

GRI Designation Core Course

Today's Seller

SESSION TWO

Lesson One

At the end of this session you will be able to:

- Identify the characteristics of sellers in today's market.
- Determine the qualities sellers look for in an agent.
- Discuss the primary objectives of the initial telephone conversation.
- Identify the components of a pre-listing packet.
- Determine whether a one-step or two-step appointment is suitable for your business.
- Understand the key components of a successful listing appointment.
- Identify the main objectives of a listing appointment.
- Discuss the most important topics to cover in a listing presentation.
- Learn how to properly research and determine the price of a property.
- Clearly defined and absorption rate and apply that within a listing appointment.
- Compare the REALTOR® Code Ethics to your firm's policies relative to changing your commission.
- Defend your values and your services when a seller ask you to cut your commission.
- Understanding the characteristics of why a seller chooses to sell their home as a for sale by owner.
- Be able to communicate to for sale by owners and explain how your services can be helpful.
- Establish a DRIP campaign to acquire for sale by owner sellers.
- Identify the six steps in securing an expired listing.
- Understand why a listing expires in the first place.

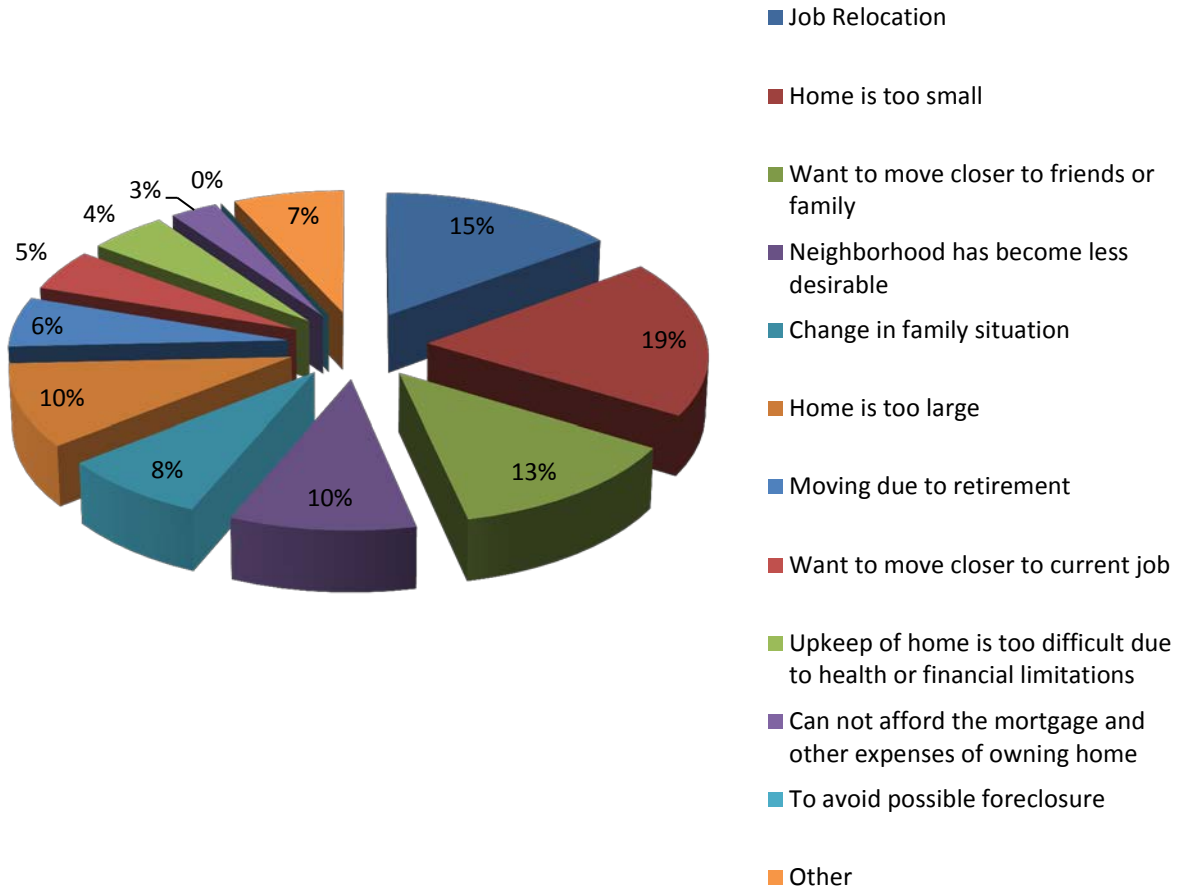
- Discuss how to prepare a home for show once it is listed.
- Understand how important staging is to the home showing and home selling process.
- Identify the benefits of a well photographed home in listing property.
- Discuss what to do and not to do when photographing homes agents are going to list.
- Develop a marketing plan for advertising a listing.
- Explain all of the marketing services REALTORS® have to offer during listing presentation.
- Weigh the advantages and disadvantages of holding an open house and decide if it is right for you.
- Discuss ways to market an open house.
- Discuss the benefits and features of a home book.
- Identify the importance of communication with the seller and status reports once the property has been listed.
- Determine the various methods for obtaining feedback on a listed property.

What Does A Seller Look Like Today?

The characteristics of a seller in today's market

Today's seller is 53 years old, is married with no children. The average annual income for a seller in today's market is \$97,500.

Primary Reason For Selling Previous Home



The majority of sellers (88%) are listing their homes with a broker, while 9-percent of sellers sold their homes themselves. The two primary reasons this 9-percent chose to sell their homes themselves; they did not want to pay a commission (37%) or they sold to someone they already knew (27%).

What do sellers want?

There are four qualities every seller looks for in an agent. A seller wants:

1. The agent to market their home to buyers.
2. The agents to price the home correctly.
3. The agent to help sell the home within a specific timeframe.
4. The agent to help pinpoint a buyer for the home.

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Prelisting

SESSION TWO

Lesson Two

The Initial Call

The preliminary telephone conversation between the seller and the agent does not include many questions. However, the agent obtains enough information to be prepared at the listing appointment. Be cognizant of the most important information needed from the client to prepare for the listing presentation. Nevertheless, be cautious not to delve into the finite details. You do not want to initiate the consultation over the phone.

The four primary objectives of the initial telephone conversation are:

1. Build rapport.
2. Set up/Schedule the listing presentation.
3. Measure the enthusiasm of the seller relative to actually wanting to move the property.
4. Are the sellers realistic about the list price?

Do not devote a great deal of time or energy to someone who is not serious about selling the property or who has no grasp on reality.

A sample interview sheet is located at the end of this chapter.

Prelisting Packet

Supplying the seller with a preliminary packet prior to the listing appointment is a proactive approach to expediting the process. This allows the seller an opportunity to become familiar with you and your expectations. The packet is also a useful tool in helping educate the seller on the process and give them the opportunity to complete necessary paperwork prior to the listing appointment.

The seller should be able to reference the information provided in the packet to address any reservations or inquiries they may have with regards to you or the listing of their property.

Contents of the Prelisting Packet:

First impressions

A well-written cover/thank you letter is a vital component of the prelisting packet. Be sincere. A genuine thank you letter is a valuable vehicle to make a favorable first impression. It is advantageous for you as the agent in building the trust in your relationship with the seller moving forward.

