

## Eleven Critical Money Saving Questions to Ask a Realtor Before You List Your Home, to Avoid Frustration and Financial Loss

Please don't make the common assumption and mistake, that all agents are the same. In truth, their abilities vary tremendously. It only takes two to six weeks to get a Colorado real estate license, so it is not a very discerning process. Most of what an agent needs to know to assist and provide value to their clients comes from hard-earned experience. **Since many thousands of dollars are at stake in any single real estate transaction**, careful selection of your agent will reap a tremendous advantage. This report will focus the key points on *how to select the best agent*.

To start, ask around. Look at local advertising to get a sense of which firms and agents are active in your area. You can contact these agents directly, and select the one most appropriate after asking the following interview questions.

- **Ask the agent for some materials about their services.** By reviewing these materials, you can see how well he/she market themselves. After all, if they can't market themselves, how are they going to market your property? This will also give you a sense of how well they follow through on requests. If they are slow in the beginning of a relationship when impressions are the most important, what will they be like later on with your potential buyers?
- **How long have you been selling real estate full time?** Since value from agents comes through experience, a good measure is how long they have been making their living in real estate. There are exceptions. Some really bright agents may only have a few years and the backing of other strong agents in their office, if needed. You will also find a number of agents who have been in real estate for a long time, but have not been doing real well. These exceptions have a way of revealing themselves, if you look.
- **Why are you with this firm?** Does the firm have a solid reputation within the community? Does the agent have the support staff and infrastructure to launch and maintain a strong marketing and service program? Ask them how their firm affiliation is of benefit to you.
- **Do you have an assistant or support staff?** - There are only so many hours in a day. One agent cannot cover every thing every time. Without support and help, you will not receive the service you need to feel good and see success. You need a fresh, sharp agent, not an overworked, overwhelmed, and tired hand.
- **How long, on average, does it take you to sell a listing? What is the market average?** A good agent recognizes that your best chance for a high net price occurs when your property is properly priced initially and receives good promotion. One of the natural side effects of a strong agent and good marketer, is shorter than average marketing times.
- **What is your average list to sale price ratio? What is the market average?** Good negotiation skills are required in working with a buyer to realize the highest net price. The same skills are also important to help curb the sellers who naturally want to overprice their properties. A strong agent understands that they help their client realize the best net by pricing the property properly. The easier route of pricing above the market to have the seller feel good (temporarily,) almost always costs the seller. Sold prices close to list prices generally indicate the agent has good negotiation skills to use on your behalf.
- **How often will you be holding an "Open House?" Homes sold through open houses are, statistically, very rare.** The real reason agents use your home for open houses is to meet prospective buyers they can assist in finding a home, almost always, other than yours. Open houses can have their place as a small part of the marketing plan. But, please understand they are a very ineffective means by which to sell your property.
- **How we price the property and why?** Proper pricing of your property is critical to your success, and is the one issue where sellers and agents can get in trouble. Your agent should have prepared for you a written report of homes comparable to yours that have sold, so you can get a good feel for the market. Caution! Every seller believes that his/her property is better than his/her neighbor's, and *desperately*

*wants to believe it is worth more too.* Weaker agents know this, and will "buy the listing" by telling the seller what he/she wants to hear, and inflating the price of the property. Although this practice is a *violation of the Realtor's code of ethics*, it happens, and it is damaging to both the seller and the agent. Many properties that are priced above the market initially, will not attract the properties true price range buyers, and only disappoint the higher price range buyers that do see it. The strategy of the agent now will be to have you lower the price until the property will sell. This, of course, stretches out the time on the market. Unfortunately, once the initial "excitement" period of the new listing passes, so does interest. Listings that are initially overpriced almost always *sell at a price below, and in a time frame longer,* than what they would have brought had they been priced close to market initially.

- **What is involved with a listing contract?** Ask about the duration of the contract. It should be about the same time as the average marketing period in your area. What is the fee structure and how does it work? What happens if we are not pleased with the service we are receiving? Have the agent cover each idea until you understand it completely and are comfortable. Please consider that shopping by price on fees is probably not in your best interest. Your primary concern is to market the property in the shortest time, and realize the highest net dollar. Paying an extra 1/2 or 1 percent on the brokerage fee can be made up several fold on a successful sale.
- **What disclosures do we need to make by law and what else is important?** Make sure your agent will refer you to Lead Based Paint disclosures, property condition disclosures, or others that are appropriate to your property. Home warranty policies can also be helpful in liability mitigation, particularly in older homes. Have your agent discuss this option with you to see if it is appropriate for your property.
- **Why should I choose to list with you over your competitors?** You should get some interesting responses here, as well as a good insight as to the type of person. It is OK for an agent to have some "ego." It can drive them to perform for you. It is, however, universally considered bad form to "bash" your competitors. You may want an agent who will allow that the competition is OK, but be able to offer some added advantages in working with his/her firm.