

THAN'S HOME SELLING SYSTEM



THAN MERRILL



Preview Of What You Will Learn

Sections:

Introduction.....	5
Pre-Selling Properties.....	7
Pre-Listing Campaigns	
Marketing Online	
Building a Buyers List	
Pre-Selling and Contracts	
The Listing Phase.....	13
The Art of Staging	
The Power of Photography	
Pre-Screening Retail Buyers	
Using a Listing Agent	
Open House Strategy	
The Post-Contract Process.....	27
Six Things to Expect Post-Contract	
1. Title Search	
2. Inspections and Negotiations	
3. Financing	
4. Final Walkthrough	
5. Money Transfer	
6. Closing	
Wrap Up.....	29

You Will Be Able To:

- Maximize the exposure of your properties to ensure they are listed and sold fast
- Understand the development and timeline of each stage in the home sale process

Introduction

One of the most exciting and rewarding aspects of the real estate investing process is when you actually sell your property. Although it can be easy to become caught up in the anticipation of the close, it's important to maintain your focus on the task at hand. Just as in any other portion of this process, you need to be quick and efficient in doing so. As an investor, you know that the faster you sell, the more profitable you are. The less time your property spends sitting on the market will save you money in holding costs - and precious time that you should be spending on your next project. As an investor, your goal should be to give buyers every possible reason to want to purchase your home over any other home they see. Our goal is to help you do just that.

This guide will focus primarily on selling investment properties; however, the techniques used can be applied to many other aspects of your business. It's all about creating that sense of urgency with the buyer and helping them become a part of the process as well. You can reduce risk and increase profit on each and every deal that you do. There are three main phases of the home selling process: pre-selling, listing, and post-contract. We'll discuss each phase and provide you with every piece of advice we can along the way.



Pre-Selling Properties

Pre-Listing Campaigns

The only thing that feels greater than selling your property is pre-selling your property. Pre-selling a home is when you're able to promote and sell a house before renovations are fully complete. Through pre-selling, you are providing buyers with a vested idea of what you're doing to the property and how it will look when all is said and done. About two weeks prior to listing your property on the Multiple Listing Service (MLS), you should be in the process of trying to pre-sell your home. Being able to sell a house in any condition isn't an easy task, but it definitely is something that can be extremely rewarding if you follow a systematic approach to marketing your property for sale.

In the pre-sale phase, there are six campaigns that we've found to be quite successful. Some of these strategies can be considered guerilla marketing, which is a more of an "in your face" style of doing things, but in this business sometimes that is what needs to be done.

House Banner – This is a great way to advertise your home while it's being renovated. You can draw lots of attention and create a great buzz. Try using things like "We Buy Houses" bandit signs to put outside your property. Or, create a sign with a link to your blog site so that the neighbors can follow the progress of the renovation. Not only does this help you generate buyer leads but it also helps by letting your contractors know that people are watching, so they better keep things up to par while working on your project.

Choose Your Neighbor Flyers – Here's something you can keep simple enough to even outsource to someone in your office. Just create a flyer with your name, company, logo, and a brief paragraph explaining how people in the community should "choose their neighbor" by referring quality buyers. The neighbors often times are the most important salespeople for the house.

Door Knocking – Sure, this is kind of like cold calling, but remember, you are the one trying to revitalize the neighborhood so they should be happy to have you at their doorstep. Make sure you only reach out to about 5-10 local neighbors that are in walking distance. Let them know your goal and maybe even offer a reward for referrals. Speak with excitement about the property and invite them to see it themselves at the open house.

"Buy Before its Built" Hotline – This is an excellent way to find buyers. If you advertise a hotline in the front of the house, you can promote your renovations and build a buyer's list. There are many services you can use to create an advertisement via a recorded message describing the home. When a buyer calls their phone number is captured allowing you to call. A great service provider we've used in the past is www.infoline.com.



Pocket-Listing Flyers to Realtors – Realtors love having the ability to see something that hasn't hit the market yet. This way, when they meet with buyers they have an opportunity to show them a property that no one else has access to.

Fax Blast – In a similar fashion to providing Realtors with pocket-listing flyers, you can fax a flyer to a Realtor's office. You don't want to spend a lot of time doing this – just make sure to keep it simple and get it out there. Pick your top 20 Realtors in the area, give each a call and say something like, "I'd love for your office to be one of our Realtor offices that has an exclusive look at our remodels before they hit the market. It's a great way to add value to your buyers. Does that sound like something you could be interested in?"

