

Flat Rate Realty®



FLAT RATE
REALTY

**New Agent
Training Manual**

Welcome to *Flat Rate Realty*®! In all of our professional real estate transactions, we strive to achieve the very best in quality. Quality through service, quality through training, and quality through people will help us reach and maintain our goals.

1. Introduction

Are you ready for what could be the most exciting, rewarding and fulfilling job of your life? One where you can be your own boss and have the opportunity to help others achieve their dreams? Great! Are you also ready for what could be one of the most challenging careers of your life? Great! Welcome to the world of real estate – you’ve come to the right place.

This guide offers some basic essentials for real estate agents, identifying some pitfalls that agents encounter and offering solutions on how to avoid these setbacks to increase your chance of success. In addition to the general information and guidelines provided herein, you may want to contact your local association for information specific to your region.

2. Office Training

Whether you’re working in a small or large office, most real estate firms offer some sort of training for their new agents. Some offer weekly training, whereas others may require their agents to attend training sessions 4 or even 5 days a week. Regardless of the frequency of your office training, you should take advantage of it and ask a lot of questions. Remember, it’s in your broker’s best interest to see you succeed since that is how they make their money. Following are some tips to help you become a better real estate agent:

A. *Pay Attention*

Many times agents attend their training courses just to pass the time. Some look at it as a waste of time better spent out in the field creating new business. However, training is essential. The better trained you are, the more confident and competent you will be when the opportunity arises to put those first transactions together.

B. *Ask Questions*

If you have a question, chances are another agent has the same question. So, be the one to ask and you'll be someone's hero. Plus, it's better to ask the question at the office and maybe feel a little embarrassed in front of your co-workers than to find out in front of your clients, possibly to their detriment.

C. Practice with Your Training Materials

Don't just take your training materials home and file them away in a desk or closet. Actually take them out and practice, practice, practice. This is especially important if your office covers the proper way to fill out the contracts and other forms you will be using in your listing and purchase agreements.

3. Independent Contractor Realities

Did you expect to enter the business of real estate and make \$100,000 your first year? If so, you're probably not alone. What new agents should realize is that it may take time to become established in real estate sales. Unless you are extremely lucky, it may take up to six months or more before you see your first commission check. That's assuming it takes one to two months to find a viable client, another one to two months to open up a transaction and anywhere from 15 to 90 days to close the transaction and collect your commission check. For this reason, you should plan on having saved up or being able to borrow at least six month's to a year's worth of living expenses when entering real estate sales.

A. Getting Established – Start-up Costs

Starting any business costs money. The assumption here is that you already have your license in hand, therefore initial costs to study for and take your real estate exam, along with the cost of your actual license, are left out of this list. When estimating your costs, please consider the following list of things you will need to budget for:

- **Business Cards** - Spend the money on nice business cards, making sure they are printed on good quality card stock and include your photo. Business cards may cost from \$50 to \$150 for 1000 cards.
- **Postage** - Make sure you have enough stamps available for mail-outs to your farm area and for basic correspondence to clients and potential prospects.
- **Prospecting Materials** - This includes little give-away gifts in your farm area that cost between 20 and 80 cents apiece.
- **Advertising** - There may be a wide range of costs in this category, depending on what type of medium you want to advertise in and how often you want to run your

ads. For certain ads, you may be required to provide camera-ready pictures, so be sure to budget for your photography needs as well.

- **Car Maintenance** - This includes basic servicing, car washing and gasoline. Don't forget to always keep your car clean, well-serviced and filled with gasoline at all times. Between previewing properties, driving clients around and other various things you must do on the road as a real estate agent, you'll find that your car will become your second office.
- **Printing Expenses for Flyers and Brochures** - Whether you are holding open houses, sending out a promotional mailing, or creating resume, brochures and other materials, you'll be spending a fair chunk of change on your printing requirements. For jobs that involve mass quantities of flyers, it may be better to take it to a professional printer. For smaller printing jobs, you may want to run them on your own personal printer.
- **Business Stationary and Supplies** - This includes letterhead and envelopes for everyday correspondence, pens, paper, folders, staplers, paperclips, notepads and other general office supplies. All of your stationary should include your name and contact information.
- **Basic Equipment** - Timing is critical in this business; therefore, you need to be able to respond quickly to presenting or receiving offers or answering your clients' and prospects' questions. Cell phones, fax machines, computers and e-mail are virtually a must in this business. If you do not already have one, seriously consider getting a cell phone and be sure to sign up for a plan that offers you enough minutes to conduct your daily business. In addition, a basic fax machine at home may help you tremendously. It will save you the time of running back and forth to your office every time you need to receive or send a fax. You can get a basic fax machine for under \$100.
- **Membership Dues** - Membership dues vary depending on which local Association you belong to. Your local Association offers many valuable services that you may want to take advantage of.
- **Lock Box Fees** - The keys for listed homes are often kept in a lock box located near the front door of the property or on the premises in a specified location. In order to be able to access these keys, you must have a "Supra Key". Your office and your local Association are good resources for information on where to go to get your Supra Key.
- **Additional Training Courses and Materials** - Part of staying sharp and motivated in this business is to constantly learn about your profession so you become more proficient and confident. Training and motivational tapes and materials are good tools for staying ahead of the game. Your office, local Association and library are good starting points to see what kind of training and motivational supplies are available.

