selling first you are under no pressure to accept a lower offer because you want to finalize a purchase.

Buying "Subject to the Sale"

When your purchase a home subject to the sale of yours, you can expect the seller to make you pay a premium. The seller wants a final sale on their home. A cash offer (or offer not subject to financing or where the buyer has been pre-qualified) will often be accepted for a lot less money because it gives the seller closure on his sale. It is in fact more valuable than a "subject to" offer. The "subject to" offer often deters other buyers because the home is conditionally sold. The seller, therefore, wants a premium for making his home less salable. This premium can be thousands of dollars. By having your home sold first you are in a position to write a "clean" offer.

If you buy a great home at a great price "subject to the sale", chances are other buyers will want to buy it too and you stand to lose it to a cash offer coming later. This is another reason why you want to sell first.

But What if I can't find a House?

This is an often asked question and we can answer it this way. Every year hundreds of families move with only 2 or 3 days to find a home. You will have a lot more time than that!

You will find there are many homes listed at any given time so there will always be homes to choose from. You will know how much you have to spend and may even have more to spend because of your decision to sell your house first.

Title Representations

It is important that your title and the disclosure of any easements, encroachments and building restriction violations be represented correctly to prospective buyers.

A title search may be ordered as it will show active title charges that will stay on the title and appear in the buyer's new title after closing - caveats for easements, zoning agreements, encroachment arguments, building restrictions, right of way agreements, leases, option to purchase, etc. If you know of any charges (often these can be found in the solicitor's reporting letter when the property was purchased) you should provide them.

Building Location (Survey) Certificate

A copy of your survey or building location certificate should be provided. This can help identify encroachments and confirm house and lot dimensions. Please advise if any structures have been erected since the certificate was completed.

Any air conditioning units in the side yard, decks close to side or rear yards, garages or carports within the front, side or rear yard restricted areas which have been erected since the date of the survey should be noted. If a new building location certificate and zoning memorandum have not been prepared since these items were constructed, you may have to obtain a new survey and zoning memorandum to be satisfied the property

is in compliance. If it is not practical or desirable for you to obtain one at this point, the possibility exists that the buyer may detect non-compliance after a new survey and zoning are obtained. This puts you into a state of uncertainty because, depending on the circumstances, if a variance is required but cannot be obtained, the buyer may choose to rescind.

Zoning Memorandum

A zoning memorandum will identify any non-compliance with front, side and rear yard restrictions and also determine if the property is subject to any existing zoning variance or tolerance.

Tax Statement

This identifies any encroachment licenses and fees in addition to property tax information.

Seller's checklist to start marketing process

Please provide me the following items as soon as possible

Documents

- ___ Evidence of Title
- ___ Building location (survey) certificate
- ___ Most recent property tax bill
- ___ Mortgage document
- ___ Lender's name, address, phone, contact person, mortgage account number, and present balance.
- ___ If there are other loans/mortgages against the property, supply same information as above.
- ___ If property is held in trust, provide name of trustee, trust account number and contact information.
- ___ Your lawyer's name, address and phone number
- ___ House keys

For Condominiums or semi-detached homes

- ___ Association Declaration and By-Laws
- ___ Current Financial Statements
- ___ Party-wall Agreements

Create a Good First Impression

It pays to make your home as appealing as possible - give it "curb appeal" - to attract prospective buyers once they notice the "for sale" sign on your property.

- Keep your lawns neatly trimmed and edged during the spring, summer and fall. The driveway and paths should be kept clear of snow and ice in the winter and free of leaves, mud and litter at other times of the year.
- Trim trees and shrubs to get rid of overhanging branches that might obscure a potentially good view of your home, or the pathways leading to the front door.
- Turnover and weed your flower beds. If there is little color in your front garden, make a splash with a display of inexpensive annuals. Flower boxes, wooden tubs and clay and plastic pots can also be filled with flowers and small shrubs and displayed in the yard or by the front entrance
- Bird houses and feeders, dried-flower wreaths and hanging baskets on the front porch can give your home "country" curb appeal.
- Keep your porch, driveway and front yard clutter-free. Remove garbage and recycling bins as soon as possible after pickup, and avoid any build-up of junk mail in your mail box.
- Try to keep the driveway free of bikes and children's toys. If the driveway is badly damaged, doing a few repairs would be beneficial.
- Repair or replace broken steps or walkways. You might be used to the uneven paving or rickety stairs outside your home, but they are unsightly and could be hazardous to visitors.
- Your home's roof, chimney and exterior should look sound and well-cared-for. Freshly painted woodwork is often well worth the time and money invested in it.
- If painting is unnecessary, your home will still benefit from a good spruce-up. Wash down window frames and clean your windows to make them sparkle. Scrub the front door and polish the house numbers, mailbox, door knob and knocker.
- Open blinds and curtains or shutters to give your home an inviting, welcoming look. In winter months, keep inside and outside lights on and during the rest of the year turn on interior and porch lights at dusk.