- ✓ **Network with Realtors**
- ✓ **Build your Buyer's List**



**TWO BENEFITS
ONE CAMPAIGN**

Pre-Marketing Checklist

1. ☐ Get lockbox code
2. ☐ Pull comps and get a solid list price
3. ☐ Get all property details to be able to list & market – (ex. dimensions, room count)
4. ☐ Stage
5. ☐ Get excellent pictures of the house
6. ☐ Make video tour of house
7. ☐ Go to property and create a punch list
8. ☐ Start bi-weekly landscaping
9. ☐ Make sure all punch list items are taken care of
10. ☐ Pull up a list of open houses that are being held in the area from MLS & newspaper
11. ☐ Schedule broker's open & public open
12. ☐ Lock up a flier hanger for the day before the public open house
13. ☐ Check Google or local town site for any local events: (ex. Flea market, farmer's market, carnival, concerts, parades and etc.)
14. ☐ Buy directional signs
15. ☐ Put up all for sale directional signs 3-5 days before
16. ☐ Get list of agents that sold something in the last 3 months
17. ☐ Input all office names & fax numbers in the www.ringcentral.com account.
 - Create a folder under contacts with the street name
 - Input each contact individually under that folder
18. ☐ Print flyers (100-200) with open house date & time on it and 100 with no open house)
19. ☐ Print warranties & bring to the house
20. ☐ Print "Seller Fliers" to put in the display & on counter
21. ☐ Attach plastic flier holder & put fliers inside (bring screws and screwdriver)

Marketing Online

The Internet has leveled the playing field for buyers and sellers to do their research concurrently. This means you have to make yourself stand out to reach a variety of buyers in a variety of settings. Luckily, most of these marketing strategies are little to no cost to you and take minimal time and effort to produce results. Here is a breakdown of some of the hottest spots to create a buzz for your pre-sale:

Online Classified Sites

Use free online marketing sites like Craigslist, Backpage, and Kijiji for your properties under renovation. Make sure to include lots of pictures of your past finished projects to show a potential buyer what this will soon look like. One ad can take only 3-5 minutes to make!

Blogs

This can be a company blog, a personal blog, or both. Make sure you are posting updates to the progress being made to attract a following and excite an audience of potential buyers by getting them to feel involved.

Social Media

If you have a personal Facebook account or a business page on Facebook, make sure you are posting about your business regularly to create buzz. You never know who you have in your social network who either knows someone looking for a house, or is possibly looking to buy themselves. Also, make sure you start "liking" the pages of all Realtors and investors in your local area. This can be useful as well.

Trade Sites

This can be your contractors page. Typically, people in the trade markets aren't that great at advertising for themselves. Show them how you can help by having them put your rehab project updates on their site. This serves not only as a display of their workmanship, but also ensures that they will do a good job for you and your project.

Realtor Sites

The same thing goes for Realtor websites. Ask your Realtor to advertise a "Coming Soon" post about your property to attract potential buyers. If you are consistent with your renovations, they should be more than willing to do that for you.




Building a Buyers List

After you've found your buyers and you start receiving phone calls, you'll begin to schedule your initial meetings with the potential buyers. Just as in most situations in life, your first impression and how you handle your first phone call can make or break your success in this deal.

The Initial Phone Call

When a potential caller contacts you on the phone, there are four main components you want to remember during the call. If it helps, make a sticky note and keep it with a pad and pen by your phone so that you won't forget these key steps.