- **Signs and Sign Riders** - Make sure you have enough Open House signs and name riders that have your contact information on them. Name riders with your phone number are important because they offer a way for the prospects passing by your listing to contact you directly.

B. Commission Structure Ins and Outs

Have you considered how much commission you will get to keep for each transaction you successfully close? To help illustrate, let's use an example:

- **Total Commission** - Assume the total commission for the transaction is \$6000.
- **Agent Split** - The commission 100%
- **Broker Split** - Now, of the \$6000 . Your broker will keep \$570 for a transaction fee.. .
- **Insurance and Fees** - On top of all of that, there may be other deductions to the agent's commission. Some offices set a fee per transaction for things like Errors and Omissions Insurance included. There will be Website fees as well.

C. Transaction Steps: Start to Finish

The main steps of a real estate transaction from listing to close of escrow are:

- Seller enters into a Listing Agreement for the Listing Agent to list Seller's home.
- Listing Agent markets Seller's home for sale.
- Buyer enters into a Buyer-Broker Agreement with Buyer's Agent to find a property to buy.
- Buyer and Buyer's Agent preview Seller's home.
- Buyer makes an offer to purchase Seller's home and Buyer's Agent presents the offer to the Listing Agent, who in turn presents the offer to Seller.
- Seller accepts Buyer's offer and the parties enter into a contract.
- Escrow is opened by the Listing Agent and Buyer submits an earnest money deposit into escrow.
- Buyer applies for any real estate loans needed to close the transaction.
- Mandatory disclosure reports are ordered and inspections are scheduled.
- All state-mandated disclosures are provided to Buyer for their approval.
- Buyer's requests for repairs are presented through Listing Agent to Seller.
- Seller performs any repairs agreed upon and brings property into compliance with governmental retrofit requirements.
- A lender approves Buyer's loan.
- Buyer conducts a final walk-through of the home.

- Parties sign-off documents in escrow.
- Buyer places down-payment and closing costs into escrow.
- Escrow closes and disburses funds based on escrow instructions.
- Buyer takes possession of the home.

4. Generating Business

Your success in real estate may closely depend on how quickly you can get out of the starting gate. Consider the following ways in which you can capture clients and generate business quickly:

A. *Your Sphere of Influence*

Contact the people that you know (friends, family, neighbors, church members, former co-workers, even your hairdresser!) and let them know that you have recently entered the real estate business. Send them a simple post card or letter announcing your emergence into the field and be sure to include your contact information, including your new broker. Also, don't be afraid to ask if they know of anyone who might need a real estate agent. Keep in mind, you know these people.

B. *Preview Current Listings*

Previewing the properties that are currently for sale in your market area will give you a better sense of the neighborhoods and current market values. The more properties you view, the better sense you will have of what is available for your buyers and the proper listing prices for your sellers. The confidence you will have from knowing the market is the key to generating business.

C. *Contact FSBOs*

While driving around previewing properties for sale, you may notice For Sale by Owner (FSBO) signs, a good source for potential listings. A FSBO is someone who is selling their home without the assistance of a real estate broker. When you drive by a FSBO, be sure to write down the address, phone number and a description of the home. Then, either drop off or mail a letter or flyer offering your services to conduct a free market analysis and to present your marketing plan for the sale of their home.

If you contact homeowners by telephone, be sure to comply with *do-not-call* rules by checking first to see if the telephone number is listed on the national *do-not-call* register or your company's *do-not-call* list. Contact homeowners to get information on the property and to see if they are participating with brokers. If so, try to make an appointment to preview the home and present your comparative market analysis (CMA) and marketing plan. Once you get the opportunity to meet with the owners and present your marketing plan, find out if they would consider listing their home with you.

D. Check Your Local Newspaper

Peruse your local paper on a regular basis for FSBO ads. Following the *do-not-call* regulations, contact the owner by mail to see if you can schedule an appointment to preview the home.

