

HOME SELLER'S PROTECTION PACK

WITH

'24 QUESTIONS' CHECKLIST

**8 Things Every Homeowner Should Know Before You Ever Consider
Hiring Any Realtor Or Real Estate Agency To Sell Your House**

Compliments Of:

REALTY RESPONSE

38713 Tierra Subida Avenue, Suite 220

Palmdale, CA 93551

Office (661) 273-8838

Fax (661) 273-3593

www.realtyresponse.com



The Only Thing We Left Off Our Full Service Realty Is...
The Ridiculous Price!

Table of Contents

- I. Location Of Agency
- II. Sales Commissions
- III. Transaction Fees
- IV. Marketing & Advertising Fees
- V. Service To The Client
- VI. Marketing & Advertising Your Home
- VII. Open Houses
- VIII. Broker Open Houses

I. Location Of Agency:

Typical Agency Approach:

The agency or realtor should be located in the same “real estate market area” as your property. It’s all about knowing the local real estate market. Additionally, the ability to show your home to an interested buyer and their agent is critical to the sales process. Some realtors and agencies located in Santa Clarita or San Fernando Valley place ads in our phone directories and newspapers looking to snare listings when their markets have cooled. In fact, realtors and agencies from the Antelope Valley are doing the same when they’re in need of listings that can’t be had in the valley.

REALTY RESPONSE’S Approach:

Our agency was founded and is headquartered in the Antelope Valley. Our founders and agents live in the Antelope Valley and have for many years. We know the importance of understanding our real estate market. We won’t actively pursue business outside the valley, unless we’ve established an office in that area staffed with people in the area. You wouldn’t hire an agent from Los Angeles to list your Antelope Valley home any more than a homeowner in Los Angeles would hire a realtor or agency from our area. The three most important words in real estate are: Location, Location, Location. You can see why the location of your realtor in relation to your home is important!

II. Sales Commissions:

Typical Agency Approach:

The honest truth about sales commissions is, there’s *no justifiable reason* why selling your home should be as expensive as it normally is with most other agencies. There are, however, several unacceptable reasons the industry forces you to pay high commissions of 6% and sometimes 7%. You see, most of the real estate agency’s income goes to paying realtor commissions, which typically range from 60 – 75%, and in some cases as high as 100%. In the case where it’s 100%, the agency is charging its realtors, who are not employees but independent contractors, a desk or

space fee. This is the same way a hair salon would *rent* a space to a stylist. After the agency pays off its sales force there's very little left in the way of operating income for office space, electricity, phones, etc. and not much in the way of profit for the agency or broker. Now you shouldn't feel bad for the agency and definitely not for its realtors. It's the way they have structured their business, which forces them to charge you more than they should.

REALTY RESPONSE'S Approach:

Several years ago, we figured out a better way to sell real estate and lower the cost to the home seller. We built our real estate agency with the client in mind. Our company is run efficiently like most other successful businesses across the country. Our agents operate as a part of a team, not as free-lance sales people. They share our company spirit in providing an exceptional service of selling a client's house for a reasonable price. When our agents meet with someone who's thinking about selling their home, they don't see that person as their next commission check. Our agents see them as people who need our help to sell their house, without paying the high sales commissions they'd be forced to pay at other agencies. Since our agency is run efficiently we're able to reduce our fees by **16% to 33%** under what other real estate agencies charge. Realty Response will list your home for a flat **4.5%** commission and if we sell your home to one of our buyers, we'll further lower the commission to **4%**. And, since most real estate transactions are cooperative sales between realtors from different agencies, your property will be listed with 2.5% sales commission offered to a cooperative buyer's agent to encourage those agents to show your house. Realty Response could save you enough money for a nice vacation or perhaps a down payment on a new car.

III. Transaction Fees:

Typical Agency Approach:

If you thought 6% or even 7% was bad, wait until you read about transaction fees. These fees are designed only to extract more money from you. Based on the discussion under Sales Commissions, this is another way they try to get you to pay for their inefficiency. We've seen these fees as high as \$485 and heard about transaction fees as high as \$500. The agencies most often disguise them as listing fees, which are paid at close of escrow, although some must be paid upfront. Most sellers do not see the need to pay a transaction fee on top of an already high sales commission. But some people are convinced that they need to, and if you are one of those people, please do not pay these fees upfront. Most of the time the fees will be nonrefundable, or in other words even if they can't sell your home, they'll still be collecting a sales commission without doing any more than maybe putting a sign in your front yard.

