

Final Review

Rules

- A) Nothing New
- B) If yes then yes, if not then not
- C) High Speed - You've been there done that. Open your RAM

Listing Real Estate

- The number one goal of all Real Estate companies is to list and sell property
- Listings give brokers a message to bring to the market: *Something to Market*
- Listings create a Legal obligation between the broker and the seller
- Listings are where the price and commission is detailed
- Listings are the life blood of Real Estate

Prequalifying the Seller

- Prequalifying is all about: Who, What, Where When and Why questions
 - Who is the prospect: Single, Couple, Partnership, corporation etc...
 - What is their property: Size, condition, location, amenities, upgrades and flaws
 - Where are they planning on moving too
 - When do they need/want to be there
 - Why are they doing this: Job transfer, down size, need more space etc...

Pertinent Info about Sellers

- How much do they owe on the home
- Have they already purchased their new home
- Has the seller been involved in many transactions?
- Have they or do they plan on interviewing more than 1 agent
- How much do they think their home is worth
- What would happen if their home didn't sell
- What the owner likes and dislikes about their home

Comparative Market Analysis (CMA)

The CMA is a Report which describes the current market for real estate that compares to your prospects property and includes the following:

- Currently active listings in the area (the competition)
- Currently pending listings in the area (reflects the most recent activity)
- Sold listings in the areas which have sold over the past 3-6 months (States what homes actually sold for recently)

Valuable Information to Report

- Current market velocity: How many days, weeks, months of inventory is currently on the market i.e. # of listings/# of sales per week
- Comparable DOM (Days on Market)
- Current expires, cancels and withdraws: Demonstrates current market strength/weakness
- Sellers Net Sheet: How much will the seller get based on your information (Listing Price)

Know your Prospect

Knowing how to present to a prospect will increase your efficiency. How do they process information?

- Visually: Do they process information in pictures and graphics (People who need to see the information)
- Auditory: Do they process information by sound or vocal clues (I hear what you mean)
- Kinesthetically: Do they process information through feelings and emotions (I feel ...)

The answers to your prequalifying questions will give you a clue as to what type of person you are dealing with

The Listing Appointment

- Always be on time: This is a job interview
- Tour the home, preferably by yourself (like a buyer)
- Sit at a table: You need a flat surface to present your information and to review and sign paperwork
- Make your listing presentation: Should be scripted yet specific to the subject property

The Listing Presentation

- Start with you and your company: Track record, recent transactions, testimonials, references, and professional qualifications
- Present your marketing plan (how you're going to get their home sold)
- Discuss the CMA: How does their property fit into the market based on the CMA
- Establish a marketing price or expected sale price
- Explain the services that you will provide
- Ask for the Listing

Top Reasons Homes Don't Sell

- Price: This is the most common reason for a home not to sell. Buyers are ever smarter and recognize when benefits do not match price (a poor Value)
- Condition: Also stated in terms of price. If condition (Benefits) doesn't meet market standards then the price must be reduced (Value)
- Location: Again Stated in Price. Some locations are less desirable than others and value is created in the price
- The Agent: Ouch!

Servicing your Listing

- The job of the listing agent is to get the home sold. The activities that the agent takes make up the servicing plan
- Servicing your listing is your chance to show the market what you do
- Servicing your listings well creates opportunities for more listings
- Repeat and referral business are rewards for superior customer service

A Plan to Sell Your Home

Servicing your listing starts with a specific plan

- Take out a calendar and schedule the expected life of your new listing
 - When will you communicate with the seller
 - What day will the home go on the market
 - When will all of the inspections be completed
 - When will any upgrades/improvements be completed
 - When will the staging be completed
 - When will photos be taken and ready

Listing Calendar continued

- The Listing Calendar schedules the life of your listing
 - When will all of the property marketing materials be ready
 - What day will the sign be installed
 - What day will you have your office preview
 - What day will be the first open house
 - What day will be broker tour
 - When will all property disclosures be available
 - What day do we expect to listen to offers

Preparing the Home For Sale

- Pricing the Home is the most important step in preparing for a successful sale
- The Listing Disclosure Package including all required disclosures plus all 3rd party inspections should be completed prior to marketing the home
- Staging a Low cost/ high return way to enhance the value of the home

Staging your Home

This is the process of preparing the home to be presented in its best light

- Clean the entire home inside and out
- Paint where needed
- Remove all Clutter
- Remove all personal items, photos, knick-knacks etc..
- Remove excess furniture
- Rearrange furniture if necessary to enhance flow
- Landscape where necessary to enhance curb appeal

These small items generally return between \$3 to \$10/\$1 spent

Marketing your Listing

- Identify the properties best features and benefits.
- Create a professional brochure highlighting the properties best features and benefits through written word and photos
- Create an internet based marketing plan using specific property websites and social media
- Create Just Listed and Open House Invitation post cards to be hand delivered in the neighborhood