Preparing your Home for Sale

When your house is up for sale, it is often more than just the purchase price that will make or break a deal. Yes, price and location are major factors, but the last piece of the puzzle involves making your home look

its very best and presenting it as a desirable place to live.

Preparing your home for sale requires that you ask yourself one simple question: "What can I do to make my home and property as appealing as possible to prospective buyers?"

Most of the time, you will not need to make major renovations; a few minor repairs and a thorough cleaning are usually all that is required.

Inside

Clean up the Homestead

Virtually all buyers are on the lookout for one thing - a clean house. Many will simply walk away if a home looks not cared for; at the very least, an untidy home will fetch a low selling price. Start with a tour of your home and note every opportunity to remove clutter and dirt. Clean rooms not only show that your house has been well maintained, but make closets and living areas look roomier. Remove all personal items.

Basements, garages and storage sheds may be out of sight to you, but to potential buyers nothing spoils a first impression like a basement full of boxes and dust, or a garage that smells of years of old oil and exhaust fumes. Don't spare the elbow grease. Even if it takes a couple of days to get rid of the clutter and dirt, it will be well worth it if it helps sell your home at a better price.

The two most important rooms in a buyer's mind are the kitchen and the bathroom, so pay particular attention to these areas. They should be spotless and shining.

Making Repairs

There are certain items that must be repaired if there are problems. A leaky roof, for example, must be fixed. Any electrical problems will have to be addressed. Furnaces, water heaters and plumbing also fall into this category.

Others may not need major repairs, but will need attention. These can include leaky faucets, holes in window screens, any broken glass, broken door knobs or cupboard handles, and just about anything else that doesn't work or look as it should.

This brings up the issue you may have been avoiding: painting. If some of your walls are too dirty to come clean with a thorough washing, you may want to consider a paint job. You don't have to go overboard, but obviously yellowed or stained walls should be refurbished. This task may be the least enjoyable, but it will pay big dividends in your house's ability to sell.

Wallpaper is another concern. If the pattern is outdated or frayed and peeling, you should replace it or remove it. Carpets and area rugs should also be clean and in good repair.

To Renovate or not to Renovate

Usually, most renovations don't translate into an increase in selling price of more than the cost of the renovations themselves. Painting, wallpapering and modest landscape improvements usually recover their costs, but major projects such as new patios, decks or additions rarely do.

Outside

The House

Take a close look as you walk the property. Clean anything that looks unkempt or dirty; repair or replace anything that looks loose, dingy, rusted or broken. Make sure the door bell works. Replace a tired-looking mailbox; clean the exterior light fixtures and wash the windows. Try to spot hanging or rusty gutters, loose shingles or shutters.

The Yard

Mend the fence, fix the gate latch. Pick up litter. Consider a landscaping/lawn service.

Outdoor Furniture

Examine and spot paint your outdoor furniture. If it's rusty or un-repairable consider disposing of the pieces.

Front Entry

It's the first thing your buyers see as they stand and wait for the door to open. It's worth the extra effort to spruce it up.

The Garage

The time has come. Discard virtually everything in the garage that hasn't been used for a year. Wash it down.

Think in terms of a home that is sparkling clean, uncluttered and spacious. Think in terms of making your home a show home.

Preparing Your Home for Sale

The following checklist will give you an idea of what should be done to your property so that it looks its *best*.

Basement, attic, garage

- Clean out attic, basement, and garage and dispose of everything you are not going to move. Package everything you won't need until you're settled in your new home.
- Make sure there is plenty of light on the stairs to the basement.
- If your basement is dark and gloomy, paint ceilings and walls light color.
- Repair cracks in the basement floor with ready-mixed concrete.
- Vacuum garage floors and rafters.
- Stack items neatly against walls to look larger.

Kitchen

- The kitchen is the most important room in the house. Make it bright and attractive. If dull, paint cabinets, put up perky new curtains.

- Clean the ventilating hood, stove, microwave and refrigerator in the kitchen.
- If the kitchen floor is badly worn, put down new flooring. If a single tile is loose, apply heat to the tile with an iron covered with a soft cloth, to soften the adhesive - then replace the tile.
- Remove any appliances that you keep on your counters, like a toaster, coffee-maker, can opener. Clean counters make the room look larger.
- Leave a luscious smell in the kitchen (i.e. vanilla, cinnamon, apple, etc.)

Bathroom

- Repair dripping faucets.
- Keep fresh towels in the bathroom.
- Use special cleaning products to remove stains from toilets, bathtubs, and sinks; keep sinks and mirrors shining.
- If sink and bathtub drain too slowly, unclog them.
- Keep a solid deodorizer in the bathroom area.
- Replace old caulking around bathtubs.

