

REAL ESTATE AGENT SERVICES

for link and support information, go to: www.SayHomeSell.com



The Real Estate Agent

Your local real estate agent can be a valuable resource. Their services include:

- analyzing current sales and comparative markets
- setting price
- providing market materials: yard sign, flyers, etc.
- listing your house with MLS services
- tapping into the real estate network of buyers
- screening prospective buyers
- showing your home to prospective buyers
- negotiating contract terms with buying agents
- managing all contract offers / counteroffers
- assisting with closing and settlement
- other: as agreed to in the agent contract

- **There is a cost for this service:**

which averages 5-8% of the home closing price depending on your area and services rendered.

Most agent services require a 6-12 month contract. Make sure you understand the contractual terms before you sign. Avoid any lock-ins that bind you even in the event of unsatisfactory services.



Picking the Right Agent:

There are several ways to find an agent. Suggestions:

- Start with our Internet listing of brokers: www.SayHomeBuy.com/agent-sell.html
- Talk to your friends and family. If they have experienced good service from a broker or agent, they will be willing to share their name.
- Check the local classified ads.
- Look for names and phone numbers on yard signs.

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Once you find your agent, test them out by applying some basic principles.

Examples include:

- Does the agent return phone calls promptly?
- Does the agent show an interest in you and your needs? Do they work hard to estimate the best selling price for your home?
- Where does the agent work? Are there settings pleasing? When you visit the agent at the place of work, do the phone rings or are there other agents on the phone working. Idle phones or agents spells trouble.
- Does the agent spend time explaining the home selling process? Do they provide help sheets on getting your home ready to sell?
- View the agents past work, especially the Sales Sheet, the information that describes your home. This is going to be a big piece of your promotion to prospective buyers. It must look good.
- What other marketing materials does the agent provide — sign, take-ones, etc. Again, check their work for professionalism.
- Finally, check the agent's references. Talk to some other home sellers who have used their services.



Ask those relevant questions:

- How long have they been in operation? Ask to see a listing of comparable homes that they have sold in the past.
- Inquire about the homes they represent? Are they comparable to yours?
- How do they pay cooperating brokers who represent the buyer? Generally the cooperative split is down the middle. But if they pay a smaller percentage, other cooperative agents may not work with them.

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- What is their list-to-sale ratio? List-to-sale ratio is the difference between the list price of the home and the actual price. Compare this ratio with other real estate firms.

You want to avoid firms whose ratio is high — means that they generally price your home high (to win your business) but eventually lower the price to sell the home.

- Inquiry about the time from market to sale? This can vary by-home, by-neighborhood. But they should give you a true opinion on how fast they could possibly sell your home compared to other sales on the market.



Listing Agreement

The listing agreement is contractual agreement between the seller and broker giving the agent the right to sale your property for an agreed upon price.

Type of listings:

- **Open Listing** —

Seller sets up an agreement where they will list the house with as many brokers as they like.

The downside of the open listing is that brokers may not spend the time and commitment to market your home, unless it is a very strong seller's market and homes sell quickly.

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- **Exclusive Listing —**

Seller sets up an agreement where they will list the house with one brokerage firm. The broker will then do everything they can to sell the home.

The broker will place your home in the Multiple Listing Service network, where other agents in the area have your home information for buyers.

Under this agreement, the seller retains the right to sell their home on their own without the obligation to pay the realtor.

- **Exclusive Right to Sell —**

Sellers sets up an agreement where they list the house with one brokerage firm and the firm has the exclusive right to sell your home, regardless whether you sell it on your own or not — you must still pay the commission.

Broker's prefer this type arrangement and will work hardest to sell your home (full guarantee that they will get paid).



What Can the Agent Do

Here is a list of agent services. Get these services in writing before signing any contract:

- **Analyze Your Financial Situation:**

The agent should sit down with you and analyze your financial situation and goals. They should generate a Comparative Market Analysis Report (CMA) that shows the prices of comparative homes that have sold in your neighborhood.