E. Sign Up for Floor Time

Floor time is a designated block of time when you have the opportunity to talk with any potential clients calling or walking into the office with questions about listing their home or finding a home to buy. Floor time is a great opportunity to pick up leads and get started toward your first sale or listing. Not all offices have floor time and policies on how calls are routed may vary from one office to the next, so be sure to check with your office manager or broker regarding floor time.

F. Work Open Houses for Other Agents

If you do not yet have a listing of your own, you can still do open houses for other agents who may be too busy to do their own. You can approach these agents and offer your services. Even if you do not get a buyer for that particular home from the open house, you may still be able to pick up a client who wants your help to find another home or to sell theirs (or both!). Tips on how to increase your chances of picking up new prospects at open houses are mentioned in the *Open House* section of this guide.

G. Choose a “Farm” Area

Drive around and pick an area in which you would like to specialize (your “Farm” area). Make sure it is manageable and that you have the resources (time, energy, money) to promote yourself to this region at least once a month. One common mistake made by new agents is to pick an area that is too large to manage. They can’t properly prospect the entire region on a regular basis, which defeats the whole purpose. Once you have picked your farm area, you may call a title company and have them send you a farming package, including mailing lists of homeowners in that particular neighborhood. It is also a good idea to research sales in that neighborhood to see if there is a good turn-over rate of movers or an agent who is already dominant in the area. As soon as possible, start knocking on doors and mailing prospecting information to the homeowners in your farm area. Be patient with your farming efforts. Although some agents get lucky right away, it can take six months or more to see any results.

H. Keep an Eye Out for Vacant or Abandoned Properties

Vacant or abandoned properties are a good opportunity to send the owners an offer for a free CMA and potentially pick up a new listing. Be cautious with this tactic, however. Some properties may seem abandoned, but are indeed occupied. Don't assume in your correspondence to the owner that the property is abandoned; you may risk offending them.

I. Check out Garage Sales

Check for garage sales in your local paper or while driving around. Sometimes people who are getting ready to move will have a garage sale to clear out the clutter from their home before putting it on the market. Be the first to approach the potential seller.

J. Check for Military Bases

If there is a military base near you, call the housing office to see if you can drop off a few welcome packages for their incoming members. Be sure to include some information about the area, along with your contact information.

5. Comparative Market Analysis (CMA)

A Comparative Market Analysis (CMA) is a method commonly used by real estate agents to determine the estimated market value of a home by comparing that property to similar homes in that neighborhood that have recently been sold. Features for comparison include size of the home, number of bedrooms, number of bathrooms, proximity to major streets, age of the home, etc. When researching price, pay attention to how long the home was on the market before selling and any subsequent price reductions. Some CMAs also take into account listings in the neighborhood that are currently for sale or pending sale and those that have expired or been cancelled. Be careful with this method because the price the home ends up selling for is often very different from the original list price.

One key to your success at a listing presentation is your ability to use your CMA to arrive at a price that is high enough to please the seller, but low enough to ensure a quick sale. Nothing looks worse than a home that has been on the market for several months with several price reductions. Therefore, it is essential to make sure your CMA is the best it can be. Here are some suggestions to help make your CMA thorough and accurate:

- **Good Presentation** – Make sure your CMA looks professional, and is well-organized and easy to read. Consider using high-quality paper stock, colored pictures, a map showing the location of your comparable sales or special binding to make your CMA stand out from the crowd. Remember, your prospect may be interviewing other real estate agents. It is a competitive market and you will need to rise above the competition to succeed.

- **Extra Research** – Most agents rely solely on multiple listing service (MLS) information to prepare their CMAs. You can stand out by providing more information in your comparison, which should ensure a proper listing price. For example, get a property profile including comparable sales from your title insurance company, research the property assessment information at your county tax assessor’s office or contact FSBOs to learn what they sold their properties for.
- **Think Outside the CMA** – The price at which you ultimately agree to list a property depends not only on your CMA findings, but also on other factors such as the condition of the home, how quickly the seller wants to sell, and general market conditions. If, for example, you know that the market is hot, you may be able to list the property for a higher price than the CMA reflects.

6. Prospecting: Don’t Be a “Secret Agent”

The term prospecting refers to a group of activities conducted by real estate agents in an effort to generate leads, contacts, clients and ultimately, new business. There are many methods of prospecting, including door-to-door solicitations, cold calling, mass mailers, group e-mails, call-ins, door hangers and getting involved in the community. Agents engaged in certain prospecting methods must comply with applicable rules and regulations. To learn more about these legal and ethical requirements, talk to your local real estate association.