Living areas

- Have all plaster in top shape. Cracks (or nail-pops, visible seams in dry walls) are easy to fix.
- Check ceilings for leak stains. Fix the cause of the damage, repair the ceiling and repaint.
- In painting and re-decorating, stick to conventional white and easy-to-work-with neutrals.
- If you have a fireplace, clean it out and lay some logs in it to make it look inviting.
- Wash windows and replace any broken glass; make sure all windows will open and close.
- Replace burned-out light bulbs. Use brighter bulbs.
- Be sure every light switch works.
- Make the floors shine - clean and/or wax floors. Fix creaking boards or stair treads (drive two long finishing nails at opposing angles through the floor and sub-floor into the joist).
- Straighten up the closets - get rid of excess - store out of season clothes so closets look larger. Use room deodorant to eliminate musty odors. Lubricate any sticky or squeaking doors.
- For doors that stick slightly, rub a block of paraffin against the surface that shows signs of wear.
- For sliding doors that stick in their tracks, rub the tracks with paraffin or candle wax.
- Have carpets shampooed.
- Remove out of season clothing from closets.

Outside

- Invest in landscaping where it can be seen at first sight. A well-manicured lawn, neatly clipped shrubbery, cleanly swept walks create a good first impression.
- Cut back over-grown shrubbery that looks scraggly or keeps light out of the house.
- Paint your house if necessary. This can do more for sales appeal than any other factor. If you decide against painting, at least consider painting front shutters and window frames.
- In winter, walks should be free of snow and ice.
- Inspect the roof and gutters. Are there any missing shingles to replace?
- Consider putting flowers outside the front door.
- Repaint the front door. Repair broken outdoor steps.

- Keep lawn closely cut and edged.

Preparing for a Showing

Homes tend to sell more quickly and for higher prices when they show their best. We're also aware that it can't always be perfect. Develop a routine that will allow you to pick up and be prepared to show in a reasonable period without duress.... a 45 minute countdown, for example. This means that certain things must be done in advance. For example, beds should be made up first thing in the morning and dirty dishes placed in the dishwasher after use. This way you can prepare for each showing in an organized, un-hassled routine. Before each showing:

Pick-up Every Room

Check counters, floors, halls and stairs. Straighten up or remove newspapers, magazines, mail, toys, clothing, recreation gear, glasses and dishes. Neatness makes a room look bigger. Avoid clutter.

Turn on all Lights

Even those in closets and storage rooms. Lights have an amazing capability for creating an illusion of lightness, airiness and largeness.

Open all Drapes, Shades and Blinds

Do all you can to create a bright and light ambiance. The bedrooms - make up the beds, neatly and attractively, early in the morning.

The Kitchen

Be sure all counter tops are "squeaky clean". Wipe down appliances. Be sure all dishes are in the dishwasher or put away. The sink should be clear and clean.

Clean Air

Keep air fresheners in closets, bathrooms and kitchen.

Music, Music, Music

Soft, pleasant background music is appropriate.

Fireplace

A warm, cozy fire may be just the extra touch that turns the trick.

Air Conditioning

If the weather is warm and humid, have it operating.

The Bathrooms

Keep a set of fresh, attractive towels in each room that you can change instantly.

The Entryway

It's the first and last impression your buyers will have of your home - make it a good one!

Prepare well and set the stage to make the best impression on each prospective buyer.

The Showing

Everything is going to be fine. The Sales Associate has called in advance and you have made your last minute preparations as indicated in "*Preparing for a Showing*". The Sales Associate may have several home showings scheduled and he or she may be a bit early or late.

Pets

Keep Fido away. Pet lovers will be distracted by your fun pet. For those who do not have pets, it may be bothersome.

Ding-dong

Answer the door as you would for any welcome guest. The Sales Associate will take care of the introductions. If there is a situation that needs mentioning, perhaps a sick child in the second bedroom, do so now. You may invite the Sales Associate to begin showing the home then you may excuse yourself.

Low Profile

Discreetly remain away from the buyers. As helpful as you wish to be, your presence will be intimidating. They need to be able to discuss the home freely with one another. The Sales Associate needs to learn from the buyers how they are responding to your home. Your presence can limit that free communication.

What should you do?

Read a magazine; watch a TV program; take a walk outside; continue with a chore. Pick a room and settle down. When they stop to preview that room, you may leave, but it's not really necessary. After all, they don't want to feel that they are chasing you around the house. If there's a room that you should try not be in it would be the kitchen, since buyers generally spend more time there as they evaluate appliances, counter space, cabinets, etc.

