



A HOME SELLER'S GUIDE TO SELECTING THE RIGHT REAL ESTATE AGENT TO MARKET YOUR HOME

**WHAT EVERY HOME SELLER SHOULD
KNOW BEFORE SELLING THEIR HOME**

AN EDUCATIONAL RESOURCE



“Just A Quick Letter To Introduce Ourselves, And Explain Why We’ve Put Together This FREE Report To Help Home Sellers Just Like You Get All The Information You Need... *For FREE*”

Dear Home Seller,

Selling a home can be really confusing. Why? Because you're bombarded with misleading information, confusing claims, and bad advice from family and friends that aren't accountable or responsible to you for the advice they give.

How do you ever find solid, practical information that will help you select the right real estate agent for you? **You start by reading this free report.**

We're providing this guide to help you avoid some of the biggest pitfalls we see home sellers make everyday when selecting their agent and selling their home. In this fact filled report, you'll discover the amazing secrets that we've used for some time now.

What we're going to share isn't theory. We have tested it with our clients. In this simple, yet profoundly powerful, report is a compilation of ideas we've discovered over the years.

Now, with this information, you can find the right real estate agent to sell your home.

And if you have any questions about the information in this report, send us an email at degrotorealestate@gmail.com or give us a call at (714) 840-8752. We've dedicated our business to helping people just like you.

We're happy to help in every way.

Thank you!

Warmly,

Don, Taylor & Erika De Grote
Realty ONE Group
BRE #'s 00835311, 01975188, 01941362

P.S.: If you are feeling overwhelmed with the process of selling your home, and you would like a personalized plan to help you get from point A to point B, we invite you to call us at (714) 840-8752 right away.

How should you choose your Real Estate Agent?

Should it be...

A friend?

An agent who is visible throughout your community through personal promotion?

An agent with the most experience?

An agent who sells the most homes?

A referral from a friend?

Chosen at random?

The answer is that none of these considerations alone should determine your selection. Yet in the vast majority of instances they do, with a friend in the business being the number one determinant, according to research.

Thus, I believe the best approach is to prepare yourself with what qualities are most important in the selection process. To that end, here are some important questions that you may want to ask of anyone you are considering to represent you in the sale of your property.

1. What do you think makes our home distinctive and how will this influence how you market our home?
2. How do you network with local realtors to increase their awareness of a home that you market?
3. How do you market properties online?
4. How many photos do you suggest for our home?
5. What is your negotiating philosophy?
6. How do you decide on the best pricing strategy?
7. Can you give me examples of when you sold a property for significantly more than your fellow agents thought was possible?
8. How do you determine the right marketing mix?
9. What are the pros and cons to having open houses?
10. What makes you and your company different from your competitors?
11. Are you focused on selling more homes, or selling homes for more?
12. Do you provide staging guidance and if so do you charge for this service?

Why Homes Sell:

The only satisfactory and professional explanation for why homes either sell (or don't) can be traced back to the iconic Four P's of Marketing – a universally accepted principle in the greater world of selling and marketing.

The Four P's of Marketing dictates that, "The interrelationship of Price, Product, Placement, and Promotion together determines the outcome of anything being sold."

When a real estate professional is focused on selling "more homes" versus selling "homes for more," then Price will always be their major reason.

When a Real Estate professional is dedicated to "maximizing homeowner value," then not only do these Four classic P's all play a role... but also the new Four P's of:

- Portability (mobile marketing)
- Personnel (matching the right buyers for the property)
- Proximity (conveying the contextual & localized lifestyle value and targeting both buyers from throughout the world... as well as "hyper-local" buyers already "sold" on the community) and
- Presence (ensuring that the marketed lifestyle resonates on both the web and through local promotion).

While it is far easier to conclude that "the reason a property does not sell is because of price," this attitude dismisses the profound significance of developing a customized and overall marketing strategy.

Frequently Asked Questions... Answered

What recommendations would most real estate agents make that would make my home more attractive and more in demand to home buyers?

If you have had your home on the market previously, I would imagine that you already have some feedback that you received from the buyers agents looking at your home.

Review the comments that you received while having your home on the market, what are the commonalities in those comments? If it's an issue that's brought up over and over again, it's most likely something that you need to take care of to make that home more attractive.