Prospecting is often claimed to be the lifeline of a career in real estate. Quite frankly, however, it is also the bane of some agents’ existence, especially new agents. Just remember that it is hard but necessary work that gets easier the more you do it, so you should practice every chance you get. Be persistent. Don’t give up after one or two attempts. And try to do things that you enjoy. Your prospecting efforts will be more effective and rewarding if you enjoy what you’re doing.

Why do so many people hate to prospect? Whether it’s fear of rejection or feeling that your efforts are futile, here are some things to remember to help maintain a positive attitude about prospecting:

- **Realize That It’s a Numbers Game** – The best way to think about it is: “Okay, that’s one more NO closer to my next YES!” Thinking about it in this way may help you get over the rejection quicker and make it easier to keep on going to the next prospect.
- **Don’t Hard-Sell** – Recognize that you don’t have to hard-sell people when you are prospecting for business. In fact, oftentimes, it may be better to take a soft-sell approach to things. People usually do not want to feel pushed into anything. Telling yourself that you don’t need to make the sale can alleviate a lot of the anxiety you may feel to perform.

- **Know That You are Not Alone** – Many agents hate to prospect for business. Just the fact that you are willing to prospect puts you ahead of the game.
- **Smile When You Talk to People** – Looking into a mirror and smiling helps you project a more positive voice when making prospecting calls. Keeping one handy by your telephone is a good idea. Practice smiling while you are on the phone. Then, take it with you out into the field. When you meet people, remember to smile.

7. **Set Yourself Apart in a Competitive Market**

Have you ever noticed that some agents seem to be luckier than others? How does this happen? Well, these agents may be luckier, or it may be that they create the circumstances and do the things that bring more opportunity into their lives and businesses. An example of this is an agent who regularly goes out to preview properties, attends various real estate functions, participates in community social events, or always wears their real estate name badge or real estate pin while stopping into the supermarket or doing other errands. These are times when business may approach you simply because you were in the right place at the right time.

A. *Increase Your Opportunities*

- **Seek out appropriate community outreach events** - Some banks, lending institutions and community centers offer free finance seminars on purchasing a home. Attending these seminars with your name badge on might be a great way to reach more prospects. Also, look for ways to increase your referral potential. Make contact with retirement advisors, financial advisors and executive recruiters to build your referral network team.
- **Constantly be prepared** - An example of this is if you are previewing a property and just happen to be there at the same time a prospective buyer is parked outside or driving by. Sometimes when this happens, the prospect may approach you and ask if you are the listing agent or if you know anything about the house. This is an excellent opportunity to find out if they are currently in the market, if they are already working with another agent or if they may be your next clients. If you already have the information on the house and a business card available, you will look like a true professional.
- **Always have your business cards available** - Wherever you are, be ready to hand out some information about your services and the benefits of working with you. In addition to the all-important business card, a good item to carry with you is a brochure detailing your services, ready to hand out to potential clients when you meet them.

- **Be equipped to open a transaction** - Because you never know when you might have the opportunity to write up an offer or take a listing, you should have one set of standard forms with you at all times to either write up a listing or make a purchase offer on a property. Have a set compiled at the office and keep it in a neat folder in your briefcase or car.

B. Increase Your Knowledge

If you want to set yourself apart from the pack, one alternative is to learn some of the more unconventional things that agents don't usually look into. Having a little bit of knowledge on these things that are less conventional will give you an edge that other agents may not have. It will also give you more confidence in dealing with people when they ask you questions pertaining to these topics.

- **Inventory Alternatives** – An example of this includes looking into repossessions, foreclosed homes and HUD homes. To find out more about HUD homes, talk with your office manager or broker. You may also check out their website at www.hud.gov. Also, HUD may be willing to send out some literature on how the whole process works. Be aware that they may use different forms in writing up offers and have special procedures for processing transactions.
- **Financing Alternatives** – Another way to increase your knowledge is to look into alternative financing loans. Talk with a couple of lenders to find out what kind of programs they have for “minimum down” loans and if they have programs for first-time home buyers, special groups (e.g., loans for teachers), or clients with less than perfect credit scores.

C. Attitude, Approach and Appearance

Attitude plays an important role in your success. Clients sometimes decide to work with you versus another agent because of your attitude. Buying and selling real estate is usually very stressful for most people who do not have experience with it on a daily basis. Therefore, they are looking to you to help them in this process. This is why it is so important to have a great attitude.

A positive attitude also portrays to your clients that you are confident. Approach everything you do with a confident spirit. In your mind, believe that you are capable of giving your clients the best professional service they will find anywhere. If you truly believe this, your clients will probably sense it and thereby have more confidence in your abilities as well.

Appearance matters. You never know when clients may decide to unexpectedly stop into your office, or you may get a “hot lead” while you're out and about. It's okay not to wear suits all the time, but you should always look presentable and keep in mind that you may run into someone who needs your services and you'll want to be sure you look professional.