Seller	"Hello? This is ABC Realty."	
Buyer	"Hello, I saw your house and I'm curious what it's selling for."	
Seller	"Oh okay, may I ask what your name is?"	
Buyer	"This is John."	
Seller	"Oh hey John, I appreciate you calling in. Is this the best number to reach you at in case we lose each other? What home is it you're interested in?"	✓ Collecting name and phone number
Buyer	"Yes, yes it is, and I'm calling about the house on 34 Main Street."	
Seller	"Oh yea okay, that's a great home! Let me pull up the price on that. Actually, I don't think we've officially priced it just yet. Let me ask you, just out of curiosity, what caught your eye about that home?"	✓ Finding motivation ✓ Building rapport
Buyer	"Well it's in the area that we were looking for."	
Seller	"I know, the area is beautiful isn't it? That's actually what attracted us to it too. We've remodeled a few others in the neighborhood as well so you'll definitely be in a good community there. Are you working with an agent or are you on your own?"	✓ Offering a great neighborhood ✓ Discovering that he hasn't spoken with an agent yet
Buyer	"Oh I'm on my own."	
Seller	"Okay, we have a lot of people that start off that way. Have you spoken to a lender to see what you qualify for? Because if you haven't, we do work with some of the best lenders in the area. We make sure we only work with people that'll give our clients a phenomenal rate. I'd be happy to give you that information before we get off of the phone."	✓ Asking while assuming he hasn't spoken with a lender ✓ Offering him a solution by using an excellent lender by referral
Buyer	"Okay sure, that'd be great thanks."	
Seller	"We're actually working on three other projects right now that are going to be very similar to this one, in a quiet neighborhood and at a great price. I'm sure the guys would be really excited to go over those places with you when they get back in the office. The one you called about we're looking to put on the market in about 30 days, of course only if we don't pre-sell it. We do also have a couple more we're looking to close on that we haven't closed on yet. You actually have a great opportunity to pick out all of the design features on those, so if you'd like you can come into the office and we can check them all out. How's that sound?"	✓ Offering him the ability to pick out the design features on a house not completely built yet ✓ Inviting him to come into the office
Buyer	"Yea I think that might be good."	
Seller	"I'll make sure the lender is on the phone when you come in as well. With all the traffic on this house I honestly would rather have you come in sooner rather than later. Would tonight work for you or is tomorrow better?"	✓ Setting up a time to come into the office
Buyer	"Tomorrow morning would be best."	



Helpful Tip!

Notice in the example above, the question about price was shelved rather quickly. Never offer a price right away. If you give a buyer the price right upfront, there's a chance they will hang up and never call you again.

Pre-Selling and Contracts

Once your buyer is ready to discuss moving forward, try and find somewhere comfortable to meet in person. If you have an office, you can go ahead and use that, but if not then meet at a neutral location that's easy for the both of you. Make sure to schedule distraction-free time and come prepared with all the necessary information you will need. Dress appropriately and bring a binder of any prior projects that you've done so that you can build credibility right away.

When you are ready to show the house, you will begin a **four-step process** in gaining commitment to the pre-sale of this property. You will meet with the buyer, give a walkthrough of the house while in construction, sign contracts, and collect a deposit. These four steps are outlined below:



1. Meet & Greet - Ask a lot of questions so that you can prequalify your potential buyer

2. Property Walkthrough - Talk about the deferred maintenance and make sure you keep the enthusiasm going throughout. There may be a lot of construction going on so make sure to help paint the picture as much as possible. Pick out the positives and touch on the value of actually seeing the quality of work you're putting in

3. Contract Write-Up - Have an attorney write up a contract outlining items of the remodel that you are flexible on and those that you are not. Include deadlines for your buyer to make decisions by and make sure to get a larger deposit if a change they want to make is something that can hurt you. Have the attorney go over the contract with the buyer to answer questions and make them feel safe. Don't forget to have the Scope of Work (SOW) signed as well

4. Deposit Collection - It is important to get your good faith money if you're doing all of these special design features. Potential buyers may speak with a Realtor that can talk them out of the deal, so you want to make sure you get commitment up front



Helpful Tip!

If the house is under construction, you may want to consider having the potential buyer sign a liability waiver for when they are walking through the house, just in case.

The Listing Phase

If you were not able to make any moves during the pre-sale phase, the next step is to list your property. When trying to sell your home, one of the main areas in which you should focus is gaining maximum exposure. The more buyers you attract, the more likely it is that you will find that one person who loves the property, and is qualified to buy it. It is estimated that 97 percent of buyers find the house they want online before they even call the buyer. Whether you use the MLS, syndicated listings or both, getting your property listed brings you one step closer to finding your buyer.

First, you'll want to create a checklist to help you prepare for how you're going to sell this home. Documents such as the below example will help you to start a foundation for marketing your properties the right way.