What I would suggest is that you start out in front of the home and you a curb-to-curb evaluation. Walk through your home, interior to exterior, and make a big list of all of the ideal things that could be done, and then sit down with your agent and choose those items that are the most important to the sale of the home.

From that list you can select the items that you are willing to do. Most likely your agent will help you coordinate repairs or staging services that will be needed at no additional costs. You will need to pay your vendors, but in most cases your agent will pay for the services that you're interested in selecting.

Do most real estate agents actively prospect to bring buyers to my home and should they?

It is a good practice that many top producers have, to aggressively market the homes that they list not only to the real estate community, but also to their database, their leads, and the areas where they think the move up buyers may be coming from.

This is really the definition of a strong marketing agent. They don't list your home, go to Starbucks and wait for someone else to sell it. They are an active participant in adding value by maximizing the exposure, because additional exposure equals greater demand that will often net you a greater price.

What is your post listing service plan? How should I expect my next agent to keep me informed in all that they are doing?

My suggestion would be first of all to ask them what their standard service plan is. Make sure that it meets with your standard, and if it does not, ask them for the additional service items and updates that you feel you need.

Most quality agents will stay in touch with you weekly by phone, will be very responsive to your emails and texts, and will provide periodic reports about market activity showings, feedback and also internet traffic. So you decide what is most important to make you feel like you have all you need to be comfortable, and that all you are expecting is being done to sell the home.

Should I relist my home with my previous agent?

That's a great question.

You could do that, if you felt that their service was outstanding and that it made sense.

And yet something to consider- even if you were satisfied with that agent, most likely they have already exhausted all of their ideas, opportunities, and connections to sell your home. So it could be that a fresh start would be good for you mentally, that it may be good to put it back on the market under a fresh sign. A new, aggressive agent may open up a whole world of new possibilities.

So again, it goes back to how you feel about the agent that you had previously, and if they can come to the table and show you that they have new ideas, new options and new ways to market your home that have not already been previously tapped into.

What should I be looking for in terms of unique marketing?

What you're going to want to do is ask the agent. Put the burden on him or her to provide a custom marketing proposal.

Agents will often tell you that price is the only thing that sells a home. While price is certainly part of it, the way that an agent presents your home to the market and the aggressive manner in which they contact other agents, buyers and the public to expose that home to those potential prospects, can make a world of difference in the price that you achieve.

Again exposure equals demand and a greater demand equals a higher price.

So have them present their custom proposal. If you feel there are things that the proposal does not cover that you would like to have done, you can simply let them know what your request might be.

Now if your requests are a little above and beyond the normal, if they're a little out of the box in terms of expense, remember the agent is not earning anything upfront. In a sense, they are taking on the risk and the expense of marketing the home. However it is not uncommon when there are unusual things that you would like to have done that the seller potentially could front the cost for those items and the agent will pay you back all or a portion at the closing.

What databases, networks or sources of quality prospects should my agent have access to?

Most seasoned veterans are going to have a database of peers, professional connections, past clients, of course friends and family, and they'll probably also be involved in professional network groups.

So simply ask them – what is their reach into the community? And see what they say. Based on their

answer, you're going to know right away how well connected they are.

I have my own prospects. Can I still work with them without paying a commission if I list with an agent?

You could, if the listing agent agreed to that, but that would need to be negotiated and written into the contract. Most listing agents who are going to invest time and money into selling your home will probably not be likely to agree to this.

Also, you may want to consider that there is potentially some benefit in having an agent actually get in the mix, take this off your plate, and negotiate the contract on your behalf and protect your best interest. So that really is up to you to decide.

Can I list with more than one agent?

You can, that would require a different type of listing agreement than an exclusive right to sell. It is not really, in most markets, a common practice. It does occur at times, I do sometimes see listings here and there where they have multiple agents. What would be more common, could potentially be a shared listing where possibly an out of area agent elects a local agent to service a client that the out of area agent has a great

connection with and they share that listing. But again, not a common practice, certainly one though that can be arranged.

What do I do if I'm listed with an agent and I'm not satisfied with the service – how can I escape my contract?

