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20 Questions

You Absolutely Must Ask
Your Next Agent Before
You Sign On
The Dotted Line



YOUR FIRST AGENT
DIDN'T GET THE
JOB DONE. HERE'S
20 QUESTIONS YOU
ABSOLUTELY MUST
ASK BEFORE YOU
SELECT YOUR
NEXT REALTOR.®



(And Make The Same Mistake Twice)

A Special Report Prepared By



REAL ESTATE
LOCAL MARKET EXPERTS





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You recently decided that the time has come to sell your home. You probably met with several Realtors®, asked each a few questions, then selected a listing agent. Or maybe you already knew someone who sells real estate, so your decision was pretty simple.

The fact that your listing agreement recently expired and your home is still on the market leads me to believe that things didn't work out as you hoped they would.

Anyone who ever sold a home knows how frustrating and unnerving it is to have your listing expire without a sale. You're probably thinking that you've wasted precious time without accomplishing your goal. The idea of going through the process all over again is an upsetting one—and yet, you still need to sell your home.

It's a frustrating and unnerving experience to have your listing expire without a sale.

There are several possible reasons your home didn't sell—your home's condition, the price, etc.—but my experience has been that when a home fails to sell, there's usually some kind of communication problem between the Realtor® and the seller.

Now more than ever, choosing the right Realtor® will make all the difference in the world. But how do you make the right choice? How do you make sure you don't end up in the same situation again?

Unfortunately, most people don't know the questions to ask a prospective agent. Nor do they know what answers they should look for.

As a Realtor® who has worked with hundreds of sellers, I've found that those homeowners who take the time to find the right agent are consistently happier with their home-selling experience than those who don't. It's the first and most critical step in selling your home.

As a general rule of thumb, you're looking for an agent who:

- has the experience, qualifications and abilities to sell your home.
- has in-depth knowledge of your area and the market in general.
- will work hard on your behalf.
- has resources to support the sales effort.
- will keep you well-informed during the process.
- has a personality you are comfortable with.

If you didn't know what to expect from your last agent before you signed the listing agreement, then it's possible you didn't ask the right questions.

I've drawn on my years of sales experience to develop this guide, which is designed to elicit the information you'll need to make the right decision in choosing your next agent. By asking the following questions, you can dramatically improve your odds of having a successful home-selling experience.

1 • "How long have you been an active, full-time Realtor®? How long in my neighborhood?"

I recommend looking for an agent who has been actively working on a full-time basis for at least the last three to five years. You should also find out how long they've worked in your specific geographic area.

There are several reasons for selecting a well-established agent. First, you want someone who has a track record you can confirm. Second, an established Realtor® has a roster of contacts you will need: home inspectors, mortgage companies, lawyers, etc. Finally, an experienced agent will have creative, time-tested ideas for marketing your home.

Yes, there are good agents who have been in the business for a short time. But there is a high drop-out rate in our industry, and it would be unfortunate if, three months down the line, your agent moved on to

other things. On the other hand, a part-timer often can't keep up with the pace or complexity of today's marketplace. And they might not be available when you need them most. Your home is your most important investment—doesn't its sale deserve an agent's full-time commitment?

2.

“How many homes have you listed in the past six months? The past year?”

While an agent's length of time in the field is important, the quality of that time is even more important. You need to gauge just how active—and successful—the Realtor® is. A large number of listings is often the sign of a successful agent. However, no matter how many listings an agent has, make sure that he has the resources and systems to market each of them effectively. Getting a listing is only half the job.

3.

“How many homes have you sold in the past six months? The past year?”

Here's where we separate the listers from the doers. Just because an agent has a knack for signing up sellers doesn't mean he's good at finding, negotiating and closing deals—and that's what you want.

4.

“What's the average amount of time one of your listings is on the market before it sells?”

You may think that a quick turnaround is a good sign. It could be. However, a faster-than-average selling record could indicate that an agent is quick to sacrifice a seller's profits in negotiations—which is why the next question is so important.

5.

“How does your average sale price compare to the original price?”

There's a difference between a Realtor® who gets you a good deal and one who gives away too much in order to sell your home. That's why it's important to compare the original list price to what a home actually sold for. For example, an agent who consistently gets 90 percent of the asking price is probably a better negotiator than the agent who only gets two-thirds of the asking price.

6. “How many homes are you currently marketing?”

Again, this goes to the question of effectiveness. Make sure your agent has the systems in place to handle them all. A successful top-producing agent may be more effective at managing many listings than a less experienced agent is with a handful.

7. “What kind of property do you specialize in?”