Conversing with Buyers

If you are asked a question about the neighborhood, schools, etc., by all means answer pleasantly. However, avoid becoming engaged in a conversation. Questions regarding terms of sale should be referred to the Sales Associate. If the Sales Associate is a cooperating broker and does not have the answers, advise him or her that I, your Sales Associate, will contact him. As much as you love your home, don't be tempted into doing the Sales Associate's job. He or she has been working with the buyers and should know what is important to them.

Inclusions

The listing sheet should clearly identify items that are included and excluded in the offered property. Don't

initiate conversations about other personal property you may be interested in negotiating.

You've done all that you can. Now, relax as we do our job. Soon, I'll be calling you to say *"Congratulations....we have an offer to present to you."*

Open Houses

An open house may or may not be recommended for your home. This will depend on the particular marketing strategy devised, the amount of privacy you desire, the ability to conduct one without risk to contents etc.

Soon after your house is on the market, an open house may be organized for other sales associates, to stop by and check out the potential of matching your home to one of their buyers. An open house for everyone else is sometimes held on a weekend afternoon, when many buyers make a point of walking or driving around neighborhoods they are interested in.

Once we have decided on a date for an open house, there are a number of things you can do to make your property as attractive as possible to give the best first impression. Remember, first impressions are lasting impressions.

The Day of the Open House

- Try to find somewhere else to be during the open house - people are more comfortable looking around and poking into closets and cupboards when the owner is not present.
- Take your pets with you when you leave for the open house - they may intimidate or bother prospective buyers.
- Put all personal property like jewelry, money and medication out of sight and in a safe, secure place. Think about moving fragile items to less exposed areas to minimize the chance of breakage.
- Once you are sure you've done what you can to maximize your home's appearance, go on your way and let me handle the rest.

When it's Over

We inform you how many people attended and whether there was any special interest shown by anyone. Feel free to ask questions.

You may not have a flood of offers as a result of the open house, but it's very possible the eventual buyer first saw your home during the open house. Who knows - maybe it was the last minute re-arrangement of furniture, or the uncluttered look that caused the buyer to come back for a second, closer look. Whatever it was, an open house is usually worth the extra effort it takes to prepare for it.

How long does it take to Market a Property?

According to market conditions, the length of time it takes to market a house will vary. While some properties sell in just a few days, other may require several months. There are six factors that influence the time it takes to sell a property.

1. Competition

Every Buyer makes his decision about which home to buy, and how much it is worth compared to his other choices at the time of purchase. The supply of other homes the Buyer will compare with your home is constantly changing each week and month. The current competition always affects the buyer's opinion of your property and what he/she will think it is worth. So the question is, what will the buyer's other choices be at the time they are shown your property?

2. Financing

If the financing should cost too much, or if the seller requires more down payment than most people have, then the financing may delay or prevent the sale.

3. Price

If the property has not sold after a reasonable length of time but other similar properties have sold, then the price may need to be reduced. If this is true and the price is not reduced, a sale may be delayed or prevented.

4. Property

If the property should show poorly or have major defects which are not corrected, a sale may not take place until the defects are corrected or until the price has been adjusted to compensate for them.

5. Timing

Timing is the condition of the real estate market at the time of the sale. Supply and demand are the factors influencing whether it is a Seller's or a Buyer's market. Neither the seller nor RE/MAX® can change the condition of the market at the time the property is for sale. It must be accepted for what it is.

6. Marketing

At RE/MAX®, marketing techniques are constantly being tested and updated for best results. But even expert marketing has its limitations because marketing cannot overcome any of the first five factors if they are out of balance and remain uncorrected. We will supply you with a constant flow of updated information which will help you determine the marketability of your property.

Chattels and Fixtures: What are they?

If you are thinking of selling your home, you may be wondering whether you should take the custom-made window coverings with you, or whether that entertainment unit you had specially made for your family room should be sold with the house.

Undoubtedly, these items may be hard to part with. On the other hand, they will probably make your home much more attractive to potential buyers if you include them in the sale. In fact, it is quite common for sellers to include some items that would normally be considered as "chattels" - such as drapes and appliances - in the sale of their homes as an extra incentive to buyers.,

Simply stated, *chattels* are things that can be removed from a property because they are not attached to the walls or to the property. *Fixtures*, on the other hand, are things that are attached to the property - things like light sockets, a hot tub or electric wall heaters.

The law is not always crystal clear about what is considered a fixture, but your RE/MAX® Sales Associate will help you decide and clarify what you want to include in the sale of your home.

Special Circumstances

There may be special circumstances where something that might ordinarily be considered a fixture is not to be included in the sale, like the antique crystal chandelier you had imported from France. Make sure this is clearly stated in the listing agreement and, more importantly, in the offer to purchase. If you are careful to note things you wish to exclude in the listing, other Sales Associates will be in a better position to point out the various items that are not included in the sale to their prospective buyers before they even make an offer.

