

HOW TO CHOOSE A LISTING AGENT & HOW NOT TO CHOOSE A LISTING AGENT

Two of the biggest mistakes home sellers make when choosing a listing agent are selecting an agent solely based on:

1. Highest List Price for Your Home
2. Lowest Commission

At first glance, a seller might say, “What? Are you nuts?” It’s a given...sellers want the highest possible price and want to pay the least amount of commission. But those two criterion have very little to do with hiring the best agent and, in many instances, are completely irrelevant. Let’s look at why.

The Highest Suggested List Price

Agents can’t tell you how much your home will sell for. That’s a fallacy. A listing agent can show you comparable sales, pending sales and active sales. But YOU choose the sales price and a buyer will tell you if the price is right (when and if making an offer)

- To get the listing, some agents distort the truth.

Since agents can’t guarantee your sales price, the listing agent who suggests the highest price is probably untruthful. Ask the agent to show you numbers supporting that suggested list price. They probably

won't have them or the home sales will be located in a different neighborhood.

- Pricing is an art.

The best time for an offer is within the first 30 days on market. If the home is priced right, you'll get an offer. If it's priced too high, you might not get any offers or showings at all. Many factors determine the correct price, among which are location, strength of the market and improvements. If a home is over priced...it can become "Stale" in the buyers eyes

SHOULD YOU CHOOSE AN AGENT BASED ON COMMISSION?

Real estate agents are not equal; each is unique. Remember about 10% of the agents do 90% of the business. Each has their own marketing techniques and advertising budget. By choosing an agent with a large advertising budget, you will gain greater exposure to the largest number of buyers, which is ideal. Reaching greater numbers of buyers equals better chances of a good offer.

Why would an agent willingly work for less than competitors?

There is always a reason why a broker or real estate agent would discount their fee. Sometimes it's the only way the agent feels it's

possible to compete in a highly competitive business, because the agent can't stand apart from the competition on service, knowledge or negotiation skills.

If the sole benefit an agent brings to a table is a cheap fee, ask yourself why. Is the agent desperate for business or unqualified? Do you want to work with a desperate agent?

Sometimes full-service agents will negotiate a lower commission under special circumstances such as:

- You're buying a home and selling a home at the same time giving both transactions to one agent.
- You're willing to do all the legwork, advertising, marketing, and pay for expenses related to the sale.
- You promise to refer more business to the agent, which would result in multiple transactions.
- You're selling more than one home.
- You don't have enough equity to pay a full commission.

If you are interviewing agents who offer similar services and can't decide between them, ask if you can call previous sellers that they've done business with.

Importance of Agent Marketing

Beyond the expensive car or fancy clothing, a good listing agent lives and dies by marketing....because marketing sells homes. Ask to review a complete copy of the agent's marketing plan. Precisely, what is the agent going to do to sell your home? Here is what you should

expect for the fee that you agree to: (Just remember one thing...if the agent doesn't get your home sold, he/she doesn't get paid).

- Name recognition.
- Professional signage.
- Follow-up reports/calls giving feedback on showings.
- Broker Open House
- Incentives for agents to sell
- Staging advice.
- MLS/Internet exposure with 8 to 12 professional photographs.
- Virtual Tour
- Distribution to major Web sites.
- Highlight Sheets
- Public Open House
- Direct mail to surrounding neighbors
- E-Flyer to agents in marketing area
- Updated CMAs after 30 days.
- Enhancement on Realtor.com
- Updates on neighborhood facts, trends and recent sales.

Remember, no single tactic sells homes. It's a combination of all those methods that sell homes.

Characteristics of a Good Listing Agent

Here are some of the characteristics sellers say they want in agent:

- Let new agents learn the business on somebody else's dime.
- Ask about degrees and certifications.
- Trust your intuition. Your agent should speak from the heart.
- This is a people business. Some homes sell because agents have contacted other agents.

- Negotiation skills. You want an aggressive negotiator, not somebody out to make a quick sale at your expense.
- Good communicator. Sellers say communication and availability are key.

Bottom Line... If you hire the best agent, you will walk away with the most money in your pocket and that's all that counts.