D. Handling Competition

Learn about your competitors. Part of knowing about the real estate market is to know who is doing what. In other words, it is important to get to know some of the agents with whom you will eventually be dealing. A perfect example of why this is important is to know if a particular agent is the predominant “expert” in a particular area. This is good to know when you are looking for a farm area because you need to know whether it’s worth it to try to compete with that agent. Also, it creates a sense of familiarity to know what some of the heavy hitters are up to. Learning some of their tricks and techniques can help spur your own ideas.

Try to get referral business from your competitors. Most agents think that referral business comes only from friends and family. This is not true. Believe it or not, it is possible to get referrals from your competitors. This is one of the reasons that it is important to treat other agents with respect and professionalism.

8. Basic Client Knowledge

Sometimes agents are desperate and want business so badly that ANY prospect that comes into range is considered a good lead. A lot of new agents end up spending unnecessary time and money showing property or giving listing presentations that never end up as deals. As commission-based professionals, it is easy to get wrapped up into believing that the more exposure you have with clients, the more money you will make. Although this is generally true, it only applies if you know how to rank the probability of your clients’ willingness and ability to close a transaction. You should try to work with clients who have the highest potential of making a purchase or listing decision. Otherwise, you will be spending a lot of your time on futile efforts and are likely to get burned out very quickly.

A. Buying-Side Transactions

1.) Qualifying the Buyer Financially

Buyers’ hopes and dreams aside, you should know if they can qualify to purchase a home. Perhaps there’s nothing more frustrating or that will burn you out faster than showing property to prospective purchasers several times, only to find out later that they can’t afford to buy the home.

How do you financially qualify a buyer? Financial qualifier calculators can provide a basic estimate of what the buyers can qualify for. This is not complete, however, and there may be other reasons that a buyer may not be able to purchase property (credit problems, for example). Your best and safest bet is to have a lender pre-qualify your clients BEFORE you start looking for a home for them. Lenders can ask them all the

essential questions and run their credit report to make an initial determination as to their price range.

2.) Determining Your Buyer's Motivation

Just as important as financial qualification, you'll need to determine your buyers' motivational qualifications. Why? Because even though your clients may be able to financially qualify for a home, they must also have the desire to purchase. Watch out for the "Lookie-Loos". These are people who like to look at homes and can qualify, but are not currently looking to purchase. They are only "window shopping". This is why it is a good idea to find out WHAT YOUR BUYER'S MOTIVATION IS before you spend a lot of your time, energy, money and gasoline running around showing them home after home.

3.) Questions to Ask a Buyer

- Are you working with another real estate agent?
- How long have you been looking to buy a home?
- Are there any special features you are looking for?
- Is there a neighborhood or area that you prefer?
- Have you seen any homes that have come close to what you're looking for?
- How long have you lived in your present home?
- Do you own the home where you are now living?
- If yes, is it currently listed?
- Do you need to sell this home before buying your next?
- How soon would you like to move?
- Are you pre-qualified for a loan?
- If no, would you like to talk with a lender to get an idea of your price range?

What should you do when your buyers' expectations are not realistic? As a real estate agent, one of the things the public expects of you is to have knowledge of the real estate market and current market values. If it is turning out to be nearly impossible to find a property that meets their criteria, it is your duty to let them know and try to find alternate ways to get them what they are looking for. This can mean looking in a different area, changing certain of their criteria for the property, or waiting until financial options change.

B. Selling-Side Transactions

As important as it is to qualify a buyer, it is equally important to qualify your potential seller. Sometimes homeowners are just curious to know what the market is doing and would like information on the value of their home, but they are not yet ready to sell. It's okay to do a CMA for them, but you should also try to find out how motivated they are

and what their expectations and time frames are before investing too much of your time in them.

1.) Questions to Ask a Seller

- Why are you thinking of selling?
- How soon would you like to move?
- If you were to move, where would you go next?
- Would you like some information on the area you will be moving to next?
- How long have you owned your home?
- Do you have an idea of what your property is worth?
- Have you ever had a CMA or listed your property before?
- Will you need to find another home before selling this one?
- Will you be using the proceeds from the sale of this home to purchase your next home?
- Will you list with a real estate agent?
- Are you working with another real estate agent now?

What should you do when your sellers' expectations are unrealistic? Sometimes, when you are talking with homeowners, you'll discover that their expectations are just not realistic. One thing to realize is that homeowners attach an emotional value to their home, which can make them think their house is much more valuable than the market will bear. When this happens, you have a duty to be up-front with them. Have a well-prepared CMA, so that you can show them what the current market will bear. In the event that you get a listing that you know won't show well, you should go through the home room by room and inform your sellers of the things they need to do to improve its showing quality.