Remove from Sight

If you are absolutely certain you want to keep certain items, you may even want to remove them from your home before you put it up for sale. That way, potential buyers will not see them, fall in love with them and insist they be included in the sale.

Describe Items to be Included

Items to be included should be described along with their location in or on the property.

Chattel or Fixture - Tests

A number of tests have been developed by the courts to decide whether an article is a chattel or a fixture, but the difficulties in applying the tests to specific articles continue.

1. An item unattached to property except by its own weight, which can be removed without damage or alterations, which will not require repair to the fixture or land to which the item is attached, is a chattel. A walk-in freezer, or a large item built inside a structure that cannot simply be taken out of a door or window is a fixture, unless it can be removed without damage or alteration to the premises. Removal or replacement of a door jam or window would not constitute damage or alteration.
2. An item such as a telephone, toaster, or computer that can be removed by merely taking the plug out of the outlet is a chattel, while the electrical outlet, telephone or computer jack attached to a wall is a fixture.
3. An item that cannot be unplugged and which is attached even slightly so that it requires the, "removal of screws, nails, bolts, detachment of plumbing or the cutting or capping of hardware," is a fixture.
4. If a piece of equipment which is attached to a structure can be removed, but would be useless in its separate state, then it is a fixture. Conversely, if it could be removed without damage or alteration and could be used even though not part of the structure to which it was attached, then it will be a chattel.

5. Pictures hanging onto the walls suspended by their own weight by a hook, a television set or stereo speakers mounted upon brackets attached to the wall are chattels. The nail or bracket is the fixture.
6. An item that is a fixture, but which is shown to be a tenant's fixture, can be removed during the tenancy, "provided that the tenant leaves the premises in exactly the same condition as he or she received them."
7. It is only in exceptional circumstances not covered by these rules that the purpose for which the object is affixed to property be examined.

Examples

Fixtures - The electrical unit of the garage door opener, although it could be unplugged, it could not easily be removed from the brackets holding it and, in addition, was attached to another portion of the garage door opener. By itself it would be useless. (Rules 3 & 4) A display shelf attached to wall by screws, because the removal of the screws would damage the wall. (Rule 3) A Jenn-air cook top on a range which was built onto a counter top, was an essential part of the range. (Rule 4)

Chattels - A built-in Frigidaire convection oven, because it could be removed by unplugging it from the electrical outlet. (Rule 2)

When an offer is made

Three Options to Consider

1. Accept the offer exactly as presented...and your home is SOLD.
2. Make a counter offer - Propose changes to the offer, i.e. price, personal property, closing or possession dates, etc. so it is acceptable to you. It must then be acceptable to the buyer.
3. Reject the offer.

Delivery of the Contract

A copy of the finalized contract will be delivered to both buyer and seller by their respective real estate Sales Associates. All pertinent legal documents are delivered to your lawyer.

Finalizing all Conditions

If the contract states financing will be provided by a lender, it is the buyer's responsibility to make an application for the mortgage loan as soon as possible. The buyer will have a set number of days to procure the loan, as stated in the contract. The lending institution will verify the buyer's credit, work records, and determine his/her ability to meet the monthly obligations.

Since the buyer's mortgage loan is to be secured by the house itself, the lending institution may assign an

appraiser to visit your home to determine its value is enough to secure the loan they are making to your buyer. When all the information is received, the mortgage loan underwriter will either approve or disapprove the loan.

After the loan is approved, more legal work is necessary, though you will have very little involvement. The land title will be searched, title insurance will be ordered and an updated survey of the property may need to be ordered. If the property is a condominium, your Association may have to be contacted.

The Offer may be subject to any one of a number of inspections satisfactory to the buyer. An appointment will be set up through our office.

Keys will be delivered to the buyer at possession.

Lawyers and the Real Estate Transaction

Anyone who has ever bought or sold a house will tell you there is an amazing amount of paperwork involved. Once you put your signature on any of the many documents you will be presented with, you are legally bound to honor whatever obligations and conditions that particular contract contains.

So do you need a lawyer in a real estate transaction? The better question might be "can you afford **not** to have one?" With a good lawyer on your side, you will be able to make sense of the legal jargon that turns up on every page. You will also have someone to take care of every time -consuming step or complicated issue involved in completing the deal, as well as someone to look after and protect your particular rights and interest.

How do you go about finding a lawyer? If you don't already have one, probably the best way is to ask around - friends, family and business acquaintances - for recommendations. Question your prospective lawyers about their experience with real estate transactions and also discuss their fee scales and the services they will provide for the money they charge.

