

The Knowledge Resource

FOR

Finding The Perfect Real Estate Agent



FOR SELLERS :

Finding the Perfect Agent

... Your Agent

Does Your Agent Really Work for You?

Agents Must Now Disclose

Agent Interviews

Good Questions

Who's Involved?

Sellers' Helpers

FOR BUYERS :

What Type of Buyer Are You?

Your Profile

Open Houses

Good Way to Start

Agent Interviews

Good Questions

New Home Wish List

Maybe You Can Have It All!

Who's Involved?

Buyers' Helpers

FOR SELLERS AND BUYERS :

Moving Checklist

Start Packing

Finding the Perfect Real Estate Agent...Your Agent

The tried-and-true way to find a real estate agent is to ask friends and relatives for a referral of someone they know or have used successfully and would use again if the need arose. The way to find the perfect agent is to interview the referred agents and then select the one that best fits your needs.

You will want to determine certain important facts:

- How well does the agent know the local real estate market?
- What is his or her track record compared to local statistics?
- Does this person have good negotiating skills?
- Does this person have a good reputation within the industry?

Finding the right agent is essential to making your home-selling experience a positive one. You're about to embark on a journey that will require preparations, decisions, time and patience. Your relationship with the agent you select will help keep your stress level under control and ultimately be responsible for the financial outcome of your transaction.

Define your objectives before starting and communicate these clearly to your agent. Knowing what is most important to you will help him or her strategize to help you meet your goals:

- What are your main objectives?
- Is speed most important?
- Or is it the highest price?
- Do you want the agent to report daily activities?
- Or only significant activity?
- Do you prefer an aggressive approach?
- Do you want the agent or support staff to be available 24/7?

Knowing your requirements before interviewing will assure you of making the best choice. Find out as much as you can about each agent from the party who made the referral. Speak with each in person or on the phone and ask the questions supplied in the "interview" section of this guide. Before making your final decision you should meet face to face with the agents you are seriously considering. Knowing what is important to you will help you find your perfect agent. Time invested upfront will prevent frustration later.



Does the Real Estate Agent Work for the Buyer or the Seller?

While this does not pose as much of a problem for sellers since it is clear that the listing agent is working for them, disclosure is now required by state law.

Real estate agents are required to disclose who they are working for, the buyers or the sellers or both. In most cases, before being shown property or discussing financial ability to purchase or lease property, clients will be presented with a form, the Agency Disclosure Statement, indicating whom the agent will represent in the transaction. Although you will be asked to sign this form, acknowledging that it was given to you, it is not a contract and does not obligate you to work with the agent — it simply serves as a consumer disclosure form to protect your interests.

In the past, buyers assumed that the agent showing properties to them was representing them. The agent would call them to inform them of new listings, would write up offers to purchase and give them information about financing and other related issues. Buyers would feel free to give them confidential or strategic information without knowing that the agent would pass this information on to the sellers, sometimes placing them at a disadvantage in the transaction.

In some cases, you may also be given another form, the Dual Agency Disclosure Statement. You may be asked to sign this form to indicate that you have been informed that the agent will be representing you as the buyer, as well as representing the seller.

Continued on page 4

Does the Real Estate Agent Work for the Buyer or the Seller?

Continued from page 3

All other reasons aside, this is most important, from a strategic perspective:

Seller's Agent

- Seller's agent works for the real estate company hired by the seller to sell their property.
- In Multiple Listings, all agents are sub-agents of the listing agent and represent the seller.
- Confidential information should not be given to a seller's agent.
- Even after a seller's agent has disclosed his or her agent status, confidential or strategic information should not be given.
- The disclosure statement is not a contract, only a disclosure.