Get acquainted

Providing a detailed résumé is another significant component in building your relationship with the client. Your résumé should include the following information:

- Name
- Contact Information
- Name of real estate company
- Picture (recognition)

Be a self-promoter

Don't be reluctant to place your prior accomplishments center stage. Don't brag, but do not miss the opportunity to toot your own horn. You are your own PR specialist and no one is going to promote you better than yourself. List your stats vs. MLS, professional awards and distinctions, designations, etc.

What are going to do for them?

Be clear on the services you offer and how you will assist them as their agent throughout the process.

And finally, let them know the 'real you'

You are a real person just like them. Showing them who you are can go a long way to building the trust you need to make your relationship a successful one. What are your interests? What are you doing in the community? Find a common ground with your client. Consider including a picture of you doing participating in one of the these activities.

What is a seller looking for in an agent?

22% Want you to sell their home within a specific time frame.

21% Want you to market their home to potential buyers.

19% Want you to find a buyer for their home

Other useful tools to include in your prelisting packet include:

Testimonials

Supplying a potential client with a success story written by a former seller builds instant credibility. Use the testimonials to promote yourself, spotlight previous accomplishments and provide details that will address a seller's most pressing fears. Do not include a testimonial from a client who refuses to include their complete name and occupation.

Company Brochure

A company brochure is another way to build instant credibility. An opportunity for a seller to see you are part of a team instead of a sole entity helps put them at ease. If you do happen to be an independent agent, do not refer to yourself as a single entity. Always paint the picture that your business is an agency.

Marketing Samples

Be sure to include marketing pieces you have used in the selling of other properties you have listed. Show the client you will utilize several avenues to promote their home, such as postcards, flyers and electronic media.

Property Condition Disclosure

Be sure to include a property condition disclosure form. The seller can complete it with as much information as possible before the listing consultation. This is beneficial taking into consideration any time restraints you or the client may have.

Net Sheet

A net sheet will help the seller compare their remaining balance relative to what they are seeking in the sale of the property.

Advance Research before the Meeting

Walk into the listing consultation ready to answer any question the seller may have. Extensively research the property obtaining as much information as possible. Armed with the facts, you can determine whether the property is financially viable and/or prudent to list.

Assess the property's range of value. This is helpful when determining the asking price because you are able to adjust it based on the condition of the property. Also, if the seller questions your suggested listing price, you will have the pertinent data on which you based the estimation.

Prior to your listing consultation with the seller, the following items are vital to a successful meeting:

1. Listing Agreement
2. Measuring Device
3. Net Sheet
4. Sellers Kit/Promotional Information
5. CMA
6. Keybox/Lockbox
7. Laptop/Tablet Computer
8. Camera (if you are plan to photograph the property)

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Lesson Three

Once the potential client has scheduled the listing appointment, the probability of success is very high. According to NAR's 2012 Profile of Home Buyers and Sellers, 65-percent of sellers only interview one REALTOR®.

“Eighty percent of success is just showing up”
-Woody Allen

Picking the perfect setting for the meeting

Everyone wants to invite you to the home in question because they are eager to show you the property. Sellers think that is all there is to do. However, there are many other ways you can setup this important meeting. A face-to-face meeting is best, but other options include a conference call, a video conference using FaceTime or Skype or an online posting to a website for reference and printed for a risk-reducing method.

One-Step or Two-Step

One-step appointment

The one step appointment is just that – one opportunity to make an impression on the sellers.

But the down side is this can be a lengthy appointment, during which an agent may have difficulty holding the seller's full attention. Other distractions can interrupt the flow of the meeting such as a ringing phone, children needing help with homework or a barking dog.

Two-step appointment

There are three ways to perform a two-step appointment:

- House-house
- Office-house
- House-office

The obvious downside to this approach is the amount of time required to facilitate such a meeting. To ensure success using the two-step method, be prepared to close the deal on the first appointment.

Key Components of a Successful Appointment

There is no right or wrong way to carry out the two-step approach. Choose what is most comfortable for you and follow through. Regardless of which vehicle you choose, here are some keys to remember in every listing appointment.

Have a Plan

Rehearse how you are going to approach the potential client. If you are new to the business, a PowerPoint Presentation or a informational packet will help keep you on point. Even a simple outline is enough to keep you on track.

There are people who say they just “wing it.” However, no one truly goes into an appointment on the fly. These are the people who have been in the business long enough that they know what and how they are going to address the client going into the meeting.

Be Confident

A seller can detect an agent lacking confidence immediately. The more you rehearse your approach, the more confident you will be on your next appointment.

Be prepared

The primary objective for a seller going into a listing presentation is the price. It is simple - know the market. You must be aware of what is going on in the seller’s subdivision as well as the general area.

Become familiar with the area by researching the comps and competition. By extensively researching the target area, you will learn how to develop a marketing plan for the property. Furthermore, you will know how to proceed when you receive an offer. That will be evident in your initial presentation.

Even if you lack experience; do your homework. It is important to be honest and identify the seller’s needs and place them before your own.

Be Honest

Be up front about what you think the property is worth. Do not tell fashion your estimation of the property based on what you “think”

they want to hear. Do not hesitate to tell the client what improvements need to be made to expedite the process, i.e. the color of the rooms, replacing moldings or doors, repairs to cabinets, installing new fixtures, etc.

Do Not Rush

Agents tend to forget they are working for the seller, not the other way around. The agent is on the client's timetable, not their own. A seller can get very emotional when it comes to selling their home. Making them feel hurried can cause the client to become uneasy and defensive. Refine your technique focusing on the flow of the appointment. Over time, you will be able to complete the appointment in an hour or less.

Win (and lose) with class

Every agent has lost a listing. If this happens, be a professional, stay polite and keep your composure. "I'm sorry to hear that. I hope things work out well with your agent. If not, please keep me in mind." All are appropriate responses. Do not insult the agent they chose over you. Stay classy. You never know who the seller could come in contact with down the road.

Even after losing a listing, a follow-up note thanking them for their consideration is an effective way to leave on a positive note. A potential client will remember such a gesture and possibly refer you to a friend or family member.

It's always okay to say "no"

Bad listings can dominate your schedule detracting from other clients and can cause undue stress. Do not lose focus of other projects by getting distracted by a listing you should have turned down.

How do you spot a bad listing? Be wary of a potential listing by considering the following red flags:

- ✓ Sellers are not motivated
- ✓ Overpriced
- ✓ Difficult location
- ✓ Needs a lot of work
- ✓ Sellers are not willing to make necessary repairs

- ✓ No curb appeal
- ✓ Difficult to show
- ✓ Financially unlikely

Be sure to ask necessary questions before you decide to say 'yes' to listing.

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Listing Presentation

SESSION TWO

Lesson Four

Your primary goal as an agent is to answer all questions your seller may have and help reduce their stress of selling a property. In doing this, you must prepare them for the entire process and what to expect. If you do your job effectively, things should go smoothly with no incident. Taking as much emotion as possible out of the transaction ensures a much smooth process.

When preparing for the listing presentation, you want to focus on three main objectives. When the presentation is set up correctly, the option to say yes or no is clearly in your favor.

1. Get a feel for the seller. Assess the client and their property for motivation, urgency, and financial viability.
2. Demonstrate your value to the seller and set a equally agreeable and realistic level of expectations. Once your value is positioned, do not try to guess the number they want to hear.
3. Finally, if you want the listing, determine if you can sell the property.

SCRIPT HELP

“First things first, I would like to stress that our conversation today is confidential. I’m legally obligated to maintain this standard. Everything that is discussed during this appointment is private information.”