2.) How to Make a Listing Presentation

The listing presentation is a meeting between a real estate agent and a seller to discuss the possibility of that agent listing the seller's home for sale. There's probably no surer sign that you're on the road to success as an agent than getting a well-priced listing. So, do your best at your listing presentations. The following tips may be helpful:

- **Be Prepared** – Make sure you're prepared for your listing presentation with materials, marketing tools and other listing presentation materials. Be prepared to answer any questions the sellers may pose to you. New agents tend to dread the two questions that typical sellers are most keen on asking: how much you think their property is worth and how much commission you intend to charge. Be ready to answer those questions and to defend your answers with supporting documentation. If you feel especially nervous, before meeting the sellers, try practicing in front of a mirror.

- **Focus on Building a Rapport** – From the moment you first meet the sellers at your listing presentation until the time you leave, you should focus on establishing a good rapport with them. Believe it or not, sellers may list their property with you because they like you and trust you, regardless of the listing price and other terms.
- **Take Advantage of the Previewing Process** – Luckily, when you arrive at your listing presentation, you’ll usually preview and inspect the home before getting down to the nitty-gritty listing price and terms. Use this previewing time wisely, such as by engaging the sellers in casual conversation about their home or demonstrating your knowledge about marketing homes.
- **Dazzle Them** – There are many subtle ways for you to impress your potential clients with your preparedness, professionalism, skills, knowledge and winning personality. Demonstrate to them that, with you as their agent, they can rely on your utmost care, integrity, honesty and loyalty.
- **Understand What’s at Stake** – There are many benefits to getting a well-priced listing when you’re just starting out. You are poised to earn a commission. You’ll get hands-on training in the listing process and the forms you need to learn. The listing provides a lot of advertising opportunities like “Just Listed” flyers and “Sold” postcards. You will also have the opportunity to meet potential buyers, other real estate agents, appraisers, inspectors, title officers and other important contacts. Your clients may even give you a referral or a letter of recommendation to help you get more clients. Overall, getting a new, well-priced listing is a great way to boost your confidence as a salesperson.

3.) Listing Presentation Materials

Following are some suggested materials to bring on your listing appointments:

- Comparative Market Analysis (CMA)
- Property Profile
- Detailed Marketing Plan (including objectives and strategies)
- Seller’s Net Sheet
- Graph of Market Trends in the Community
- Company Profile
- Personal Profile and Resume’
- Business Cards
- Sample Flyers and Other Advertisements
- References and Letters of Recommendation
- Standard Listing Forms (including listing agreement and agency disclosure)
- Pen and Paper
- Calculator
- Tape Measure
- Local Maps

- Showing Checklist for Sellers
- A Small Gift for the Sellers to Remember You By

C. Working with Friends and Relatives

What could be better than having new business dropped in your lap? Sometimes, for new agents, their first deal comes from friends, family or ex-coworkers. There are two advantages to getting business this way. First, your expense in capturing the client was probably minimal compared with getting clients by prospecting. Second, you probably already have a built-in trust relationship.

1.) Juggling Professional and Personal Relationships

Let's face it. It's hard to juggle both a professional and a personal relationship with someone. Here are some things to be aware of and keep in mind when working with friends or family:

- Your friends and family may think of you in a personal way, but not in a professional sense.
- Oftentimes, they want to see how committed you are to the business before they feel comfortable working with you professionally.
- Even though you may try to explain what it is that you do, they may not always understand it.
- Believe it or not, sometimes they will give their business to another agent because they are more experienced or because they have worked with that agent before. This can be heartbreaking, but it does happen.
- Friends and family often expect you to do the job for less commission. Many times, this is due to the fact that they don't really understand just how small a slice of the commission pie you will actually be receiving for the work you do.
- Since selling or buying a home involves many complex elements, there's a chance that something unforeseen will come up during your transaction. This may be made more difficult by the familiarity factor involved. If there is an issue as to extra money to be paid out, they will often expect it to come out of your pocket.

2.) Tips for Dealing with Friends and Family

Resist the tendency to act more casually and take things for granted with respect to dealings with friends and family. You should take extra measures to:

- Educate them in the process of buying or selling real estate.
- Break down exactly what services you will be providing them.
- Explain how commissions really work.
- Always act very professionally and make it clear that you are required to abide by a certain Code of Conduct as part of your legal and ethical duties as an agent in your business.