Buyer's Agent

- Buyer's agent works for buyer only. You may be asked to sign an exclusive agreement with that agent, for a pre-determined period of time.
- The period of time can be any you both agree on, even as little as one day.
- Signing an agreement does not obligate you to pay the agent a fee (unless clearly stated and agreed to); real estate agents are usually paid a commission from the sale.
- You will be required to pay the agent a fee if you purchase a "For Sale By Owner" home during the period of time you are under contract to the agent.
- When a buyer's agent shows a listing held by the agent's own real estate firm, he or she has responsibilities to both parties. Since the seller pays the commission, the agent's loyalties are split.
- When the agent's loyalties are clearly split, the Dual Agency Disclosure must be presented to buyer and seller in advance and both must agree.
- Buyers would be wise to work with a buyer's agent to ensure that their goals are met in an unbiased manner.



Interviewing the Agent (Sellers)

Here are questions that will help you narrow the list of candidates:

- Are you a full-time or part-time real estate agent?
- How many years have you been in the real estate business?
- Is your license in good standing?
- How many homes have you sold in your career?
- How many homes have you sold in my area last year? ...this year?
- How does that number of sales compare to the statistics of the National Association of REALTORS®?
- What is your educational background?
- Do you offer any guarantees? What are they?
- May I call some of your past clients?
- What kind of experience and training do you have in negotiating?
- Can we get out of the listing without a hassle if we're not pleased with your services? (Ask if a clause to that effect can be written into your agreement.)

Continued on Page 6

Interviewing the Agent (Sellers)

Continued from Page 5

- Will you design a written marketing plan specifically for our property?
- Where does your company rank among other companies in the area?
- Are you a member of the NATIONAL ASSOCIATION OF REALTORS®? Are you a member of the local Board of REALTORS®?
- Are you a member of the MLS?
- Does your company have a widely-recognized logo that will call more attention to our home?
- How often will you be in touch with us from the time we hire you until escrow closes?
- Do you personally or does your company spend money on advertising?
- Specifically what type of advertising will you use to sell our home?
- If you're not personally available, what support do you have in place to take care of my needs?
- What do you do, if anything, to help prepare our home for sale?
- Do you market within as well as outside the real estate profession?
- Will you invest time marketing specifically to homeowners in this area to find out if they know someone who would like to live in this neighborhood?
- Will you hold Open Houses? How effective are your Open House strategies?
- Will you do Direct Mailings about my property? How many? How often?
- Will you personally handle all contract negotiations?
- What commission rate do you charge?
- Will your rate be lower if you sell my house yourself as well as list it?
- In the current market, at what price do you think our home will sell?
- Will you prepare a comparative market analysis for our home?

Who's Involved in the Seller's Transaction?

- Advertising Agency and/or Newspapers/Magazines
- Appraiser
- Legal Advisor
- Contractor (if repairs needed)
- Buyer's Mortgage Company
- Buyer's Loan Officer
- Lending Underwriter
- Loan Processor
- Title Company Representative
- Title Processor
- Attorney (in some cases)
- Current Mortgage Holder
- Moving Company
- Utility Company
- Termite Inspector
- Land Titles Office Representative
- Septic/Sewer Inspection
- Structural Engineer (in some cases)

What Type of Buyer Are You?

Your first steps toward buying a home can be daunting. However, by following some the guidelines we offer, you will soon be ready to move forward with your plans, secure in the knowledge that you have done your homework to assure a positive outcome. Armed with a clear vision of who you are as a buyer, you should soon be moving into your new home.

You will be able to assist your agent in finding your dream home at a price you are prepared for by clearly communicating:

- Price range?
- First-time or repeat buyer?
- Current mortgage status if repeat buyer?
- Estimated available down payment?
- When will you be ready to buy?
- Is your new home purchase contingent on selling your existing home?
- Are you pre-qualified by a lender?

A home is one of the largest purchases most of us will ever make. Just as real estate agents are always telling us about “location, location, location” when it comes to deciding which home to buy, there’s nothing like “preparation, preparation, preparation.” Before embarking on your search, take the time to create a realistic family-friendly budget and establish with your lender just how much house you can really afford. In our “wish list” section, we’ve listed many features; select the ones that you must have, the ones that you want but could live without; then start cutting if your budget won’t stretch for all the desired features.

Once you are pre-qualified by your lender, begin your search. With a clear understanding of your requirements and priorities, your search for your new home should be pleasant, satisfying and short.