The Listing Presentation

Whether you choose a one-step or two-step is irrelevant. All agents cover the same subjects in the presentation. Use the method that is most comfortable for you. Order does not matter. Decide on a delivery that is right for you.

Listed here are the most important topics to cover in any good listing presentation:

Services – Describe your services/value proposition

- **Legal/statutory duties:** What can I do and not do by law?
- **Office policy:** What can I do or not do relative to office policy?
- **Personal Do's and Don'ts:** What can I choose to do using my own business model?

Home Tour – Touring the home with the seller is a great time to establish rapport. This gives your client the opportunity to open up. Take your time, do not rush and LISTEN.

Ask leading questions. “What do you like most about your home? What do you think the biggest challenge will in selling your home?”

Paperwork – Complete the listing agreement and make sure all other forms – such as agency and property condition disclosures – are filled out as well. At this time, address any questions that might arise. There are several additional forms you will want to review at this time.

Purchase agreement – The purchase agreement includes several key clauses. This would be a good time to make the seller aware of these conditions.

Listing agreement – Make it a priority to review the listing agreement. When you finalize a price, plug it into the agreement.

Net sheet – Ask the question, “Do you have a monetary figure in mind that you must have when the sale is done? Explain why that figure is important to you? What is your intention for those funds when the deal is done?”

Friday is the best day to list a home.

Real estate broker Redfin analyzed more than 500,000 home listings. His findings proved, according to sales records, Friday is the best day of the week to list a home. Homes listed on Friday sell for 99.1 percent of their original asking price, a higher percentage than homes listed on any other day of the week.

What is the best month to sell? April. Homes sold in April sell closer to their asking price than any other month. Homes sold in April sold for 99.2 percent sale price-to-list ratio, compared to a 97.3 percent ratio of homes listed in December.

Communication – Establishing lines of communication from the beginning is key for a successful listing. Some sellers will require more communication than others. It is good to keep the client informed of your listing efforts despite a lack of visible progress. Keeping them abreast of your efforts will show them you are actively pursuing an offer, even if things are slow.

When you begin the listing process, always ask the following questions: “How are we going to communicate? How often would you like to receive status reports? When you contact me, what do you consider to be an acceptable response?”

Determining what is an acceptable level of contact is crucial for a smooth transaction.

Process – Sellers need to be educated about the home selling process. Some are new to the concept while others may have sold a home before, but have been removed from the process for quite some time. Explaining the details of the procedure will help ease their confusion – especially when setbacks will occur along the way. And yes, you will encounter these stumbling blocks in every listing.

There are always questions to be asked in every step of the process. Asking questions shows the seller you are committed to making the sale – and that you want them to understand the what’s happening throughout

the process. “What are you most concerned about regarding the sale?
What is most important to you in your sale?”

NOTE: The last three subjects require more detailed discussion. They have been given their own separate chapters.

Promotion - Discuss how you are going to market the property.

Price - Present the CMA & competition. Discuss market conditions and decide on a price for the property.

Presentation – Get the property in top shape before putting it on the market. An in-depth look at staging, photography and curb appeal will come in later chapters.

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Pricing Property

SESSION TWO

Lesson Five

Prior to marketing a home, the most important decision to be made is determining the value of property. Studies show, the majority of showings consistently take place during the first few weeks of the listing period. Therefore, an accurate listing price is crucial.

According to a study by real estate broker Redfin, a listing will receive nearly four times as many views online within the first week, than it will a month later.

Research

Thoroughly research the property before the listing appointment and a preliminary discussion on price. The focus of your research should include the area (or subdivision) of the subject property as well as the price range and property type of other dwellings in the vicinity. Reference reports of properties recently sold in the last six months and others currently on the market. Pending sales offer no valuable information.

Properties that have already closed in the area serve as your measuring stick while the current listings are your competition.



REALTOR[®] Code of Ethics **Standard of Practice 1-3**

REALTORS[®], in attempting to secure a listing, shall not deliberately mislead the owner as to market value.

Base your suggested listing price relative to comparable sales in the vicinity. If you have not viewed the interior of the property, consider a reasonable price range and base your final decision once you have inspected the quality of the interior.

Absorption Rate

The absorption rate measures the supply and demand of the marketplace. It is the number of months inventory in the area has been on the market and the estimated length of time it will take to move them. Quite simply, if no other home is listed ever again, the absorption rate will reveal the total number of months of inventory will satisfy all buyers.

The amount of inventory determines the market aspect. Six months, or a “neutral market,” is the baseline on which to base all other projections. Anything less than that is considered a seller’s market. Anything exceeding six months is a buyer’s market.

Absorption rates help clients understand how critical pricing relative to results. Avoid overpricing. It will jeopardize their ultimate objective.

Other Factors That Will Affect Pricing

New listings in the area – *These listings represent competition for the sale of your clients’ property. Based on conclusions made from your market research, you can help your clients understand how this competition will influence the sale of their property.*

Recent sales – *The sales of comparable properties can offer up to date reference points for determining an appropriate listing price. How do recent sales influence the listing price on which you and your client have set?*

General market conditions – *What is happening in the general market? How do these activities affect the saleability of your clients’ home?*

Mortgage market conditions – *What is happening in the mortgage market? How do these activities affect the saleability of your clients’ home?*

Agent Feedback – *Agent feedback is useful in improving the overall marketing of the property*

Buyer Feedback – *Comparable to feedback, a buyer’s reaction can help increase the effectiveness of marketing activities.*

Show the Sellers the Competition

If the seller remains uncertain about pricing, visit other properties (the competition in the same neighborhood or surrounding area. Show them why their house is priced a particular way. Making your client aware of the competition will stress that overpricing a property makes other homes on the market look much more attractive

Overpriced

Overpriced homes are not nearly as competitive as those priced in a more reasonable range. In most cases, the higher the asking price, the longer it takes to close on the property.

SCRIPT HELP

You will get very frustrated! A common problem is keeping a home in great "showing" condition. Having strangers constantly touring the property is emotionally taxing and time consuming. The longer the house is on the market without making the sale, the more frustrated you will become. Ultimately reducing the price below your lowest expectations will only serve to further aggravate the situation.

Pricing Your Home

Proper pricing sets the tone for the entire selling process. No matter how attractive and polished the property may be, buyers will compare the price of your home with others on the market. The most effective reference in pricing is a record of what buyers have been willing to pay in the past few months for properties comparable to yours in the area. **Realtors do not establish value, the market does.**

Improper pricing is the most common mistake that costs home sellers thousands of dollars!

What Are the Consequences of Overpricing a Home?

Limits potential buyers

Most buyers are prequalified and only look at homes in their price range. Buyers who qualify for the fair market value of your home may never see it.

Helps sell the competition

Overpricing property makes a competing home appear to be a better value. It creates an impression that the homeowners are not serious about selling.

Chasing the Market

Homeowners who make the mistake of overpricing their home often get caught in the trap of price reduction in an effort to catch up to the market.

Creates Stagnation

Buyers commonly ask: "How long has the property been on the market?" Stagnation is a negative occurrence when a property stays on the market too long. People start to assume there is something wrong with the house. In reality, it might be a great house, it is just overpriced.

Possible appraisal problems

Even if you locate a potential buyer, an appraisal resulting in a sale price lower than estimated can result in the lender rejecting the loan. This results in a critical loss of time.

When advising your client, remember to stress: The ultimate decision in determining the asking price of their home is their choice. However, as an agent, you strongly encourage the seller to avoid the temptation of overpricing the property. While it is an emotional decision, it will ultimately cost them money in the end.