REALTY RESPONSE'S Approach:

We don't believe in sticking you with tacked on fees. We disclose upfront in our listing contract, that your house will be listed for a 4.5% sales commission. If we supply the buyer it gets lowered to 4%. If the buyer of your house comes from another agency, the buyer's realtor will get a 2.5% sales commission. There are no other fees, period!

IV. Marketing & Advertising Fees:

Typical Agency Approach:

You probably thought we were done with the subject of fees, well almost. Those other real estate agencies have crafted yet another way to shift costs to you. This method of transferring costs is used mostly by those companies that offer cut rates and reduce service along with it, but it's not only limited to them. You think you're getting a better deal on the sales commission, but you'll have to pay for what they call extras for marketing and advertising, which should be included anyway. There are also companies in the area that will assist you in selling your home. These companies charge a significant fee then require you to do most of the work that a realtor should do anyway. They may print flyers and put a sign in your yard, but any other marketing or advertising may cost you extra. This includes what may be the most important marketing that should be done for the sale of a house. That's placing the house in the Multiple Listing Service (MLS). Without listing your house in the MLS you can be assured that almost no one will know that it is for sale.

REALTY RESPONSE'S Approach:

As with tacked on transaction fees, we don't believe in charging extra for anything that should already be included and covered in the sales commission, even a sales commission that has been reduced from the standard hefty 6%. We aggressively market and advertise your home, not our agents (see Marketing & Advertising Your Home). All of our listings are advertised in the Multiple Listing Service (MLS) to gain maximum exposure with cooperative buyer agents. And we do all of this while saving you more money.

V. Service To The Client:

Typical Agency Approach:

Maybe it should be called *lack of service to the client*. This is one of the biggest complaints about the real estate industry. Some people are misled to believe that if they hire big national named agencies they'd be getting big service and support. Yet, some agency offices are not even open seven days week. Also, some of the more successful agents don't work on the weekend, which can be some of the busiest days in the Antelope Valley market. You'll say to yourself, "I'm paying the realtor a large commission and even agreed to their added transaction fees. Where are they when I need service." A serious buyer and their agent may be trying to call your realtor to place an offer on your house. The problem: Your agent is nowhere to be found. They could be out sick, on vacation or with other clients and you can't get help from the agency they represent, because your listing file isn't accessible to other agents in the company. You don't think a commission-only sales person is going to let another agent have access to their client files? Your agent may have a partner, but they could be out of touch as well. The broker of the agency has access to the files, but they're usually out selling real estate as well. This could result in your house not selling, because the buyers could be in a hurry and your house isn't the only one they are considering. In fact over 7,500 homes were sold in the Antelope Valley for Year 2004 (that's over 15,000 individual transactions!!!). In, short there is no incentive in place for realtors to work together and actually the reality is quite the opposite.

REALTY RESPONSE'S Approach:

When building a foundation for our company we felt this was one of the major problems that needed to be solved. Honestly, it was pretty simple for us to solve this problem. We did it by first analyzing all that was wrong, as mentioned above, and structured our business in completely the opposite way that the other real estate agencies in town are structured. We decided our sales people would be team members, not "Lone Rangers". We built a system of agent rewards to encourage excellent service to all of our clients. Our team works together for the common goal of selling all of our clients' properties. If one of our realtors is with another client, happens to be ill or is enjoying a well deserved vacation, another well-qualified sales professional will gladly step in to help with the sale of your house. Furthermore, our office is open and our phones are answered seven days a week. This is especially important, because many real estate offers and showings take place on weekends.