9. The Open House

First of all, ask yourself, “Why should I hold this open house?” Is it to find a buyer for that particular house? Oftentimes, this is not the case. If you happen to find a buyer for the house you are holding open, you are very lucky. Most agents do open houses because it’s a chance to pick up potential buyers who may end up buying another property from them. Conducting an open house, however, is more than a three-hour commitment. To maximize your chance of picking up new prospects, make preparations ahead of time.

A. *Preparations*

Before the open house, do the following:

- Place an ad in the local newspaper.
- Have your lender make up some “financing flyers” with scenarios of down payments and monthly payments based on the listing price of the home.
- If you don’t already have one, create a simple resumé or brochure with your information and the benefits of working with you.
- Prepare flyers for the featured property along with all of the pertinent information regarding the home, as well as your contact information.
- Do your research and gather information on the local area surrounding the location of the open house. Good features to note are: school district including the nearest public and private schools, distance to parks, shopping and freeway access.
- A couple of days before or on the day of the open house, mail or drop off postcards or flyers to the neighborhood announcing the open house.
- Check your open house signs to be sure you have enough and they are in good condition.
- The day of the open house, run a list of comparable properties for sale and take it with you.
- Take an open house register to record contact information of prospective purchasers.

- Announce your open house in the listing comments on your local multiple listing service.
- Make sure you bring a complete set of the necessary forms to begin a purchase or listing agreement, just in case someone wants to write an offer or list their home!
- The typical open house lasts for three hours, but you should show up plenty early to drive around and place signs to direct traffic to the open house. Don't skimp on signs! Also, make sure they are in good condition so they make a good appearance.

B. Day of the Open House

- Arrive early to set up your display of informational materials.
- Be sure to place your open house register next to your flyers.
- Stage the home to be sure it shows well – turn on lights, open curtains, use room freshener or scented candles to cover pet smells, try fresh flowers or home-baked cookies for a special touch.
- Dress your best, wear a smile and greet visitors with a positive attitude.
- Wear a name badge or Realtor® pin to help identify yourself.
- Ask visitors questions, yet give them the appropriate space to look around.
- Be sure to thank everyone who comes to your open house, even the “lookie-loo” neighbors who may end up being your next listing!

C. On-site Etiquette

Certain unofficial practices fall into the category of open house etiquette. Here are some suggestions that will show you care about your client's homes and may well make you very popular with the seller and potential buyers:

- If there are white or brand new carpets in the house, suggest that visitors remove their shoes before entering those rooms.
- Be watchful of visitors with food or drinks and ask them to leave those at the door.
- Do not allow visitors to bring pets through the open house.
- If there are fragile or expensive objects in the house, suggest to the sellers that they store those away, or place a “do not touch” sign on them.
- Tour the house before leaving to inspect for damage, spills or trash that should be tidied up.

Common sense and courtesy should guide your open house guests to treat the property respectfully, but sometimes people (including agents) need reminding.

D. After the Open House

At the end of the open house, be sure to properly lock up the home (returning key to lockbox, if necessary), turn off any lights you may have turned on for the open house, close all windows and curtains, and take all of your supplies with you. Don't forget to tidy up and pick up all of your open house signs. Be sure to follow up with the leads you generated from the open house and send out your thank-you cards and letters. To save time, take pre-stamped postcards or letters, fill them out in between visitors, and mail them to the contacts you met right after the open house is over, so they will get them while you are still fresh in their mind.

10. Advertising

Effective advertising is essential to success in the real estate business. Following are some important considerations for your advertising campaign. Implement these ideas to increase your chance of success.

A. The Business Card

This is probably the single most powerful advertising tool you have. Your business card is an important marketing tool for your clients to remember you by. When you are going to order your business cards, keep in mind that people are going to judge your professionalism and the quality of service you will provide them by the quality and look of your business card, even if they have not yet worked with you. There is also a possibility that your clients will be talking to more than one real estate agent before making a decision as to who to work with. Here are some "Do's" and "Don'ts" for your business card:

Do's:

- **Do**, by all means, put your picture on it. Make sure it's a flattering photo (but realistic, you want people to remember you!).
- **Do** spend a little extra to get that better card stock.
- **Do** double-check spelling, telephone numbers and addresses on your card for errors.
- **Do** put a telephone number where you can actually be reached (not just an answering machine).
- **Do** list your email address or website, if you have one.

- **Do** incorporate logos of any real estate associations or councils that you are a member of.
- **Do** proof your business card carefully before passing any out (including taking a close look at your photo).
- **Do** consider incorporating the same photo into your stationary.
- **Do** try to give one to every prospective client that you meet.