GRI Designation Core Course

Commission Defense

SESSION TWO

Lesson Six

Understand What is Included in Your Fees

Be knowledgeable of your firm's policy regarding commission negotiation. Be certain you have the flexibility to negotiate a commission. Some brokerages allow negotiation while others do not.

Once you are aware of your firm's policy, take a stance on what you will and will not do. What services are included in your fee? If someone asks you to beyond what you are required to do, are you going to tack on additional fees?

What approach are you going to take in terms of pricing your services? Are you more comfortable with providing a menu of services or setting different levels of service?

There are **two** important questions to ask sellers when the conversation turns to your commission percentages:

1. Ask sellers why they are interested in the commission rate. An agent often begins defending his/her commission structure before realizing why the seller is asking for a reduced rate. Understanding your clients viewpoint is important.
2. Inquire immediately whether or not your commission is the determining factor in you listing their home. Be sure that commission negotiations are the last stumbling block before signing a listing agreement.



REALTOR® Code of Ethics Standard of Practice 1-12

When entering into a listing contract, REALTORS® must make the sellers/landlords aware of the following stipulations pertaining to the issuance of a commission:

1. The REALTOR®'s company policies regarding cooperation and the amount(s) of any compensation offered to subagents, buyer/tenant agents, and/or brokers acting in legally recognized non-agency capacities
2. The fact that buyer/tenant agents or brokers, may represent the interests of buyers/tenants (even if compensated by listing brokers, or by sellers/landlords); and
The potential for listing brokers to act as disclosed dual agents, e.g. buyer/tenant agents. (Adopted 1/93, Renumbered 1/98, Amended 1/03)

Validating Your Value

Prove to the seller you are worth your commission. Make them aware of the time you are spending and your efforts to sell their property. Remind them, because of your services, the process of selling their home will move quicker and more efficiently.

Use statistics. Compare your website or your company's website to the hits and page views of a competing FSBO website.

Describe the Fee Breakdown

Focus on the Listing Fee – The listing fee is only a portion of the full commission total. A portion of the final tally is much easier to justify than the total amount. Do not waste time trying to explain something that is not your responsibility.

Show Them the Numbers

If you encounter a disagreement involving one-percent of the final commission total, try breaking it down in dollars and cents.

For example, one percent of a \$200,000 home is \$2,000. If you eliminate your commission, sure enough, the seller saves \$2000. That being said, can you prove the services you are providing are worth \$2,000? Find numbers that support your effort.

SCRIPT HELP

Seller: The other agent I interviewed has already agreed to cut their commission. Why won't you?

You: If an agent is willing to work for less, are they going to push you to accept a lesser offer? Knowing the agent in question is going to make less money, is it a possibility that agent may focus less on your listing and devote more time to another?

Swallow Your Pride; Getting Something is Better than Nothing

There is always room to maneuver. If an agent accepts a lower commission in the sale of the seller's home, an agreement could be reached for the agent to assist in the purchase of the client's next home. Be careful. Agree to nothing before the seller signs a buyer agency agreement.

If the seller is moving out of town, insist a referral fee on the relocation.

Determine if that is a Seller You Would Choose to Work With Again

Like other determining factors through the process, do not hesitate to walk away from a listing. If the seller is focusing solely on the agent's commission, they aren't totally committed to selling their come. Cut your losses and move on.

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FSBO Sellers

SESSION TWO

Lesson Seven

In today's market, a seller is more likely to use a professional real estate agent rather than selling their home themselves. Only nine-percent of today's sellers choose the FSBO route. Among those who choose to do it themselves, one-third of those who opted FSBO knew the buyer of their home.

Despite those statistics, FSBO can be a fertile source of prospecting. In this chapter, we will explore ways to convert the FSBO seller into a client.

Characteristics of the FSBO

Why does a seller opt for FSBO rather than hire a professional? Which avenues can an agent take to overcome such obstacles?

By choosing FSBO , the seller:

- **Feels they can save money by listing it themselves.**

However, what they don't know is **an agent can sell their house for more money**. The typical FSBO home sold for \$174,000, compared to \$215,000 for an agent-assisted listed.

And faster too! Keeping a home on the market longer will be more expensive for an FSBO. With an agent, statistics reveal a property will move faster.

- **Does not think they need an agent. They can handle the details themselves.**

This is an agent's full-time job. Often FSBOs fail to recognize how many hours and agent spends extends in preparing a home, listing the property and servicing the transaction. Demonstrate to FSBO the amount of time they would spend selling the home themselves. Is devoting so much free time to the process worth the small amount of money they think they are saving?

Prequalify buyers. An FSBO sign will attract buyers, but many of them cannot afford the home. Let them know the prospects you will attract are prequalified for their loan when they even visit the property.

- **Believes it is not that difficult.**

As a REALTOR®, you understand the paperwork associated with the process. As a professional, you are familiar with the contracts, forms and disclosure statements required in a real estate transaction. Let paperwork be your friend. Supply the FSBO with a list of the forms needed to complete a transaction; which includes a lead paint disclosure statement, a property condition disclosure statement, the purchase contract, the legal description of the property and a contingency clause addendum.

Difficulty with paperwork is the most common obstacle an FSBO has in selling their home.

- **Do not know what an agent can offer them.**

An agent has the knowledge to price their home competitively. An FSBO may know the selling price of some of the homes in the immediate area. However, they aren't aware of the access an agent has to the wide number of comps you do or the market knowledge available to adjust pricing.

According to the **2012 NATIONAL ASSOCIATION OF REALTORS® *Profile of Home Buyers and Sellers***, setting the right price was the second most difficult problem an FSBOs had in selling their own homes.

An agent can be objective, handle criticism of the house, and remain focused of what is most attractive to the potential buyer. Owners have an emotional attachment to their homes. There are certain features they consider most desirable during a showing and will focus solely on those aspects. However, as a trained professional, an agent is more attuned to the buyers' needs. They have the ability to recognize what appeals to certain prospects and highlight those features accordingly.

An agent is aware of negotiation tactics and can overcome obstacles. Balancing offers and counteroffers, as well as handling contingencies that usually accompany real estate transactions, can be frustrating or frightening for an FSBO. Compile statistics based on the percentage of the listing prices of previous sales.

Use this data to convince the FSBO your value as a negotiator.

An agent can seal the deal. Most FSBOs think once the purchase agreement is signed, their work is over. Develop a list additional tasks required before closing, including home inspection, termite inspection, title insurance and building permits for improvements. In most cases, an FSBO will decide its best to hire a professional when they see the intricacies of the process.

The DRIP Campaign – A Five Week Plan

Developing rapport with an FSBO takes time and patience. Building a relationship over time through regular solicitations is critical. You must prove you can save them time and money. All communication must counter their objections for hiring you.

Week One – Send two mailings. Provide a copy of a real estate purchase agreement and the property condition disclosure form. Be sure that each item bears a sticker with “Compliments of ...” and your name and contact information. Attach a personal note each time offering to provide additional information detailing how the FSBO can utilize the form in the transaction.

Week Two – Follow-up phone call. Solicit information regarding the owner’s reason for selling. Ask how long they have been trying to sell and the amount of success they have encountered. Ask if they are interested in your prelisting packet and offer to mail, email or deliver to them.

If the FSBO still refuses the packet, revert to the process carried out in Week One. Send other relevant material including mortgage information, or the details for staging a home inspection. Do not hesitate to re-apply the tactics attempted in Week Two. Make sure the information is relevant. A potential FSBO convert may be turned off by too much self-promotion.