Technically if you've signed a listing agreement and there is no easy exit clause written in, you would be obligated to continue with that agent for the term of the contract or pay some sort of fee, commission, or cancellation fee. Basically you would have to negotiate with them to escape that contract. Most reputable agents though, if they feel you are not happy with the service, may not want to continue to work with you. Because really it is a team effort and everyone needs to cooperate.

There's the old saying – the devil you know may be better than the one you don't. So while your current agent may not be perfect, you may want to consider giving them the opportunity to correct any mistakes that you feel that they're making, because at least you have an established relationship with them and you never are 100% sure that if you trade them in, you'll actually be trading up.

Glossary of Terms

A

Acceptance – The time at which an offer to purchase is accepted. The fact that it was accepted must be replayed to the person that made an offer in order for all parties to be bound to the contract.

Amortization – The repayment of a loan over time. With each payment, there is a reduction of both principal (the original amount borrowed), plus the interest.

Appraisal – A professional determination of value. Mortgage companies usually require an appraisal of the property by a licensed, disinterested party before agreeing to loan money on the property. Methods of determining value may be based on many things, such as comparable sales in the area, the cost approach, the income approach, or the highest and best use of the property.

As Is Condition – Disclaiming any warranties or representations regarding the condition of the property.

B

Back-Up Contract – A contract or offer that is in a secondary position to an already existing contract. This contract shall be elevated to the first position if some condition in the first contract is not met. If the first position contract is consummated, then the second contract is no longer in effect.

Bridge Loan, also called a **swing loan** - A short term loan used to transition in between the paying off of an old loan, and the inception of permanent financing. This is often used to build or purchase a new home, when the previous home is still owned, but is up for sale. Once the previous home is sold, and the owner receives the proceeds from that sale, permanent financing is usually obtained.

C

Certificate of Title - A statement verifying who has the rights and responsibilities of ownership in a property. This may be ascertained by a public record search but does not guarantee that any other parties may not stake a claim to the property. Title insurance protects against claims that may arise against the title.

Clear Title - Ownership that is free of liens, defects and encumbrances, beyond those which the owner agrees to accept.

Closing - The transaction where title passes from seller to buyer and the seller is paid. A settlement statement shows all costs incurred and gained by both parties.

Closing Costs – The expenses incurred in obtaining the property and transferring title to the new owner. This may include, but is not limited to attorney's fees, points, title charges, credit report fee, document preparation fee, mortgage insurance premium, inspections, survey, appraisals, prepayments for property taxes, deed recording fee, and homeowners insurance.

Commitment Letter, also known as a **loan commitment** - A written offer by a lender to make a loan by a particular date under certain conditions. A buyer has more clout with a seller if he submits a letter of loan commitment from his lender to the seller at the same time that he submits his offer to purchase to the seller than a buyer who has not even applied for the loan yet.

Contingency - A condition that must be met before a contract is legally binding, or before a sale is to be completed. The contingency provides an out or an escape from performing if the condition is not met.

Conventional loan or conventional mortgage - A real estate loan, which is not insured by the government agency FHA nor guaranteed by the Veterans Administration. Typically subject to the terms of their particular institution, the conditions may be more flexible, as the lender is not required to follow federal guidelines. The lender looks to the credit of the borrower and the security of the property to insure payment of the debt.

Counteroffer - If the receiver of an offer makes any changes to the original offer, it is considered a rejection of the initial offer and becomes a counteroffer.

D

Deed of Trust - Some states use a deed of trust to convey property being held as security for a loan. This document is then conveyed to a trustee and can be used to sell, mortgage or subdivide the property.

Deposit – (also called Earnest Money) - A good faith deposit of a sum of money offered by the prospective purchaser at the time of the offer to purchase. These funds are typically deposited into an escrow account and held until the real estate closing takes place. At the closing, the buyer is most often given credit for the earnest money that has already been paid, but in some cases it may be returned to the buyer at closing. These funds may also be returned to the buyer in some cases if the contract on real property doesn't go through to a final sale.

E

Earnest Money (also called Deposit) – Funds given by the buyer and held in an escrow account until the real estate closing. In some cases, these funds are refundable if the loan fails to close, but if the loan does close, the purchaser is given credit at closing for the earnest money.