A Realtor® who does big business in condominiums, or homes substantially less or more expensive than your own, probably isn't the best person to sell your home. Look for someone who has experience selling homes of your type and price range, preferably in your neighborhood.

8. “What can you tell me about your share of the marketplace compared to other Realtors® in the area?”

Again, you're looking for indications of success. A Realtor® with a competitive piece of the market usually has better connections in the community and greater resources at his disposal.

9. “Do you have a personal staff? How many are licensed?”

While it doesn't necessarily indicate better service, a Realtor® who has a support staff to handle office chores and routine details can usually devote more time to the business of serving a client's highest-priority needs. Ask about the composition of the Realtor's® staff, the duties each member has, and how they will be involved in the marketing of your home.

Make sure you're very clear as to the involvement you can expect from your agent compared to your agent's staff. But don't assume that you're being treated poorly just because the agent isn't doing everything herself. If you were having major surgery, you wouldn't want your surgeon handling anesthesia and monitoring vital signs and every other detail of the operation—that's what the rest of the medical team is there for.

The important thing is that your listing is handled in an efficient, professional manner, that you are kept well-informed as to what's being done to sell your home, and that the operation is successful.

10. "How will you market my home?"

Most Realtors® have at their disposal the same tools for selling your home: the Multiple Listing Service, company tours and Realtor® caravans, open houses, marketing flyers and brochures, direct mail, advertising, personal networking—the list is long.

What differentiates the best agents from the rest is their marketing philosophy and the strategies they've developed to achieve their goals. You're looking for a Realtor® who tailors his approach to your specific circumstances, and then puts the tools at his disposal to your best advantage.

What you want is someone who does more than provide a physical description of your home and area to prospects. Your Realtor® should be enthusiastically selling your home's benefits. You're spending a good deal of money with an agent, and you should expect a detailed marketing plan—in writing—before you sign a listing contract.

As you discuss the marketing plan, make sure you include the following issues:

Flyers and brochures

Carefully review the quality of the materials the agent shows you. Do the design, style of writing and print quality do a good job of selling the attributes of a particular home? Poorly-done materials reflect badly on your home and say something about the quality of the agent's marketing efforts in general.

Classified advertising

Don't be unduly impressed with the huge sums of money some agents spend on classified advertising of their listings. I'll let you in on a little secret—classified advertising is great for keeping a company's name in the public eye, but it rarely sells a home in and of itself. An agent who stresses advertising at the expense of other efforts should be avoided. There's no substitute for hard work on the agent's part.

Other forms of advertising

Many of the marketing and technological advances found in other fields are also being put to good use in the real estate industry. Some agents now use toll-free hotlines and fax-on-demand marketing to provide potential buyers with 24-hour access to information on your home. Ask the agent what he does that he considers unique or special.

Open houses

Again, be wary if the agent sings the praises of open houses. As a rule, they're good for your Realtor's[®] prospecting efforts, but not very effective in selling your property. And a home held open too frequently can begin to look like a loser, making it a prime target for lowball bids.

Multiple Listing Service

The MLS is one of a Realtor's[®] most important resources. But here's another little secret—many agents fail to use the MLS effectively as a marketing tool.

Make sure that your agent takes the time to craft a strong, detailed sales pitch that extols the benefits of your home, and doesn't just list a lot of dry facts.

When you consider that a listing in the MLS is like a free “classified” that reaches every other Realtor[®] in town—many of whom have clients who might be interested in your home—don't you think you should take advantage of it? I do.

Other forms of promotion

Exposure is the key to any home sale. One of the most common ways a home is sold is when another agent knows a buyer who is looking for a home like yours. Ask the agent about techniques other than the MLS, advertising and open houses which he will use to maximize your home's exposure.

11. “Will you help me stage my home?”

Three things go into selling a home: price, condition and agent effort. If you choose a hard-working agent who helps you set a competitive price, make sure that she also will advise you on how best to present your home to prospective buyers. Some agents are reluctant to say anything in this area because they don't want to offend their client. Ask the agent what kind of information she will provide to help you stage your home—the more detailed and honest, the better.

12. “How will you keep me informed?”

One of the biggest complaints sellers have about their agents is that they didn't receive enough feedback. I've found that the best communication occurs when clients let me know up front what they consider to be “enough” feedback.

Only you know what level and type of communication works best for you. Do you want weekly progress reports? Daily reports? Are phone calls and letters acceptable, or would you prefer to discuss matters in person? Find an agent willing and able to give you the time and attention you require. And agree on the appropriate level of communication at the beginning of the relationship—don't wait until you see a problem.