Week Three – Place a follow up phone call ensuring the FSBO received the packet. Ask if you visit the property and deliver a free market analysis. Schedule the appointment.

While touring the home, make suggestions the seller could implement to improve salability. Use this time to assess the FSBO’s level of frustration. Once you’ve determined the seller’s state of mind, ask to list their home.

Leave behind a simple brochure detailing the steps for preparing your house for sale.

Week Four – With the house on the market now for several weeks, most FSBOs expect some movement. Place a simple call checking to see if they have any questions or concerns about their progress. Offer advice on any problem stated by the FSBO and ways to improve.





If the mood is right or the frustration level is high, again offer to list the house. If they are still not receptive, leave the door open by giving them a few more tips. Remind them you are still available if they should change their mind and to please call you should they want to list.

Week Five and Beyond – Continue occasional contact with the seller. Balance phone contact with occasional visits and add them to your regular newsletter and/or e-mail contact list. Make sure to send them any “just listed” and “just sold” card you send out. Make them aware of other properties you have moved and the satisfaction of former clients.

One may wonder how long should this process continue? The answer is simple – as long as it takes to secure the listing. It is effective, inexpensive and an efficient way to attract new clients.

The FSBO Doesn't Want to Hire an Agent – and they Always want Feebies

When trying to convert an FSBO, always include multiple giveaways and free service packages when implanting the DRIP Campaign. Use others to mail periodically later on in the process. (See Component 4 for mailing suggestions).

-  Tips for preparing your home for sale. This can be distributed in the same handout you use for sellers who list with you.
-  How to plan and conduct a successful open house.
-  A lead-paint disclosure brochure from HUD and information on obtaining a supply of lead-paint disclosure pamphlets.
-  A list of required property disclosure forms.

- ✓ A list of suggested inspections often required by sellers—home inspection, termite inspection, radon, and so forth.
- ✓ Sellers' and buyers' net sheet for calculating what they will realize in the transaction.
- ✓ Suggestions on creative ways to market their property. Include information such as listing with the MLS, posting on listing websites and ideas for creating effective advertising pieces for local newspapers, magazines and real estate fliers.
- ✓ A brief overview of mortgage financing, including fixed and adjustable loans, loan-to-value ratios, and so forth.
- ✓ A sheet explaining how to qualify buyers.
- ✓ A copy of the HUD 1 Settlement Statement.

GRI Designation Core Course

Expired Listings

SESSION TWO

Lesson Eight

Securing the Expired Listing in Six Steps

1. Contact the expired property owner.

Be the first to call. Develop a system which ensures you are the first agent they hear from after their listing has expired. Also take the time to verify the property has not been relisted.

Characteristics of Expired Listings

Not happy:

- ↻ With the selling process
- ↻ With previous agent – may believe it is the listing agent’s fault the property did not sell
- ↻ With the market

Typically exhausted, unmotivated or over-priced.

Possibly upside down = more debt than value.

Note: Skip the call if they are on the DNC.



SCRIPT HELP

This is a cold call so you must develop rapport very quickly. Ask if you can stop by and deliver your resume. Leave it at that, a very non-threatening approach.

2. Deliver the expired package.

Your expired package should include:

- ✓ Hand-written note/cover letter
- ✓ Resume
- ✓ Client Testimonials
- ✓ List of sold homes (yours and/or your office)
- ✓ Marketing samples (i.e. your web site, fliers, postcards)

Ask a lot of questions. Your goals should be to continue to build rapport and decide whether or not you want the listing.

The most important question is to ask is WHY they want to sell.

There are differing opinions on asking “Why do you think your house didn’t sell?” Some agents like to ask this question while others feel discussing the details from past experiences may conjure up bad memories. Use your discretion on an individual basis.

Do NOT talk about the price as you will have an opportunity to do so at the listing presentation.

Do NOT talk about the other agent(s). There are better ways of separating yourself from the other agent(s) by asking good questions, such as:

- ✓ Did you receive a weekly progress report?
- ✓ How was your home marketed?
- ✓ Were there any public open houses? What about broker opens?

3. Decide if you want the listing.

By the time finish asking the questions, you will be able to gauge whether or not you want the listing.

If the motivation is high, the reason to move is solid and you feel good about the house (and the sellers), then schedule a listing appointment.

4. Secure the listing appointment.

Discuss the financial viability of the property. Be empathetic, but always convey realistic outcomes based on your knowledge of all contributing factors.

5. Continue to communicate.

What if they did not answer the phone or did not want you to stop by? What if you could not secure a listing appointment?

If they are not ready to re-list, follow up immediately with a hand written thank you card. Put them into your database and start a follow up campaign. Develop rapport over time in a non-threatening way by implementing a DRIP system specifically for expired listings.

Start a direct mail campaign with expired clients/listings you could not reach.

Send out your package and a sequence of mail once a week for the first month. Send two pieces the following month then add them to your regular mailing list if you send out newsletters.

How long should you continue sending mail?

Send it as long as it takes to get the listing. It is an effective and inexpensive tool and you will have people call you months (even a year!) after their listings have expired.

Stick with it.

6. Follow up.

It is important to realize most of your business will NOT come from the initial contact, but from your continued follow up. Be consistent,

keep sending mail, and add them to your regular mailing list. Make a phone call periodically and maybe even stop by the house every now and then.

Notes:

GRI Designation Core Course

Staging

SESSION TWO

Lesson Nine

Preparing the Home for Showings

Prepare the seller

Prepare the seller beforehand about what to expect while their home is on the market. Emphasize their home is going to be made available to the public and first impressions are critical.

Sellers should remove all guns, prescription drugs and anything else they deem valuable and would not want stolen.

Sellers should be instructed to maintain their pets. Devise a plan of where pets will be during the showing process, whether outside, in a kennel or roaming throughout the house.

Staging

Staging is intended to create an environment where prospective buyers can envision themselves living in the home. Many real estate agents are now being asked to provide staging services, which can be another useful tool and showcase your own value in the listing process.

Proper staging should feature the property in its best light and maximize the client's return on investment. The property should be evaluated on a room by room basis to identify what repairs or adjustments will enhance the value for a prudent investment. Buyers want to be shown houses that are move-in ready, and certain price ranges come with additional buyer expectations. In either case, staging the home for the selling process is very important.

NOTE:

Make sure the listing agreement is signed before giving staging advice.

Staging Tips

Deep Clean Everything – Sellers should ensure the house is spotless from windows and sliding glass door tracks to the garage, basement, ceiling fans, etc. According to a national survey done by Home Gain, a \$290 cleaning investment gives a \$1,990 price increase. Whenever possible, hire a professional cleaning service to deep clean the house.

Declutter –Reduce, organize, upscale, and edit all of the spaces in the home. Closets and other storage areas should be neat and organized.

Pack away or minimize personal effects. When pictures of the client’s children and extended family are on every wall and shelf, buyers have a difficult time picturing themselves living there.

Generally, at least one third of the furniture in the house should be removed.

Clients often ask, “Where are we going to put all of this extra stuff?” Advise them to put items in boxes and neatly stack them in the corner of the garage. Anything extra should be placed in a small, rented storage unit or at the home of a friend or relative.

If the sellers are still not convinced, use Pottery Barn, Restoration Hardware or Williams Sonoma magazines as a guide for what a staged environment should look like. They are professionals at getting people to visualize using their products and there is no clutter in the rooms found in these magazines.