When *selling* a house, a lawyer will:

- Gather all necessary documents to complete the transaction and transfer the title to the new owner;
- Let the buyer's lawyer know that your mortgage, if there is one, will be paid off - or "discharged" - with the proceeds from the sale, and obtain a statement of the outstanding loan balance at the closing date from your lender.
- Draw up a statement of adjustments that itemizes proceeds from the sale and shows how they will pay off all the costs involved in that sale. He/she also distributes the money to pay off these costs and discharges your mortgage from the property title. Any money left over is money you have made from the sale and your lawyer will write you a check for the net amount; and
- Arrange to file all the paperwork necessary to transfer the property title.

You can see why it is so important to have a lawyer on your team when selling a home!

The Cost of Selling

Legal Fees and Disbursements

The difference between legal fees and disbursements is analogous to the parts and labor you pay when getting your car fixed. The mechanic is paid for his labor (fees) and is reimbursed for the parts which had to be bought (disbursements).

Real Estate Tax Adjustment

A seller or buyer of a property pays taxes for only the portion of the year that they own the property. If possession date is October 1, the seller pays for 9 months and the buyer pays for 3 months. If the seller has not paid the tax bill, he will be responsible to pay his portion of taxes to the buyer. But if he has already paid the whole tax bill, he will be entitled to a refund credit from the buyer.

Home Improvement Contracts

These represent improvements made under government programs which are paid over time through hydro or gas bills. They must be paid out on a sale of a property and cannot usually be transferred to a new owner.

Mortgage Balance

The actual balance remaining on an existing mortgage must be paid at the time of sale by the seller's lawyer.

Mortgage Penalties

Depending on the type of mortgage, a penalty may have to be paid to the mortgage company for discharging the mortgage before the term is up. This penalty may be 3 months interest or it may be an Interest Rate Differential or loss of interest to the lender in respect to the prevailing interest rate as of the date the mortgage is paid out.

Mortgage Tax Account

Where the seller has been paying his taxes with his mortgage, he/she will generally have a pool of funds to his credit. However, if the seller is purchasing another home, these funds will be needed for the tax account on the new property.

All of these items must be considered when a seller tries to determine the equity of the net sale proceeds that he will receive from the sale of his home.

Estimated Seller's Proceeds

Date:

Prepared for:

Selling Price: \$

Approximate indebtedness:

First Mortgage balance \$

Second Mortgage balance	\$	
Other charges on title	\$	
Total mortgages	\$	
Estimated expenses:		
Legal fees	\$	
Property taxes	\$	
Mortgage penalties	\$	
Property taxes	\$	
Real estate commissions	\$	
Repairs and fix-up costs	\$	
Other expenses	\$	
Total estimated expenses	\$	_____
Seller's estimated proceeds		\$

The above figures are only an **ESTIMATE** and because of changes in interest rates, closing delays, price terms, etc., these figures are not intended to represent exact closing costs.

Moving Tips Checklist

Send change of address to (or stop services for):

- Post Office: Give forwarding address.
- Charge accounts, credit cards.
- Subscriptions: Notice requires several weeks.
- Friends and relatives.
- Bank: Transfer funds, arrange check-cashing in new city.
- Insurance: Notify new location for coverage: Life, health, fire, auto.
- Automobile registrations: Transfer of car title registration is necessary; also driver's license; motor club membership.
- Utility Companies: Gas, electric, water, telephone, cable company, arrange in new town for immediate service, obtain deposits, arrange meter readings
- Route men: Paper boy, changeover of services, milkman.

- School records: Ask for copies of transfer of children's records.
- Medical, dental, prescription histories: Ask doctor and dentist for referrals; transfer needed prescriptions: eyeglasses, X-rays.
- Church, club, civic organizations: Transfer memberships; get letter of introduction.
- Pets: Ask about regulations for licenses, vaccinations, tags, etc.

And don't forget to:

- Empty freezer: plan use of foods.
- Defrost freezer-refrigerator: Place charcoal to dispel odors.
- Have appliances serviced for moving.
- Call the cable company and/or leave satellite equipment.
- Clean rugs or clothing before moving.
- With your moving counselor, check insurance coverage, packing and unpacking labor, arrival day, various shipping papers, method and time of expected payment.
- Plan for special care needs of infants.
- Keep file of vital papers.
- Get estimates from moving companies, select, confirm date and decide who will pack
- Start sorting. Decide on what to move, what to sell, give away, discard.
- Inventory possessions. Photo or video records are ideal.
- Pick up personal items e.g. dry cleaning, goods in for repair, loaned
- Return borrowed items, library books.
- Pack separately cleaning supplies, hammer, nails, first aid kit, flashlight and batteries, toiletries, toilet paper, tape measure, screwdriver, cloths, soap, scissors etc. to take with you.
- Save telephone book from your former residence esp. if moving to new city
- Children's games and activities for the trip.
- Plan meals, snacks etc.