13. "What listing price would you recommend for my home? How did you arrive at it?"

Ask about the current market and how it affects your price and selling strategy. A good agent will be able to back up his assertions with solid proof. By running a comparative market analysis, he should be able to give you a sound argument and documentation on how he arrived at your home's proposed market value and price range.

The comparative market analysis should include the following:

- listing and selling prices
- descriptions of comparable homes
- length of time homes have been on the market
- listings of any price reductions that were made

The agent should also explain how differences between your home and the comparable properties affect your home's value.

14. "What's your pricing/marketing philosophy 30/60/90 days down the road?"

If your home isn't seeing any interest after two or three months on the market, what is the agent going to do to generate activity? You shouldn't have to go to your agent and suggest things to try, such as lowering the price. You want a proactive representative, not someone who simply reacts to whatever happens.

15. "What's your commission on a sale?"

A Realtor's® commission isn't set by law; it can vary from agent to agent. Make sure you know up front what you're paying.

While you are legally entitled to negotiate a lower commission, some agents may be less willing to list your home as a result. In a soft market,

an agent has even less incentive to push your home when there are others on the market whose sale will result in a higher commission. And an agent who's too quick to give up his money may be quick to give up your money during the negotiation process.

Remember—the saying “You get what you pay for” also applies to your real estate service.

16. “Can you provide me with references?”

A Realtor's® reputation is one of his most valuable assets; most will work hard to protect it. Surprisingly, most sellers don't bother to check references—you should. This is one of the easiest and most important steps you can take. And yet I've seen more people make the mistake of not checking references.

Talking to past clients is an excellent way of learning how an agent operates beyond what he says he's going to do. You can get a good idea of whether a Realtor® is a good match for you by finding out how he handled other clients.

Here are some questions to ask your agent's past clients:

- How long was your home on the market?
- Do you feel the agent priced it realistically?
- What was it originally listed at? What did it sell at?
- What type of marketing did the agent do?
- Did the agent suggest how to make your home more marketable?
- Did the agent keep his promises. Did he do what he said he'd do?
- Were you kept informed along the way? How often did you talk?
- How many offers did you get?
- During the closing process, did the agent have good follow-up?
- What did you like most about the agent?
- Was there anything about the agent that you didn't like?
- Would you use this agent again?

17. "What professional organizations do you belong to?"

At a minimum, your agent should be a fully licensed professional who is a member of the local real estate board and Multiple Listing Service, as well as the state and National Association of Realtors®.

Other memberships worth noting are the local Chamber of Commerce, professional organizations and community groups. This kind of involvement can reflect good networking and better insight into the community. But what really matters is your agent's commitment to selling your home.

18. "Do you have any personal marketing materials I can review?"

The quality of a Realtor's own marketing pieces—brochures, direct mail, listing presentation book, etc.—is a good indicator of how well she'll represent you and your property. If she hasn't already sent them to you, she should provide them at your first meeting.

19. "Do you have any questions for me?"

The sharp agent is considering your situation and plotting a marketing strategy as you speak, so of course there should be questions. If not, you could be dealing with someone with a "one size fits all" mentality who's going to plug you into a prefabricated marketing plan.

A good agent will ask your reasons for selling, the date you need to move, what improvements you've made to the property, special features you feel are noteworthy, and whether there are any defects or problems with the house. All of this shows a concern and responsiveness, and the agent will incorporate your answers into his selling strategy.

Remember, you're looking for an agent who's ready now—the last thing you need in your life is another meeting!

20. "Am I comfortable with this person?"

This question isn't for the agent—it's for you. Ask yourself if you feel good about the agent, his personality and how he conducts business. After all, this is a person who will be representing you in the sale of your most precious asset. The last thing you need is a personality clash in the course of the selling process. You want an agent who you can trust, who is honest with you and who relates well to you.

I firmly believe that this is often the single most important element in a successful home sale. Uneasiness or discomfort in the agent-seller relationship leads to unhappiness on both sides and usually poor results. Both of you need to be completely comfortable in sharing expectations, thoughts and concerns regarding all aspects of the sale.

I hope this report has given you a better understanding of just how important choosing the right Realtor® is for a successful home sale. Asking these questions before you sign with another agent will enable you to avoid the agony of another failed listing and, ultimately, choose the professional who is best able to deliver the results you deserve.



Please feel free to call us if you would like further explanation on any of these topics, or if you have any real estate questions at all. We simply see our mission as striving to be as helpful as we possibly can to area home owners. We hope this special report provides the information you need to be an informed home seller.