If seller is still resistant or needs more convincing, try taking them through a model home. Show them what empty closets and organized furniture looks like. Prove to them how less clutter opens up more space for the home.

Control the Smell – Bad smells are distracting to buyers and they will focus their attention on the smell and not the great features of the house.

Pet owners and smokers may have their work cut out for them. Smoke can infiltrate furniture, carpets, and even walls. To remove these odors, the client will likely need to steam clean the carpets and possibly repaint walls.

It also helps to bake cookies, have fresh flowers or fresh bread in the house. In some cases, using an air freshener in each room is sufficient.

SCRIPT HELP

“With most buyers, we are only going to get one shot at showcasing your home so it should look its best before we put it on the market.”

Do Not Forget Curb Appeal

Two quick and easy fixes:

1. Add some fresh mulch or pine straw to all flower beds.
2. Repaint the front door and/or the door potential buyers will be entering. Because painting the entire house is often out of the question, adding a fresh coat of paint to the front door will liven up the appearance of the home from the street.

Lastly, purchasing a fresh potted plant to place near the door buyers will be entering is a nice touch.

Repairs

Some homes need more work than traditional staging. Buyers want move-in ready homes and you should stress to the client that the home must be presented in this way. You know when an inexpensive option will not work, so communicate this to the sellers.

Give an honest assessment to the seller about the condition of the home. Ask them if they are willing to make these necessary repairs and then develop a budget.

Use the Cost vs. Value Report as back up

It may be that the lighting is tremendously outdated, which is a reasonably easy fix. Take the clients to a home improvement store and help them pick out lighting and have an electrician install it.

Recommendations

Is there liability for recommendation of a particular contractor or service provider?

No, your job is to make recommendations.

Do I have to recommend more than one service provider?

No, but if you make a recommendation you are putting your reputation on the line, so make sure they are good and reliable.

What if I am related to the service provider?

As long as you provide full disclosure of this information it will not be a problem.



REALTOR[®] Code of Ethics Standard of Practice 6-1

REALTORS[®] shall not recommend or suggest to a client or a customer the use of services of another organization or business entity in which they have a direct interest without disclosing such interest at the time of the recommendation or suggestion. (Amended 5/88)

Staging during Holidays

Decorations.

The best practice is to keep it simple, classy and classic.

Religious Decorations.

Religious decorations like nativity scenes and menorahs are very meaningful to some homeowners. Sellers may not want to change their religious traditions while their house is on the market. Yes, it would be best if the house remained neutral, but as long as the decorations are kept to a minimum the home should show well.

Take the decorations down soon after the holiday is over.

Christmas decorations should be down before New Year's Day.

Remove photos or videos with holiday images used online or in MLS.

It is best to use only non-seasonal photos. However, if there are holiday wreaths, etc. in the photos, they should be replaced with new pictures immediately following the holiday.

GRI Designation Core Course

Photography

SESSION TWO

Lesson Ten

Today’s society is focused on visual stimulation. They have to see something they want to buy it. In real estate, pictures are the new curb appeal. Pictures are the buy’s first impression of the house. Quality and well-planned photography is paramount in attracting a potential buyer.

The facts don’t lie. More and more buyers are shopping online, which makes quality photograph that much more important – and effective.

The Importance of the Internet?

WHERE BUYER FOUND THE HOME THEY PURCHASED, 2001-2012

(Percentage Distribution)

	2001	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Internet	8%	11%	15%	24%	24%	29%	32%	36%	37%	40%	42%
Real estate agent	48	41	38	36	36	34	34	36	38	35	34
Yard sign/open house sign	15	16	16	15	15	14	15	12	11	11	10
Friend, relative or neighbor	8	7	7	7	8	8	7	6	6	6	6

** Less than 1 percent*

According to the 2012 profile of Home Buyers and Sellers, 82-percent of buyers said the internet was useful in their home search while 78-percent of buyers said direct contact with an agent was the most resourceful avenue to locating a property.

According to buyers, the Internet is more important than you are.

Buyers search, sort and eliminate homes based on what they see. Research shows, 85-percent of buyers begin the search for a new home on the Internet. The study goes on to report 90-percent those buyers use the Internet at some point during the home-buying process.

Better photographs will sell at higher prices

The objective of taking pictures of the home is to get quality showings – not just people walking through a house. The more questions that can be answered online, the less interested “Lookie-Lou’s” will be in snooping through your listing.

Photography is most important target of buyers who start their search online

98% percent said photos were very useful or somewhat useful in their online home search.

Photography Do's & Don'ts

Do:

- ✓ **Plan ahead.** Take your time and consider the message you are trying to convey prospective buyers. Visualize the photograph before you snap away.
- ✓ **Clean** the house thoroughly removing unnecessary objects and random clutter. Do your research. Pottery Barn or William Sonoma magazines are excellent references for sprucing up the look of your home. It is imperative that your photographs do not capture unmade beds, scattered clothing, and dirty dishes in the sink. Stage appealing areas by adding colorful pillows, flowers, throws, rugs, etc.
- ✓ **Photograph every room.** Give buyers a true sense of the house. Do not try to hide areas that you feel are unfavorable. The prospective buyer will see them eventually.
- ✓ **Keep the camera straight and level.** Tilting it makes side walls appear slanted. Use a tripod is a useful tool if you are inexperienced.
- ✓ **Make sure the light source is at your back.** Regardless of whether you use natural or artificial light , shoot in the direction opposite the light source. When the lighting is in front of you, the picture appears dark and details can be obstructed. Having the light source behind you will illuminate the room, making for a much more appealing picture.
- ✓ **Is the exterior of the home appealing at night?** If so, use it to your advantage. Use a quality night time shot of the house.
- ✓ **Set the camera on its highest resolution.** If the file is too large to upload, you can always decrease the resolution

- ✓ **Take more pictures.** You can't run out of film, especially in the era of digital cameras. You can never take too many pictures. Play with varying angles and different camera settings. You want a selection of pictures from which to choose. You can pick the best shots later.
- ✓ **Edit.** Improve a shot by utilizing simple, photo-editing software. Crop out ceilings or unnecessary backgrounds. It's possible to improve lighting or dull colored rooms with color correction features.

Do Not

- ✗ **Don't put post the property on MLS with no pictures.**
- ✗ **Don't exclude a portion of the exterior home.**
- ✗ **Don't forget the view.** If your home has a spectacular view, (i.e. a beach, lake, mountains, park or golf course), don't miss the opportunity to feature it as a prominent selling point.
- ✗ **Don't allow these items to appear in your photos.**
 - Open toilet seats
 - Soap and shampoo bottles
 - Power cords/Extension cords
 - You or your equipment
 - Unmade beds
 - Dirty dishes in the sink
 - A turned on TV or computer screen
 - Refrigerator magnets
 - Garbage cans
 - Cars in the driveway
 - Exterior doors that are open
 - Rakes hoses or other garden equipment, lawn mowers

GRI Designation Core Course

Advertising and Marketing

SESSION TWO

Lesson Eleven

Advertising and Marketing the Property

The Marketing Plan

The marketing plan should demonstrate to the sellers your strategy for getting the property fully exposed to the market as quickly as possible. Obviously, the objectives should be to help the sellers net the maximum profit from the sale and make every qualified buyer in your area aware of the property.

Developing a comprehensive plan will allow the property to be exposed to potential sellers and attract buyers to the listed property for conversion.