This process can be very time consuming. Take care to schedule house-hunting appointments around your other activities to avoid frustration and stress.



Should You Attend Open Houses?

As we said earlier, beginning the process of searching for a new home can be intimidating. Attending advertised open houses may be an easier way to ease into your search. These are held every weekend and are listed in your local newspapers. Appointments are not required.

Attending open houses can be a great way to see many properties in a few weeks. It will give you an idea of prices in the neighborhoods you are interested in without the pressure of making a commitment to an agent. Since not all properties are shown through open houses, realize that you will miss many that are shown by appointment only.

Be selective in this process. It's easy to get caught up in the excitement of house hunting, but attending too many open houses can lead to burnout, confusion and disappointment, especially if you're looking out of your price range. Also, consider getting pre-approved for a mortgage before looking so that you will know what price range to concentrate on. At this point, we're assuming that you haven't yet selected an agent, but once you do, always be upfront with the agent conducting the open house about this relationship. Doing so will prevent misunderstandings about commissions if you should end up buying the house.

Remember, you will be a guest in someone's home:

- Come at the specified time, not earlier and not later.
- Please register and present identification, if asked. Real estate agents work alone sometimes and need to be cautious.
- Get a copy of the multiple listing sheet or flyer if you're interested in a particular property. It's difficult to

Continued on Page 10

Should You Attend Open Houses?

Continued from Page 9

remember the specifics once you leave and visit a number of other houses. Takes notes if necessary.

- Leave children and/or pets with a sitter. It will be easier for you to concentrate on the property and ask relevant questions.

Find out about the neighborhood:

- Is this a friendly neighborhood?
- Is this a noisy area? (better to know before buying)
- Are the streets congested with traffic around during rush hours?
- Are the streets safe at night?
- Are the schools good?
- Are there nearby medical facilities, churches, shopping areas and grocery stores?
- What about taxes, local government and law enforcement?
- Have plans for new developments, or facilities you might object to, been approved by the planning commission?

You may want to do some further fact-finding on your own:

- Drive or walk around the neighborhood at various times of the day or evening.
- Make note of the condition of houses and lawns. Peeling paint on houses, dirty windows, trash cans in plain sight, cars on the lawns, overgrown grass and weeds would indicate a poorly kept neighborhood.
- Contact the local police department and ask for crime statistics.
- Check alleys and public buildings for graffiti that could indicate gang activity.
- How much do local schools spend per child? Ask about test scores.
- You'll want to know about local transportation as well as your commute time to work.
- What about neighborhood shopping and recreational facilities?
- Research recent selling prices for houses in the neighborhood, increase in value in the past 10 years and property tax increases.
- Call the water, disposal, gas, cable, phone and electric companies for utility costs.

Interviewing the Agent (Buyers)

- Do you work full-time or part-time as a real estate agent?
- How well do you know the specific area(s) I'm interested in?
- Will you handle all aspects of my transaction or will your support staff handle most of it?
- Will you be accessible when I need you?
- Will you give me a comparative market analysis (CMA) of recent sales in the area and homes currently for sale?
- Is your license in good standing?
- What is your educational background?
- Will you use the MLS listings and the Internet to find properties with the features I want, in my price range?

If interviewing for an Exclusive Buyer's Agent, also ask these questions:

- Will you confirm in writing that your firm does not accept listings?
- Can you work with me on homes for sale by owner, new construction, and multiple listings?
- Can you work with me on both new and existing homes?
- Are you familiar with new home developments in the area I'm looking at?
- Do you have knowledge of different builders' reputations in the industry?
- Are you a member of local and national REALTOR® associations?
- Will we work under a formal exclusive buyer's contract?
- Do you charge a good faith fee and is this fee returned to me at close of escrow since you will be receiving a commission from the sale?

If you're not familiar yet with the concept of a buyer's agent, not to worry... this trend has only been around since the mid-1980s. Prior to that time, agents could represent both seller and buyer and no one appeared to recognize this as a conflict of interest. Since the seller was paying the agent's commission, he would consider his or her duty to be to the seller, and would not necessarily be representing the buyer's best interests.