Steps to Selling your Listing

1. Hand deliver your Just Listed Card to the closest 250 neighbors
2. Hand deliver your “Open House” invitations to the same closest 250 homes
3. Have your office preview your new listing
4. Enter the Home on the MLS
5. Hold the Open House
6. Have the Broker Tour
7. Follow up with all inquiries about the property
8. Track any and all listing disclosure package downloads

More Steps to Selling your Listing

9. Schedule agent previews and showings
10. Maintain a plan to keep your marketing materials for the home getting disseminated
11. Contact all active agents in the area about your listing
12. Prospect neighbors asking if they know anyone who would like to move into the area
13. Prospect neighborhoods/demographics which are likely to move to your neighborhood

Open House

Open Houses are a great way to meet the neighbors (possible sellers) and prospective buyers. Holding them well is important to your success

- Invite the neighbors
- Know the neighborhood market (study)
- Use many open house signs
- Greet all people personally (No TV ever!)
- Have nice music playing softly in the background
- Have a Guest book
- Escort the prospects and be sure and ask qualifying questions: How long have you been looking, what are you looking for, Does this home fit your needs, etc..
- Always follow up with everyone who leaves their contact information

Buyer Representation

- **Buyer Single Agency:** The buyer agrees to work exclusively with an agent for a specific period of time. (Commission may be paid by the buyer entirely or in combination with the seller)
- **Dual Agency:** This is when an agent has a listing and the buyer asks that agent to represent them directly to the seller
- **No Agency Agreement:** This is the predominant relationship. The MLS system has created a market wherein sellers place their homes for sale, usually under Exclusive Listing Agreements, which provide for a commission to be paid to the selling agent (Buyer's Agent)

How to Find Buyers

- Prospect: When prospecting owners of property always be sure and ask if they would like to buy more real estate
- Adopt a Listing: Pick out your favorite listing and contact all of your Sphere of Influence and discuss the property asking if they know anyone who may be interested
- Always accept “Floor Time” answer the phone, and greet walk ins
- Hold effective Open Houses
- Creates lists of potential buyer prospects and contact them with your adopted listing
 - Newly Married Couples
 - High end renters
 - HR departments at local growing employers

Need to Knows when working with Buyers

- You must know the Inventory: Product knowledge creates confidence
- You must know the current financing market: rates, terms, and timing
- You must know your buyers (The internet has changed everything): are they preapproved, what are their expectations, how soon do they want to move

Important Questions to Ask Buyers

- How long have you been looking for a home? Buyers are shopping on the internet, and may have even visited a few open houses
- Have you been preapproved for a purchase of a home yet? If not start here, if so, ask them to send you a copy (Creates price range)
- What do you want/need in a home: A thorough checklist will help identify the difference between need and want (See page 332-333 of your book)
- Where do you want your home to be? Schools, Job, shopping, transportation etc...
- When is the best time to show you homes? Realtors have access to homes at many more times than buyers, use this to set appointments outside of the busy weekend times
- If you found your perfect home today, are you in a position to act now to purchase the home?

How to Show and Sell Homes

- Carefully design your tour with homes that fit the buyers parameters
- Preview every property and tour path before showing to your buyers
- Chauffer your buyers whenever possible from home to home. This is a great time to discuss each property
- Never show more than five properties but three properties is preferred
- Listen to your buyers as they walk through the home, they will tell you whether they like it or not
- Encourage your buyers to take photos of homes or parts of homes they liked for later review
- Always end your showing tour with a quick recap meeting

Recognizing Buyer Signals

Motivated buyers exhibit many signals that they want to buy

- They ask questions about the home
 - Square footage
 - Age of the roof
 - Special features etc...
- They ask questions about the neighborhood
 - Schools
 - Shopping etc..
- They linger about the home or revisit each room
- They discuss the placement of their furniture and/or people
- They ask about the price and negotiability

Common Terms and Conditions

- Purchase Price: Support with market data
- Deposit: Usually 3% in California
- Down Payment
- Financing amount and terms
- Who pays escrow and title fees: Custom
- Contingencies: Conditions to closing
- Closing date or time frame

Common Contingencies

Many purchase agreements includes contingencies: “conditions to be met within a specific period of time”

- Financing Contingency
- Appraisal Contingency
- Disclosure Review Contingency
- Property Condition Contingency
- Title Contingency
- Sale of another home contingency
- And many more for commercial/investment transaction

Presenting your Offer

- Whenever possible present your offer in person to the seller and their agent
- Prepare a summary page of your offer highlighting all of the important terms
- Prepare a written statement of who your buyers are and why they love their home
- Include the loan preapproval letter (sometimes a direct call from the loan agent to the listing agent is helpful as well)
- Have all disclosures signed by the buyer
- Resolve any objections and ask for agreement if unresolved, encourage a counter offer and keep going