VI. Marketing & Advertising Your Home:

Typical Agency Approach:

You may think the agent is marketing and advertising your home, but more often than not, they are actually marketing and advertising themselves. Just look in one of the free real estate papers. You'll look at the ads and more often than not the picture of the realtor is larger than the actual pictures of the houses they're supposed to be marketing. Yes they have to show their clients homes in the advertisement, but they're focused on getting more new clients. Most agencies require the agent to pay for the marketing and advertising of your home. Remember, the agent is getting the major part of the sales commission. Hence, the agency has no ability to pay for something that they should be paying for in the first place. Who would you want to be responsible for advertising your home, the real estate agency you hired or the listing agent forced to decide whether to market himself or your house, based on their limited budget for marketing and advertising? The yard sign is a very important for the sale of your home as well and should be discussed before hiring a realtor or agency. Take a look at or ask them about their yard signs. Many realtors and agencies have their yard signs

printed with the realtor's name and his or her own phone number in large-bold print with the agency's name and logo much smaller. In this case, the phone number will likely be ringing to a home office or voice mail, resulting in obvious frustrations because there is no one available to answer your call.

REALTY RESPONSE'S Approach:

When you hire Realty Response to sell your house the company assumes responsibility for marketing and advertising to sell your home. Our marketing budget is larger than most other realtors' or agencies' budgets. We would never saddle our agents with the expense of marketing your home because this is one of the most important aspects of real estate sales. Also, these agents are members of the Realty Response team; we want them to be busy working to sell your house, not out marketing themselves! Our yard signs are always the same. The familiar Realty Response name and logo will appear with our agency's main phone number listed, so that calls on your house are answered seven days a week!

We will market and advertise your house in the following ways at no additional expense to you: **1)** Your house will be listed in the Greater Antelope Valley Multiple Listing Service (MLS), the most important place to market your home! **2)** On the Aldelphia Real Estate Channel (Channel 12). Fewer than 1 out of 20 real estate agencies serving the Antelope Valley will advertise your home on this channel. **3)** In *The Real Estate Book*, which is a main source of information for out-of-area buyers. **4)** With in-home color flyers. Some companies charge extra for this. **5)** With flyer boxes posted on our yard sign. **6)** On the Internet. We post all of our listings on www.realtyresponse.com, the MLS, USRealnet, Yahoo Realty, and Realtor.com. These sites draw well over 5,000,000 visitors per month, combined. Again, all of this is provided at no added expense to you. Realty Response will take the extra steps that other real estate companies would never dream of taking. We even have a full-time Marketing Director on staff to help us be more effective in selling your home.

VII. Open Houses:

Typical Agency Approach:

We are going to let you in on a secret that other real estate agents don't want you to know. Open houses assist agents in getting new clients, *not in selling your home*. Homes are most often sold as cooperative sales between different agencies, rarely via an open house. Not only are they a time consuming and hassle-ridden operation, but they may also open you up to a host of other problems you may not have been informed about. The homeowner is exposed to theft, damage to belongings, and liability for injury to others while on your property. There are stories in the news where professional thieves having used the opportunity of an open house to 'case' the home for robbery later. Criminals have stolen financial information out of open houses, to be used later for identity theft or other fraudulent activities. Also, some of the larger agents in the area have used unlicensed assistants to host these open houses. And if you hire one of those companies that assist you in selling your home, you could be the one holding the open houses.

REALTY RESPONSE'S Approach:

For these reasons we don't hold open houses, unless requested by the home owner and only after they have been made fully aware of all the risks. If the owner requires an open house, we always have a licensed realtor running the open house with a second person from our office as support. Guests must sign in our log and are escorted at all times. Before we leave, every door and window is checked to ensure proper security is maintained.

VIII. Broker Open Houses:

Typical Agency Approach:

We call this the 'Good Type' of open house. It exposes your house to the very people who have the best chance of finding a buyer for your home. A brokers' open is reserved for brokers and realtors, because these are the people who bring buyers and sellers together. A brokers' open is not for nosey neighbors or other people just out cruising your

neighborhood. The threat of theft is greatly reduced because a professional in our industry is not likely to jeopardize the loss of their license. Furthermore, an accidental injury of a realtor would be covered under the workers' compensation insurance of their agency, not your homeowner's policy. Realtors should offer a nice incentive to attract other agents and brokers to these open houses. However, at many broker open houses the incentives are nothing more than an offer of some cookies and maybe a drink, not providing much of an incentive for agents to attend.

REALTY RESPONSE'S Approach:

We feel very strongly about the benefits of the broker open houses and hold them for most of our listings. In cases where we have not, it has usually been due to the house being sold before we could organize one. We also offer the best incentives in the area for getting realtors and brokers to attend, including good food and cash drawings of nothing less than \$50.00. Needless to say we get some very large turnouts for our broker open houses.