Escrow – A neutral third party holds other people's funds in a secure account for future use. An earnest money deposit is held in a real estate broker's *escrow* account. It is the broker's account, but he is holding the buyer's funds in the account for safekeeping until closing. In the case of a mortgage, the total monthly mortgage payment may include funds to pay for future taxes and insurance paid in addition to the principal and interest. This escrow is held by the lender until taxes and insurance are due, at which time the mortgage company pays the taxes and insurance on the borrower's behalf. After the taxes and insurance are paid, the lender may re-adjust the total monthly payment to insure sufficient funds for future escrowed items.

Exclusive Agency Listing – A written agreement between a property owner and a real estate broker giving the broker the exclusive right to sell the property for a specified period and at a specified fee. Agents whose licenses are held by a broker may sign on their broker's behalf.

F

First Right Of Refusal - A legal right by an individual giving that person the first opportunity to purchase or lease real property.

H

HUD -The U.S. Department of Housing and Urban Development. This is the agency responsible for enforcing the federal Fair Housing Act. Among HUD's many programs are urban renewal, public housing, rehabilitation loans, FHA subsidy programs, and water and sewer grants. The Office of Interstate Land Sales Registration, the Federal Housing Administration (FHA) and the National Mortgage Association (GNMA) are all under HUD.

L

Loan Commitment - A lender's written approval granting a specific loan amount, conditions, and a set time limit for closing the loan.

Loan Origination - The process of applying for a mortgage loan.

Loan Originator - The person who assists borrowers in obtaining their new loan.

Loan to Value - The ratio of the amount of the loan divided by the value or sales price of the home.

Lock In - An agreement in which the lender guarantees a specified interest rate for a certain amount of time at a particular cost.

N

Non Conforming Loans - Loan amounts that exceeds FNMA's \$417,000 (as of July 2006) maximum lending.

P

Possession - The buyer occupying the property that is purchased or a tenant occupying the property that is leased. In a real estate sale, possession is rarely granted prior to closing when the seller receives their funds.

Prequalification - Having a mortgage lender advise that debt ratios and credit report plus other factors show a borrower qualifies for a particular loan amount before signing a contract.

Purchase and Sale Agreement - The contract between the buyer and seller stating terms, conditions, sales price and other pertinent information about the property being purchased.

Q

Qualify - To meet the guidelines based on debt, income, and credit worthiness.

Qualifying Ratios - Comparing a borrower's income to their proposed monthly housing expense. Also comparing their income to monthly housing expense added to all of the borrower's other debt obligations.

Quit Claim Deed - A document by which one property owner releases his or her claims, rights and interest in a particular property.

R

Rate Lock -When the lender issues a written commitment to a borrower as to a specific interest rate for a specific period of time.

Real Estate Owned – (REO) - Real estate that is owned by a bank or financial group. Usually a result of their borrowers defaulting on the loan and the subsequent foreclosure of the property from that buyer.

Right of first refusal - The right to the first opportunity to lease or purchase real property. For example, apartment tenants might retain the right of first refusal when their units are being converted to condominiums.

S

Sweat Equity - The equity earned as a result of the owners' labor in upgrading and improving the property.

T

Tax Lien - A lien against a property for unpaid taxes.

Ten Thirty One Exchange – (1031 Exchange) – A means of deferring capital gains taxes on real estate exchanges for like kind properties. This is allowed under the U.S. Internal Revenue Code, Section 1031.

Term - The length of time it will take to pay the mortgage in full.

Time Limit of an Offer - An offer should include a specified time period during which the other party must decide to accept, reject, or counter the offer.

Title Company -The company that, for a fee, checks and insures the title against liens, ownership claims, and title problems.

Title Insurance - An insurance policy that may be purchased to protect the new owner from any liens or clouds against the title. In order to issue title insurance, the issuer will perform a title search in the county records. Since title is searched at the time of closing, title insurance is usually less expensive at the time of closing, rather than if a buyer called the title company at a later time, as an additional title search would have to be performed prior to issuing the insurance.

Title Search - A review done by the title company's representative of all records available to determine if the title is indeed clear of all liens and claims.