Marketing Tips

- ✓ One marketing tool does not work for every client, so use a variety.
- ✓ All Marketing MUST be in color.
- ✓ Never mention a piece of marketing material you are not prepared to show the buyer.

Top Five Things Agents Do When Marketing a Home

1. List Property on the Internet
2. Place a Yard Sign
3. Host an Open House
4. Utilize other websites with listings (Google, Yahoo, etc.)
5. Place advertisement in print newspaper

This is what every agent should do at a minimum, and often it is the only thing that some agents do. You have to prove you can do this better than most agents, over and above the “norm.”



Louisiana Law

Advertising Law:

Licenses may get their license censured, suspended or revoked for offering real estate for sale or lease on terms other than those authorized by the owner or his authorized agent. LA RS 37:1455:12

The Marketing Plan

In the marketing presentation demonstrate to the seller that you are serious about generating traffic for them.

The marketing plan presented to sellers should include:

- ✓ Statistics and trends in the market
- ✓ How you market to other agents
- ✓ How you market to buyers

Let the Seller Know ALL of the Marketing Services You Offer

Your Marketing Plan can include:

- Online marketing strategy
- Feature Sheets
- Your personal website (provide statistics)
- Company website with statistics
- MLS/IDX
- Social media
- Newspaper ads
- Open house – Yes or No/agent open house; discuss who you will invite
- Email campaigns
- Single Listing websites
- For Sale Sign/Directional Arrows
- Target mailings
 - neighborhood send sheet
 - just listed mailing to your contacts
- Agent promotional activities
- On-site info box/QR Codes
- Home Book

Sell Agents

Promoting your listings to other agents dramatically increases the exposure to potential purchasers.

89% of buyers purchased their home through a real estate agent or broker.

Clearly with more agents working to find buyers for your listing, the likelihood of selling the property quickly increases. Opportunities to promote the property to agents include: MLS listings, office presentations, personal network, and agent/broker open houses. Many of these will be discussed in detail later in this chapter.

Traditional Property Marketing Methods

Traditional marketing methods include items we have discussed or will discuss in other sections: public open houses, office tours, broker opens and yard signs.

Yard signs are still effective. Fifty-three percent of buyers found signs effective in their search for property.



Feature Sheet

Produce three different flyers for different targets: Buyers, Agents and Neighbors

Buyers – Buyers are concerned with the facts: price, size and what is included. Information about the neighborhood or location should be mentioned. Use a minimum of three pictures, two of which should be of the interior or some area of the property that cannot be seen from the street.

Idea

Don't waste the back page. Use the space to include more pictures of the home, or put your other listings there to cross-promote.

Agents – Use all of the facts above, and highlight commissions or bonuses. Showcase any specifics of the property that are not in MLS and include showing instructions.

Exhibit 3-20

WEBSITES USED IN HOME SEARCH, BY AGE

(Percent of Respondents Among Buyers Who Used the Internet)

	All Buyers	AGE OF HOME BUYER			
		18 to 24	25 to 44	45 to 64	65 or older
Multiple Listing Service (MLS) website	54%	52%	56%	51%	53%
REALTOR.com®	51	57	52	50	44
Real estate agent website	47	52	47	46	47
Real estate company website	39	44	40	39	38
Other websites with real estate listings	27	30	29	26	26
Search engine	19	27	20	17	12
Mobile or tablet apps	13	18	18	8	3
For-sale-by-owner website	13	9	13	14	11
Mobile or tablet websites	12	16	17	7	3
Mobile or tablet search engine	11	21	13	8	3
Newspaper website	6	11	6	6	5
Real estate magazine website	4	7	3	5	4
Video hosting websites (e.g. YouTube, etc.)	2	*	2	2	2
Social networking websites (e.g. Facebook, Twitter, etc.)	1	1	2	*	*
Other	16	14	18	14	9

* Less than 1 percent

Neighbors – They already know the neighborhood and schools, so modify the sheet to feature more pictures, particularly of the inside.

Online Marketing Strategy

The internet is the new curb appeal for houses. Forty-one percent of all buyers went to the internet FIRST when deciding to buy a home and ninety percent of buyers used the internet in their search for home.

Promoting your property online to buyers is critical so you must have a strategy to make your listings more attractive and available online.

Websites – Be sure your sellers know on which websites their listing will appear. Example, your personal website, company site, Realtor.com, etc. Provide statistics on how many visitors these websites receive to further educate them.

Submit to websites for internet exposure, including: MyPersonalWebsite.com, my company website, Realtor.com and many more for national and international exposure.

Social Media - Social media is being used as a new marketing platform with excellent results (Facebook, Twitter, Pinterest, Instagram). These will be discussed in detail in Session Four.

Single Property Websites – This allows sellers to have their home on its own personal domain – www.1234AmericaDrive.com. This is a great alternative if you do not place traditional newspaper ads. There are several different companies that offer this service and it is very easy to set up. There are different types to use depending on how many sites you think you will need. Some companies charge a fee per site while others charge a monthly fee for unlimited sites.

Email Campaign – Sending listings or “just listed” emails to your database serves multiple purposes. It promotes the particular listing and also lets everyone in your database know you are working hard for your clients.

There are many email campaign programs that can help you design and send emails for a reasonable price.

Marketing in the MLS – MLS descriptions should not be taken lightly. Give the description substance and provide a sense of why the seller lives there, i.e. “The sellers have lived here for 15 years.”

Be sure to use keywords like the name of the subdivision, area of town or near a university. These words are picked up as keywords by search engines and can drive your listing to the top in web searches.

Other Marketing Strategies

Call area top producers - You know who the most productive agents are in your area so give them a call to let them know about your great listing.

On-site info box with QR Codes – QR stands for Quick Response code. The QR code is placed on the flyer box facing the street. Buyers can then scan the QR code with a smart phone from inside their vehicle and be immediately directed to the online listing information. This data can also be tracked and shared with the sellers.

Newspaper ads – Newspaper ads are still effective in certain markets and for a particular type of home. You should know who your potential buyer is, then use the best strategy to move the property.

Targeted Mailings – Targeted mailings like “Just Listed/Sold” cards can be an effective way to promote the property as well as promote your business. “Just listed” cards alert the neighborhood that a property in their area has just been listed. Similarly, once the property sells, mailing a “just sold” card infers the agent can get the job done.

GRI Designation Core Course

Open Houses

SESSION TWO

Lesson Twelve

Is an Open House the Way to Go?

It is an on-going debate among real estate agents. It is a very polarizing topic. Is an open house effective – or a waste of time?

Pros:

- ✓ Pacifies the seller
- ✓ Occasionally, a way to pick up business new business
- ✓ Sell the house

Cons:

- ✓ Bother some that agent has to work on Sunday
- ✓ Online shopping has almost made the open house obsolete, especially in quality photography exists
- ✓ Sellers are sometimes reluctant to open up their home

If you choose against hosting an open house, explain to the seller why you have decided against it. The bottom line is – if a seller wants an open house, the agent has no choice but to follow through.

Marketing the Open House

Effective ways of marketing an open house include:

- Email blasts to agents – include a map to the property
- Post on realtor.com – placing it in MLS on Friday will place a notification on realtor.com.
- Post signs early (be aware of laws and HOA rules)
- Notify clients from other open houses
- Contact area producers
- Take advantage of social media (Facebook, Twitter, etc.)
- Publicize free food
- Affiliate marketing

A non-traditional approach to promoting your open house is to host the event in the late afternoon and early evening hours on weeknights. This will make your event unique and will stand out in the minds of buyers. It is also a convenient option for busy people on their way home from work.