Don'ts:

- **Don't** go digging through old photos taken ten years ago. It can really throw a client off if they receive your card with your photo and it doesn't look anything like you. It can make you look like you don't stay on top of things. The procrastinator image is not the one you want to portray here.
- **Don't** use glamour shots or prom poses. To be taken seriously as a real estate professional, you need to *look* professional. It's okay to have a picture that is unconventional, as long as it portrays competence and professionalism. Sometimes it pays to be a little unconventional or whimsical, as long as it's done right and your image is a match for your market. For example, agents working in beach communities might take their picture in a Hawaiian shirt or straw beach hat or even on the beach itself. CAUTION: You may want to skip the bikinis. Remember, professionalism.
- **Don't** use unflattering or unfriendly pictures. Look at your picture and ask yourself "would I want to work with me?" Make sure your picture doesn't look like a mug shot.
- **Don't** pick a picture with an inappropriate background. It's okay to have some type of background, just so long as it doesn't look like you just pulled a picture out of the family album (no Christmas trees in the background, please!)

B. Advertising on the Internet

Ten years ago, most buyers and sellers were looking for real estate agents in the phone book and properties for sale in newspapers and magazines. The internet has changed all of that. Our society is becoming more and more dependant on computers and the internet to find the resources they need. Real estate is no exception. Now anyone can just log on to the internet and view property available for sale or look up real estate agents that specialize in certain areas. In fact, many people who are relocating will first go on the

internet and look for information on the area, including properties for sale and real estate agents.

To increase your exposure and promotional efforts, you should look into the possibility of getting a website of your own. One thing to consider when you advertise via the internet is that prospects tend to contact a large number of agents from their websites while they are browsing. They will probably be most responsive to the agent who gets back to them first. Because of this, it is imperative to have the very best way to contact you on your site (possibly a cell phone) and have a quick notification system to learn of new messages so you can respond right away. You may want to set up your cell phone to notify you in the event of a new message or carry a wireless laptop with you at all times. If you don't have a device to notify you instantly upon receipt of a new message, you should check your email frequently throughout the day. Another tip is to set up a friendly auto response message in your email, so that when they contact you, they will get some sort of reply right away.

C. Advertising in Non-traditional Places

Other than your own personal website, postcard mailings, flyer distribution and business cards, consider the following affordable, local advertising options:

- Church Newsletters
- Community Bulletins
- Military Housing Newsletters
- Bulletin Boards at rental communities (with manager's permission)
- Laundromats
- Grocery Carts
- Businesses that allow you to leave your business card by the cash register

11. Conclusion

You may be able to greatly increase your positive results if you learn how to work smarter, not harder. The following timesaving tips may be helpful:

- **Listen** to your clients. This is a very important time-saving tip because if you know exactly what it is your clients are looking for, you will not spend valuable time showing them the wrong properties. Plus, it makes people feel important when you listen to what they have to say. On the other hand, if they feel like you are not listening to them they may become frustrated and find another agent to work with.
- **Learn** how to say "No." Don't over-commit yourself to extraneous activities that will sap all your time and energy. Plan your property showings with a map to follow the most direct route with the least double-backs. Mail documents that

don't absolutely need to be there today. Don't schedule more than one open house per day.

- **Identify** actions that will help you reach your goals. There are a lot of things that will keep you busy, only a few of which will actually make you any money. Learn to weed out the time-fillers and concentrate on the money-makers.
- **Schedule** your day according to the importance of the activities that will help you reach your goals.
- **Organize** your office, contacts, files and car (your office away from the office) so that you know where everything is all the time. When you are disorganized, you waste valuable money-making time looking for things. Important deadlines may be missed and crucial details overlooked. Be sure to have your files in good order all the time.
- **Consider** using a transaction coordinator. Some agents have a tendency to get bogged down in the semantics of the transaction. Keeping track of deadlines, ordering and coordinating inspections and preparing all of the required disclosures consumes a lot of time and energy. If your office offers the services of a transaction coordinator, it is well worth it to use their services. The time saved can free you up for more prospecting activities.
- **Know** when to say "when." Learning when to cut a client loose is difficult. It's easy for some agents to get wrapped up in spending a lot of time with difficult clients whose desires are unrealistic and often impossible to satisfy. Walking away from difficult clients or prospects with low potential can free you up to pursue more tangible deals.

There's a vast wealth of information available and numerous resources that you may use to help you get started. Be sure to take advantage of all of your options. Try to stay on top of market trends, listen to your clients' needs, work your marketing plan, keep up on changes in real estate law and be creative in your marketing and promotional efforts.

Whether or not you ultimately succeed in real estate depends largely on you. Hopefully, this guide will help your endeavor to get started by educating you about the real estate business, providing tips on how to generate business, and helping you track down the proper resources to guide you in your journey. The rest is up to you. GOOD LUCK!