Marketing Checklist	
Online Ads	
<input type="checkbox"/>	MLS
<input type="checkbox"/>	Post on Craigslist-- repost every Friday & Monday
<input type="checkbox"/>	Syndicate to SIMS
<input type="checkbox"/>	Make Album with description on Facebook
<input type="checkbox"/>	Create Facebook Event for the Open House
	Copy & paste the album link on the wall of the event
	Copy & paste the virtual tour link
<input type="checkbox"/>	Create & purchase an ad at www.militarybyowner.com (If in military neighborhood)
Flyers	
<input type="checkbox"/>	New Listing Flyer with open house date (100-200) & without (100)
<input type="checkbox"/>	MLS Flyer – Client View (Qt. 25) (leave at house)
<input type="checkbox"/>	Seller Flyer in color (25) – put one in the display and others next to it on the counter
<input type="checkbox"/>	Drop off flyers at town event, local businesses & at neighbor door steps– flyer hanger
Email Blasts	
<input type="checkbox"/>	Email all buyers in our database
<input type="checkbox"/>	Email all agents in our database
<input type="checkbox"/>	Email all agents that have sold something nearby from the MLS
<input type="checkbox"/>	Create a flyer and send it out
Fax Blasts	
<input type="checkbox"/>	Fax our entire list of offices that have sold a house recently nearby
Calls	
<input type="checkbox"/>	Call agents that have recently sold something in the neighborhood. Tell them about the house & open house
<input type="checkbox"/>	Follow up with agents that showed the listing
Signs	
<input type="checkbox"/>	Put up For Sale Sign – Project Manager (should be up while construction is going on)
<input type="checkbox"/>	Put up For Sale Directional Signs 3-5 days before the open house
<input type="checkbox"/>	Put up open house directional signs with balloons the day of open house
Other	
<input type="checkbox"/>	Log in agents into our showing log in the selling folder as they call in to show house

The Art of Staging

Although most people start out house hunting with a logical mindset, studies show that most actually make their final decision based on emotion. This makes staging a property an extremely important detail to determine the speed of your sale. You don't have to spend a ton of money – you just have to have some strategically placed pieces to make things more warm and inviting. You want your buyers to actually be able to visualize themselves already living there. When you make your house feel more like a home, you are bringing in a higher volume of buyers and may even receive multiple offers. Just like most anything these days, you can hire someone to stage your property for you professionally; but, if you're just starting out, this is definitely something you can do on your own.

Benefits of Staging

Staging is a pivotal element in your real estate investing business that does not take a whole lot of effort but still yields enormous benefits. The biggest one being that the better you get at staging your property, the faster you will see your homes selling. On average, a house that is unstaged spends about five times longer on the market than a home that is professionally staged. It's a known fact that the longer your house is vacant, the worse off you are. The property can become vulnerable to infestation and vandalism. A house on the market for too long is also going to leave the buyers thinking they have a better hand at the negotiation table. When you are working with a liquidation strategy, time is of the essence.

BEFORE



AFTER



The reason why a staged home sells faster is because when you turn an ordinary space into an extraordinary home, you are highlighting its best features. An empty house can call attention to imperfections, preventing buyers from being able to see the house for its true potential. You want your buyers to notice all of the hard work you put into your remodeled space, so why not let it shine. Once a space is filled with furnishings and decorations, it becomes a room to live in and not just a living room.

Believe it or not, an empty room actually ends up looking smaller. A lot of people aren't that great with visualizing and may only see four walls and a window. Placing furniture can help the buyer determine the scale in the room. Once a buyer falls in love with the place, the next thing they're going to want to do is make sure they can logically fit their belongings. A bed in the bedroom can serve as a way for the buyer to compare how their bed will fit. They may look at how you placed a loveseat and think, "I have a couch that would go great there too!" The more your buyer envisions themselves living there, the more emotionally attached they will become.

Finally, when your house is staged properly, you can take better pictures. Since we already know that most buyers find the houses they want online first, staging your house for photographs can determine whether or not you get people to show up to an open house, or get your phone ringing.

Using the Professionals

By using an experienced staging company, you are making a small investment that typically results in a much larger gain. Most professionals are willing to do as much or as little of your home staging as you would like. Most staging can purchased from 2-5k over the life of your listing depending on the size of the home. This can seem like a steep price, but when you compare that with the alternative (a reduction in your listing price and your home sitting on the market for months) it is definitely worth it. Do your homework and find the right company for the job. One of the things you want to consider is if they have minimum time frames that you have to keep the furniture for. Typically, there is a three month window of staging, from setting it up to taking down. Some places rent their furniture while others own. Find out what works best for you. You also want to take a look at their portfolios and ask for references.