During the Open House

Create a property summary sheet. This gives prospective buyers an overview of the home. Include dimensions for each room, copies of a property survey, summaries of utility costs, property taxes, and a list of when items such as roofs, a/c's and furnaces were added or replaced.

Highlight features of the property. There may be unique aspects of the home that some potential buyers may miss. Use folded cards and set them on or near these features to point out these attractive selling points.

Place a sign-in form for prospects' addresses at the front door. Ideally, you want phone numbers and e-mail addresses to follow up with prospective buyers, for this property or later listings.

Develop a comment card. Receiving feedback on your listing from prospects who attended the open house will help you better understand how to improve the presentation of the property and make it more appealing to potential buyers.

Agency Issues. You have a code obligation to determine if the other party has a contractual agreement with another agent so always ask.



REALTOR[®] Code of Ethics Standard of Practice 16-9

REALTORS[®], prior to entering into a representation agreement, have an affirmative obligation to make reasonable efforts to determine whether the prospect is subject to a current, valid exclusive agreement to provide the same type of real estate service.

If the potential buyer that is attending your open house is currently working with an agent, you are allowed to give them information about the property and/or set up an appointment for a private viewing at a later time. However, you cannot follow up with them after the open house, negotiate should they make an offer or write an offer for them.

It is also a good idea to contact the agent informing them that their buyer attended the open house.

Open House Safety

If possible, always have at least one other person on hand during the open house.

Check your cell phone battery and signal prior to the event. Have emergency numbers programmed on speed dial just in case and keep your phone with you at all times.

Upon entering a house for the first time, check all rooms and determine several emergency routes. Make sure all deadbolt locks are unlocked to facilitate a faster escape.

Inform a neighbor that you will be showing the house and ask if he or she would let you know if anything happens out of the ordinary.

GRI Designation Core Course

Home Book

SESSION TWO

Lesson Thirteen

The home book is almost an encyclopedia of the listed property and is designed to give buyers a more detailed picture of the home. Interested buyers will often spend more time in the property if they read the book, and the more time the buyer spends in the house, the better. The home book is a terrific listing and marketing tool and a great way to set your listings apart.

The seller should have most of the information available and it should not require too much time to put together. You should also keep a second copy in the office as buyers sometimes want to take it with them. Rather than allowing them to take the original documents, you can send them a copy at their request.

The Home Book Should Include:

Letter to the buyer from the sellers – It is best if the letter is hand written by the sellers. Advise them to keep it general and not include too much information or disclosure issues, equal opportunity/fair housing laws could become an issue. It's always best to keep it short and sweet.

Dear Buyer:

Thank you for taking the time to look at our home. We have enjoyed the 15 years we have spent here and know you will come to love it, too.

Fifteen years ago we fell in love with this home. We have especially enjoyed the spacious kitchen and large trees in the back yard.

It has been a great home for us and I know it will be wonderful for you as well. We wish you the love and good fortune that we enjoyed during our years here.

Sincerely,

Mr. & Mrs. John Q. Seller

Subject Property Information – Include the basics from the MLS sheet and any other important information about the property.

Photos – Add additional photos of the property and remember that **all photos must be in color**. Do not be afraid to put pictures of people enjoying the property or scenes of the lawn and landscaping during different times of year. This is especially important if you are listing the property in the winter when the yard does not look its best.

Community Information – This is often the best section in the home book as it gives the sellers an opportunity to list all of the wonderful things about the community. This can include nearby parks, health clubs, favorite restaurants, points of interest, etc.

- **Favorite neighborhood vendors and local businesses.** If there are neighborhood businesses that buyers love (restaurants, dry cleaners, house cleaners, landscapers, carpet cleaners, produce markets, etc.) they should be included in this section.
- **Lifestyle amenities.** What things are homebuyers looking for from a lifestyle perspective? Dog parks, playgrounds, running trails, yoga studios, libraries and bookstores, museums and outdoor recreational opportunities the sellers have enjoyed.

History of upgrades – This includes anything that is not covered in the property condition disclosure or needs a bit more explanation. Additionally, if there are any issues or repairs that may surface during an inspection, an explanation should be provided.

Property details and tricks – Things like neighborhood trash pickup days, information about the alarm system, termite or other service contracts are helpful things to include.

Inventory List – This simply informs the buyer exactly what items will stay with the property and what items will be going with the seller (i.e. patio furniture, garage storage shelves, etc.).

Utility and Tax Information – The Sellers should provide copies of recent bills to give the buyer a general idea of the property's utility cost. It is also helpful to include the amount of property taxes for the current year.

Floor plans – When creating floor plans, you will need a little help. Magic Plan is a free floor plan software app that is extremely easy to use, as the

software can draw a floor plan from pictures you have taken of the property. You can then get the floor plan delivered in PDF, JPG and DXF format or publish an interactive floor plan on the web.

Maps – The simplest and best way to acquire overhead shots of the property is from Google Earth and/or Google Maps. These are generally good in quality and easy to obtain.

Property Condition Disclosure

Purchase Agreement – Always include this, as without it the buyers may leave the property and have no opportunity to submit an offer on the spot. You never know when someone will see their “perfect” home and want to sign a purchase agreement.

GRI Designation Core Course

Servicing the Listing

SESSION TWO

Lesson Fourteen

First and foremost, your main focus when servicing the listing is to be hypersensitive to the client's needs, wants, and desires. Performing these tasks effectively means keeping the seller informed on the sale of their property at all times.

If you were thorough when conducting the listing appointment, the seller should experience no surprises during the listing process. **By signing a multi-month contract, the client is agreeing to compensate you with thousands of dollars. You owe them the professional courtesy of providing the highest quality of service and communication.** Prepare them for the entire transaction and what to expect.

Communication

Maintain effective communication with the seller is the most essential aspect of serving the listing. Communication increases the seller's commitment to you and helps build credibility. The more committed the seller is, the easier it will be to move their property.

Status Reports

Ask the client how often, when and by what medium (telephone, email, text, fax, etc.) they want to receive updates on the sale of their property.

An agent should communicate with the seller at least once per week, unless the client specifies otherwise. Block time within your week to contact your listings and provide updates.

What do they want to know and what do you need to tell them? Discuss what's going on with the house and how you have marketed the property during the previous week. Provide the seller with updated numbers including (calls, emails, etc.), the number of showings as well as online views are website impressions and clicks. Discuss any new listings (competition) in the area over the past week. Sellers will appreciate fresh information each week – and it will help justify your commission in the end. Finally, share feedback received from the showings or from other agents or buyers.

This information is critical. Keeping the seller informed about their house and managing the expectations will keep them enthusiastic about the selling process. If the issue should arise where there is a need to discuss

a price change, the seller will not be caught off guard and will have had time to see the data.

Feedback

Feedback helps communication between the agent and the seller by presenting responses directly from the showing agents and buyers. Feedback is not required by REALTOR® Code of Ethics or statutory law unless the agent is a subagent of the seller.

Feedback is never guaranteed and must be fully disclosed to your client if it is received. Feedback is best used as a guide. Use cautiously as it cannot be truly relied upon.

Methods for Obtaining Feedback

- From agents viewing property at office and broker tours
- Business cards left at the property
- Feedback forms (comment cards), online surveys, or email requests
- Impressions of buyers viewing property during showings and open houses