On moving day:

- Carry currency, jewelry, carry documents yourself; or use registered mail.
- Plan for transporting pets; they are poor travelling companions if unhappy.
- Ensure funds available for moving expenses and services.
- Let close friend or relative know route and schedule you will travel including overnight stops; use him as a message headquarter.
- Double check closets, drawers and shelves to be sure they are empty.
- Leave all old keys needed by new tenant or owner with me or lawyer.

Frequently Asked Questions

Can I sell my house myself?

Some people believe they can save a considerable amount of money by selling on their own. They look at the average commission on a house, and remember stories of friends or relatives who managed to get through the process with seemingly little trouble. It can be done, they say - so why can't I?

A small percentage of homeowners handle their own sales. But in order to join the ranks of the successful ones, you need to realistically assess exactly what's involved. The routine parts of the job involve pricing your house accurately, determining whether or not a buyer is qualified, creating and paying for your own advertising, familiarizing yourself with enough basic real estate regulations to understand (and possibly even prepare) a real estate contract, and coordinating the details of a closing. The greatest downsides are the demand on your time, and the possibility that a mistake may cost you the money you're trying to save.

The best reason for working with real estate brokers is the enormous amount of information they have at their disposal - information that can help make your house sell faster and easier. Professionals know about market trends, houses in your neighborhood, and the people most likely to buy there. They also know how to reach the largest number of people who may be interested in your house, and are trained in areas like screening potential buyers and negotiating with them. Finally, they're always "on-call", and willing to do the things most of us hate: working on the weekends, answering the phone at all hours, and always being polite about it.

What is the MLS, and why do I need it?

A Multiple Listing Service, or MLS (if applicable), makes it easier to reach a large number of prospective buyers and dramatically increase the property's exposure. This is a Sales Associate's best resource for finding his buyer a home.

Quite simply, it's a system under which participating brokers at the Real Estate Board agree to share commission on the sale of houses listed by any one of them. So, for example, if you list your house with one broker and another actually sells it, they split the commission. The advantage to you is clear: more people have an interest in selling your house and your home is exposed to many more buyers since Sales Associates have access to the largest buyer pool available.

What makes a house sell?

An entire book could be devoted to answering this question. But to be as concise as possible, a successful sale requires that you concentrate on five considerations: your price, terms, condition, location, and market exposure. Since you can't control all of them, you may have to overcompensate in one or more areas to offset a competitive disadvantage in another.

How do I price my house?

In a single word, realistically. See the section further on about the criteria that professional appraisers use to value a home. Today's residential real estate market is no place to look for easy profit. That's not to say you can't get what your house is "worth"... you just get what it's worth today! You have to be realistic about its value, and price it accordingly. A good place to start is by determining the fair market value.

What is "fair market value," and how do I determine mine?

Simply put, the fair market value of a house is the highest price an informed buyer will pay, assuming there is no unusual pressure to complete the purchase. It is usually not the asking price. To get an estimate of fair market value, call me and ask for a free Competitive Market Analysis (CMA) of your house. The analysis will give you a realistic figure based on the most recent and relevant transactions in the local real estate market.

What's the difference between fair market value and asking price?

Generally speaking, the owner's asking price - the advertised price of a house when it goes on the market - is set 3-5% above estimated market value. You can assume that some negotiation will be necessary to reach an agreement with a buyer. However, too large a variation in price above market value will result in reduced showings and typically only "bottom fishing" offers.

Why couldn't we just try it for a while at that price?

Homes that are overpriced will not sell and will end up becoming stagnant on the market. The longer your house sits on the market, the less interest it will generate. Potential buyers start to ask, "What's wrong with this house? Why hasn't it sold?" Reducing the price later does not generate nearly as much new interest as a new listing does, and it contributes to the stigma that there may be something wrong with it. This can also weaken your negotiating position once you do have an offer.

Who can help me determine the right asking price?

Sales Associates suggest asking prices based on a variety of information you may not have at your disposal, including recent listing and selling prices of houses in your neighborhood. If you're not completely confident in their suggestions, you may want to order an appraisal.

Next, establish clear priorities. If you had to choose, are you more concerned with selling quickly, or getting the most money possible? Do you think the Sales Associate's suggested asking price is reasonable? What would you pay for the house if you were the buyer?

Someone else - a neighbor, friend or relative - may point out advantages or disadvantages about your house that you hadn't thought about. Third-party views will help you start thinking of your house as a commodity, with positive and negative selling points. Then you should decide on a price that you feel is competitive and consistent with what other houses in your area have sold for.

How flexible should I be about the asking price?

Most buyers also leave room for negotiation when they make an offer. Thus, a certain degree of flexibility is usually called for on the part of both the buyer and the seller. A range of 1-2% above the mid-point of your property's market value range is often best!