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- **Price Your Home:**

They will help you define the price for your home based upon current market conditions. Your agent will know firsthand the strength of the market in your area.

If strong, the agent should recommend a premium. If weak, the agent should suggest a price that allows for negotiating room.

Be cautious about agents promising quick sales and high prices.

- **Market Your Home:**

This is the agent's greatest service. This is where the agent should do it's work. What's expected:

- provide professional yard sign with take-one box
- design the flyers that go in the take-one box
- list home in the "Multiple Listing Services" (MLS)

- MLS is a listing network shared among Realtors
- Agents use MLS to show homes to buyers.
- MLS available under an exclusive arrangement

- network with other agents who represent buyers
- advertise your home in select media
- assemble "house book" used during showing
- perform other marketing tactics to sell house

- **Screen Buyers:**

Buyers who express interest in your home will be screened by the agent:

- do they have the financials to buy the home
- have they been pre-approved for a mortgage loan
- does the home fit their needs
- can they close within specified times
- are they serious buyers
- other

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- **Arrange the Showing:**

Your agent will arrange and handle the showing. You just need to keep the home fit and clean.

- **Negotiate the Contract:**

Your agent will negotiate your contract with the buyer (or with the agent representing the buyer).

They will present your terms to the buyer and communicate any buyer offer and counteroffers. They are obligated to point out differences so that you and the buyer can negotiate in good faith. See our Step 4 for contract negotiations.

- **Help with the Inspection:**

Your agent will help you understand the inspector's report to keep it within contract specifications. See our Step 3 for inspection information and links.

- **Closing the Deal:**

Your agent can assist with closing and handling the settlement papers.



Agent Obligations

- **Total Confidentiality:**

Your agent must keep any conversation between you and the agent confidential. They may not reveal to the buyer or buying agent your reason for selling unless they are authorized to do so.

Note that you are obligated to reveal the working condition of your home. If you mentioned that the roof is collapsing, you cannot instruct the agent to keep it secret.

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- **Follow Your Instructions:**

Agents are obligated to follow your instructions. If you instruct them to list the house for \$200,000, they cannot list it as a lower price even if they feel it can sell quicker, or list it at a higher price because it might generate a higher commission.

- **Agents Work for You:**

The agent works for you. You are paying their bill. If the agent is not performing as expected, discuss assigning another agent with the brokerage firm.

- **Provide Disclosure:**

Your agent must disclose any information that the buyers says or thinks about your house, including any offer strategies.



Who Pays What:

- **Real Estate Commission:**

Brokers/Agents make their money by taking a percentage commission on the closing price of your home.

Example: if your home closes for \$150,000, and the real estate commission is 6%, you will be required to pay \$9,000 in real estate commissions.

- **Cooperative Brokering:**

There are two parties to a real estate transaction: 1) the seller; 2) the buyer.

In most real estate transfers, an agent will represent the seller and a different agent may represent the buyer. The commission in most cases will be split down the middle among the selling agent (\$4,500) and the buying agent (\$4,500). The fee paid to the buying agent is referred to as the cooperating broker fee.

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Type of Real Estate Professionals:

- **Brokers:**

Brokers are licensed by the state. They manage a group of agents who work with buyers and sellers in real estate transactions.

Brokers may be independently owned (many local companies) or operate as a franchise (many of the national real estate firms).

- **Sales Agents:**

Licensed by the state to represent buyers and and sellers in real estate transactions. Agents will work for a broker.

- **Discount Brokers:**

Type of brokers that will list your home for a flat fee regardless of your home sales price. However, you might need to pay a commission to a cooperating broker (one who represents the buyer).

- **Limited Services Broker:**

These brokers provide a menu of services that are priced separately. For example, you may require a MLS listing but nothing else (under a semi-broker/FSBO plan). Or you may require flyers, media services, etc. You pick the service you like and pay a flat fee for each.