Remember!

A good rule of thumb For what you can expect to invest in staging your home is to spend half a percent, to a Full percent of what the ultimate sales price is.

Staging Do's and Don'ts

Whether you hire a professional or you decide to get things done yourself, here are some general do's and don'ts to be aware of in the staging process:

DO make the entrance to the house as inviting as the house itself. First impression goes a long way. The grass should be cut, the hedges should be trimmed, the door handles should be clean and polished. Add a new mailbox, nice looking house numbers, potted plants, and a welcome mat to greet them at the door.

DON'T overstage your home. Too much stuff can make a house feel cluttered. You also run the risk of dictating a space in a way that the buyer wouldn't want to see and actually turn them off from the property.

DO find a way to highlight the most attractive feature in each room. For example, call attention to the fireplace in the living room by putting a mirror or painting on the mantel with some candles and a few logs in the fireplace.

DON'T have your furnitures pushed against the walls. Avoid this common mistake and position furniture in a cozy, more conversational manner. You also want to avoid using furniture that is too big for the space, as this can make the space look small.

DO use lighting to your benefit. Open the shades and allow the sun to shine through your windows. Lighting can make the space seem larger, and also more inviting. Increase the wattage in your light bulbs so that you get 100 watts for ever 50 square feet. If you can, install under-cabinet lighting to add that sparkle feature for your buyers.



DON'T skimp on the details. Yes, the couch and coffee table look nice but if your coffee table is bare then you aren't maximizing on the benefits of staging. Go out and get the little trinkets and decorations that complete the look. Buy fresh flowers or collect them from the area and bring in that touch of nature. Strategically applied pieces are what distinguishes your home from others.

DO clean all the little nooks, crannies, and window sills. A rehabbed house should be clean from all debris, inside and out.

DON'T wait until the last minute to prepare for staging. You can accomplish half the work of staging before your project is finished. Stick to a tight timeline because every wasted minute is narrowing your profits.

DO pay attention to the two main spaces that sell a home: the kitchen, and the bathroom. If there's a breakfast bar, stage it with plates. Use decorative soaps in the bathroom.

DON'T stage every room. Other than the kitchen and the bathroom, stage your master bedroom and a main living area.

DO stage the awkward little corners or spaces that you may have in a home. This helps interested buyers see the function of the area and the possibilities of what you can do. Try using things like bookshelves, or cocktail cabinets.

DON'T use old or outdated items. Using cheap and dated staging pieces isn't saving you money, you are actually shooting yourself in the foot. Use newer and more modern décor instead that will attract the right buyer.



Helpful Tip!

If you are staging a home around a holiday, decorate the house accordingly. Use a Christmas tree in the living room, have holiday music playing, and light candles to make the house smell like the season. If it's Halloween, have some jack-o-lanterns sitting out front. Try to get the buyer feeling like they already live there.

The Power of Photography

They say a picture is worth a thousand words, but in the real estate game, pictures are worth much, much more. According to a 2011 joint study from the National Association of REALTORS (NAR) and Google, nine out of 10 house hunters initiate their buying experience on the Internet. Twenty-five percent admit that online real estate photography led to the purchase of their current house. Second only to price, quality real estate photography is the most important part of selling a home. It has never been more important to portray property in a visually appealing light that serves to promote its best assets. Capturing the essence of a home is not an easy task, but those who master it will certainly reap the benefits of a timely and profitable transaction.



Introduce your buyers to variety of visually appealing photographs that reflect the house's true character. It is important to include a high quality picture of every feature you are trying to sell. This includes individual photos of the living room, kitchen, dining room, family room, master bedroom, backyard, and any additional feature worth revealing. Showcasing additional assets, such as location, can help as well. Include any views your property may have of the beach, a lake, mountains, a golf course, or any other selling point.

Advantages of Professional Photography

Prospective buyers have the luxury of doing their shopping online. Buyers will gravitate towards the properties that display the best photographs. It has been proven time and time again that listing a shot with a high-quality camera will sell for more money than those show with a lower quality point and shoot camera. Studies indicate that quality real estate photography is more likely to generate a higher price per square foot. According to information provided by The Wall Street Journal (WSJ), "listings with nicer photos gain anywhere between \$935 and \$116,076- as measured by the difference between asking and final price" over those that neglect to implement the necessary techniques and technology. Here are a few advantages that you may get from enlisting the assistance of a professional real estate photographer, and their DSLR camera:

- 61% more views than their peers across all price tiers
- 47% higher asking price per square foot
- Increased likelihood of selling homes priced above \$300,000
- Stay on the market an average of 10 days less.