While it is ultimately your decision to accept or reject an offer, or present a counter-proposal, a good Sales Associate can be of great assistance to you during the negotiating process. In fact, negotiation is one of the most valuable skills a Sales Associate can offer you.

As negotiations proceed I will advise you of your options in responding to each offer from the buyer. A cool, rational manner, in what is often a long, emotionally-charged process, will usually net you a significantly higher price.

Should I select a Sales Associate based on their suggested selling price?

It is tempting to work with a Sales Associate that pacifies or flatters you with the price you want to hear, but don't be fooled. These Sales Associates will end up doing you a disservice in making your home a non-productive listing.

When is the best time to list a house for sale?

As soon as you decide to sell it! If you want to get the best price for your house, the key is to give yourself as much time as possible to sell it. More time means more potential buyers will probably see the house. This should result in more offers; it also gives you time to consider more options if the market is slow or initial interest is low.

Is there any seasonality to the market?

Peak selling seasons vary from year to year in our area and weather sometimes has a lot to do with it. But keep in mind that there are also more houses on the market during the prime seasons, so you'll have more competition. So while there is seasonality in the real estate market, it's better to time your sale based on your needs and not market predictions.

What about market conditions - price trends, interest rates, and the economy in general? Should they have any bearing on when I list?

Probably not. Even if you're under no pressure to sell, waiting for better market conditions is not likely to increase your profit potential. Real estate industry analysts don't foresee a return to the "boom" market of earlier years any time soon; they're also likely to tell you it's possible to sell your house in any kind of market, provided it's effectively marketed. Again, it's better to time your sale based on your needs and not market predictions.

How long should it take to sell?

Average listing times vary from 30 to 180 days, according to market conditions in a particular neighborhood, type of property and price range; and of course, price, terms, condition, location and exposure play an even greater role. Selling in any market is easier if you keep time on your side. Most professionals will tell you that allowing yourself at least three to four months of listing time will put you in a position to get a better return from their marketing efforts.

Should I make any major home improvements?

Certain home improvements are useful to almost everyone and have been proven to add value or speed to the sale of houses. These include building a deck or patio, basement finishing, some kitchen remodeling (updating colors on cabinets, countertops, appliances, panels, etc.), and new floor and/or wall coverings, especially in bathrooms. However, professional renovators have found that, no matter how much you improve any given house, you're unlikely to sell it for more than 15% above the median price of the other houses in your neighborhood, whether you do \$1,000 worth of work or \$50,000. That's why you might

want to ask your Sales Associate's opinion about the viability of recouping the cost of any major renovation you have in mind before you start the work.

Should I do the work myself?

You know your talents best. But be warned that it's not a good idea to engage in larger jobs involving mechanical systems (heating, electrical, plumbing, etc.) or work that must meet local building codes, unless you're licensed to do so. Your efforts could make you responsible for more than you realize if something you worked on goes wrong after you sell.

Am I liable for repairs after the offer has been accepted?

In certain situations. If the purchaser's building inspection reveals major problems with your house's structure or mechanical systems (heating, electrical, plumbing, etc.), the buyer may wish to negotiate the price downward on the basis of anticipated repair costs. So even though the repairs won't be made until after the sale, practically speaking, you do pay them.

Sometimes, repairs may be required before the transfer of the title takes place. This is especially true in sales that involve financing that's insured or guaranteed by the government. You may have also heard about lawsuits involving vendors who failed to disclose major problems before the sale - like an addition to the house that wasn't built to code. That's another good reason to retain a lawyer or Sales Associate who knows as much about the condition of your property as you do. It's also a good idea to get the buyer's written acknowledgment of any major problems when you accept their offer.

How do I reach the right potential buyers?

Today, people are moving further and more frequently than they used to. The result is that the pool of potential buyers for your house is much larger and spread far wider than ever before, and the competition to reach them is fierce.

Real estate brokers have responded by developing increasingly sophisticated marketing techniques that define likely buyers, where to find them, how to reach them, and how to persuade them to buy one house over another. The fact is, virtually everything we've discussed up to this point, from pricing to home improvements, the Competitive Market Analysis to the "For Sale" sign in the yard, is part of a marketing process that's put into motion when you decide to work with a good broker.

Should we try to avoid being at home when the house is shown?

You should definitely try to be out of the house during any showings your Sales Associate has scheduled. If you do need to be home, don't "hang around" or follow them through the property. People often feel uncomfortable speaking candidly and asking questions when the current owners are present. You want them to feel as free as possible to picture your house as their "dream home" ... to relax, settle in and visualize their own furniture in every room.

I hope this Home Seller's Guide has helped clear up any questions or concerns you may have had about selling your home. More detailed information on the marketing plan would be discussed separately with a Comparative Market Analysis (CMA). My job is to make the selling process as easy as possible, and by doing so, to allow you to enjoy the excitement that goes with finding your next home.