Today, a buyer's agent works solely for the buyer and represents only the buyer's best interests. Most states require disclosure as discussed earlier.

New Home Wish List

Try to define as closely as possible the neighborhoods, type of housing and features that you are looking for, and make a list for your real estate agent. The closer you are able to describe your dream home to your agent, the sooner you'll be living in it. Don't forget to define your price range, based on discussions with a lender of your choosing. If you feel that you may have some credit issues, you would do well to start working with the lender as soon as possible to resolve these and obtain your loan.

Agents usually insist on working with clients who are pre-qualified as this assures the seller that the buyer is serious and able to purchase a home. Being pre-qualified places you in a stronger negotiating position.

Here are some ideas. Feel free to delete some of these and add your own:

Type of housing:

- Single family dwelling
- Condo
- Townhouse
- Cooperative

Neighborhood (be as specific as possible):

- Urban
- Suburban
- Rural
- Gated – Security – Community Pool – Golf – Tennis
- Senior Development 55+
- Lakeside
- Mountains
- Close to Schools, hospitals and shopping

Necessary Features (elaborate where needed):

- Number of Bedrooms
- Master Bedroom Suite
- Number of Bathrooms
- Tubs and Separate Showers
- Eat-in Kitchen
- Refrigerator

New Home Wish List

Necessary Features (elaborate where needed):

- Electric range/cooktop
- Built-in range/oven
- Gas or Electric Range
- Self-cleaning Oven
- Microwave Oven
- Disposal – Trash Compactor
- Dishwasher
- Family Room
- Formal Dining Room
- Forced Air/Heat
- Garage: Number of Cars
- Garage: Attached – Detached
- Automatic Garage Door
- Lot Size
- New House
- Maximum Age of House
- Approx. Square Footage of House
- Number of Floors
- Large Backyard
- Landscape sprinklers
- View
- Fireplace
- Finished Basement
- Pool/Jacuzzi
- Patio/Porch
- Stucco Exterior
- Wood Siding
- Brick
- Newer roof
- Security System
- Good freeway access



Who's Involved in the Buyer's Transaction?

- Appraiser
- Legal Advisor
- Contractor (if repairs are needed)
- Mortgage Company
- Credit Bureau
- Lender or Loan Officer
- Lending Underwriter
- Loan Processor
- Title Company Representative
- Title Processor
- Attorney (in some cases)
- Current Mortgage Holder
- Moving Company
- Utility Company
- Termite Inspector
- Land Titles Office Representative
- Septic/Sewer Inspection
- Home Inspector
- Structural Engineer (if needed)

Packing and Moving



Making your move as easy as possible and saving you both time and frustration is what this section is all about. Entrusting all your worldly possessions to a moving company and hoping they will deliver them back to you when you want them, where you want them, seems to require a giant leap of faith. Moving has been rated, by some, as the third most highly pressured experience next to going to jail or getting married!

Look over the list below and check off each as it's done. Before you know it, your move will be over and you and your family will be enjoying your new home.

- File your change of address with the post office.
- Transfer utilities, schedule meter readings: have handy the turn-off date at your current address and turn-on at your new address.
- Contact moving companies for estimate.
- Get moving boxes.
- Set moving schedule.
- Re-confirm with movers the date and time of their arrival at your home on moving day.
- Let your movers know what you expect of them.
- Ask movers the extent of packing and readiness expected of you.
- Does the moving company have insurance coverage in case of damage?
- Is insurance coverage for replacement or fair market value?
- Establish termination date for delivery of mail and newspapers.
- Send change of address cards to insurance companies, credit card companies, and service providers.
- Notify your automobile insurance company of your new address.
- Inform your children's school of your move and new address.
- Start registering process at your children's new school.
- Obtain medical and dental records if you'll be changing providers.
- Send your bank your change of address or close or transfer your bank account.
- Have pilot lights for the stove, water heater and furnace checked at your new home.
- After moving, check with Post Office to see if any mail is being held for you.
- Change voter registration.
- Notify Department of Motor Vehicles of your new address.

Enjoy your new home!