Exterior Photography

A quality image of the exterior will not only increase traffic, but it will also showcase your professionalism, which will help you in the future. House hunters will appreciate the time and effort you put into marketing your house.

Lighting techniques are one of the most influential aspects of quality photography. You not only have to consider the lighting that you're bringing in, but the lighting from outside as well. Do your photography session on a day or night that has a clear sky. Eliminate the risk of unwanted elements in your pictures and try to capture the curb appeal as it was intended. Consider which direction the house faces when scheduling a time to shoot, as the sun rises in the east and sets in the west. Daytime photos will require the camera to be positioned between the property and the sun, preferably preventing harsh light from entering the shot all together. How you position the camera is often determined by environmental factors (unmovable signage, flagpoles, fences, and trees). However, by placing the camera higher and slightly to the side, as to suggest a sense of three-dimensionality, photos can be greatly improved.



Interior Photography

The most difficult aspect of interior real estate photography is achieving optimal lighting. When doing your interior photography, try and choose the middle of the day. By shooting your interior mid-day, you get more of a color balance as well as a contrast to avoid any excessive direct light. Every interior is unique, but each is typically dark in contrast. Most cameras respond by using the flash, which can result in an unwanted fade. Stark contrasts result in windows that are 'burnt out,' too vibrant, or lacking detail.

You will be hard pressed to find one individual technique that can fix these potential problems. Different environments will call for different styles. However, making the best use of natural light is generally accepted as the standard for real estate photography. Sunlight is expected to sell the image. Once the appropriate lighting has been determined, it is important to establish the home's best features. Remember, you are trying to capture the attention of a prospective buyer, so show them something they want to see. Here are a few key tips on how to get the most out of your interior photos:

- Use the room's perspective to your advantage by paying attention to window lines, arches, and stairways
- Avoid large areas of open space
- Use tabletops and their settings to lead into the rest of the room
- Remove clutter from the field of vision
- Don't photograph the toilet
- Don't take picture of a room if you can't tell what it is
- Never use your phone to take your pictures
- Spend the extra time digitally editing a photograph if needed. A variety of programs exist to help you correct color, add light, and even remove unwanted items from the field of vision



How to Identify a House's Selling Point Through Photos:

- Refrain from using a wide-lens up close, as you may lose the roofline and experience perspective distortion.
- Use a tripod to keep the camera parallel with composition lines. Crooked lines denote poor technical skills. Tripods also allow you to use different shutter speeds, counteracting bad lighting while avoiding blur caused by camera shake.
- Include some perspective by shooting a little bit of the side and not just the façade.
- Include the roofline in the photo, moving the viewpoint back or up if need be.
- Minimize the less attractive aspects of the house – the garage, any permanent signage, fences (by whatever means necessary).
- Don't photograph until the yard is presentable (garage closed, clutter and eyesores removed, vegetation maintained, and curb appeal improved).

Pre-Screening Retail Buyers

Once you've appropriately staged the home and captured the property using optimal photography, your next step will be to pre-screen buyers that call into your office. It is important to effectively communicate and ask the proper questions when screening for your buyer. The main two components you want to look at when analyzing the leads that you have interested in buying your home are **financial preparation** and **mental preparation**. Financially, you want to make sure they are working with the correct source to purchase the home. If the buyer hasn't pre-arranged their financing, it is an indicator that he or she is in the early stages of looking for a home. If the buyer isn't working with a lender, then you want to immediately put that person in touch with your pre-

ferred mortgage broker. You don't want to waste time showing homes that are out of the buyer's price range. Even when you have someone who is financially prepared, they may not be emotionally ready. Mentally, your buyer has to have looked at enough properties and have the understanding of the process to recognize a good deal when they see one. If your potential buyer hasn't done their research and the preparation necessary to go through with buying a home, they aren't likely to budge. A lot of retail buyers are in the early stages of looking for a property and may not be ready to buy a property immediately, but they may be ready in the near future. That's why you must save all prospect information in your database. Once you have all of the basic information, set a time to show the buyer through the property. Who meets the buyer depends on whether or not you have the house listed. If you do have it listed, you will want your agent to meet with the buyer. If you don't have it listed, then you will want to go meet with the buyer yourself. As your business grows, you will outsource this task to someone in your office.

Don't Forget Virtual Tours!

You already know that your potential buyers are shopping online, so why not help them out and give them a virtual tour of your home? Doing a virtual tour also enables you to reach out-of-town buyers and get a higher volume of interest. Some sites even allow you to track the amount of hits that you get on your listings, and see where those hits are coming from. This is certainly a way to stand out amongs the other properties and sway buyers towards your home. When you are doing this, make sure you are covering every area of the home.



Remember!

You also want to Find out if the buyer is already working with an agent. IF the buyer is, get the agent's inFormation and make a note about it. You have to know IF there is a possible commission to be paid out on the sale of the house.

Using a Listing Agent

A listing agent can help you sell your home at the highest price possible. They are there to negotiate during the process, and close on time while working with escrow or the attorney. Realtors are also the ones that can get your home on a local MLS and give other agencies access to your listings. This gets you in front of buyers as well as other agents who are specifically looking for listings. You can get your property listed on the MLS without signing a full-service listing agreement. These are called limited listings, and are exactly that, limited in their services they offer. Our recommendation is to take advantage of the marketing expertise of a local Realtor and utilize their services fully.



Advantages of Using an Agent

- You can use their knowledge when it comes to things like inspections, repairs, and the presentation of your home.
- Good agents are also knowledgeable on current financial and legal issues, which can come in handy during negotiations.
- If you find a local agent, they can key you in on the highest price that you can get in the area and provide an insider's take on financing and work orders to save you some cash.
- First-time buyers are usually reluctant to work with an amateur seller and may only trust an agent.
- Agents can take care of advertising, promotion, and maybe even the open house.
- They take all the calls, follow up with prospects, screen buyers, and handle the contract close and negotiations.

Finding an Agent

When you're ready to start your search, make sure you do your homework and ask around amongst friends and colleagues, as well as former neighbors who may have sold in the past year. Find a reliable and responsive agent in a good firm. When you meet the agent, don't forget to ask for copies of their standard listing contracts and compare the small print while you're checking all of their track records. There are a few key things you want to consider when finding an agent:

1. Knowledge of the Area: Look for agents that list in the area. Those that do most of the listings in the neighborhood know the area well and are excellent at marketing it. These people can bring in a lot of traffic and can be great for your property.

2. Experience: If the agent doesn't list in the neighborhood, but has a ton of experience at getting properties sold quickly, you definitely want to consider using them. To research their history, try looking at the MLS to find agents with most sales.

3. Mass Exposure (how will they promote): Figure out who is going to do the most to promote your property. The more people that see the property, the higher the odds are that you will find a qualified buyer.

4. Negotiation Skills: Consider whether or not the agent is good at negotiating. You want to have someone with experience and knowledge of local standard negotiation practices and buyer psychology.

5. Volume Discounts or Special Programs: If you regularly give them listings, some agents will happily list at 2% or give you a fifth listing for free.

How Much Does it Cost?

Real estate sales commissions are split a variety of ways. A real estate agent who lists a property traditionally is paid a percentage of the home's selling price, and the listing agent will typically offer roughly half of that commission to an agent who brings a buyer into the transaction. It's not uncommon to have around a 6% listing commission that is shared between a listing broker and a buyer broker for a standard listing. Keep in mind when you are analyzing your deal, there is a 3% commission on each side, unless you are listing FSBO. 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 such as advertising and marketing.
- You guarantee more business to the agent through referrals, which would result in multiple transactions.
- You're selling more than one home.
- You don't have enough equity to pay a full commission.
- The agent accepts you as a pro bono case.
- The agent will lose the listing unless she matches a competitor's fee.
- The agent is looking for signage (exposure) and will give up charging a full commission.

FLAT FEE LISTINGS

If you don't want to use an agent, some brokers offer **flat fee listings**. With a flat fee listing, you are agreeing to pay the buyer's agent and a small fee to a listing broker, but not agreeing to the full listing fee. A flat fee brokerage will take the services traditionally done by an agent and list the property for sale in the local MLS without requiring the seller to use services such as valuation assistance, negotiation, transaction management, or showing accompaniment.



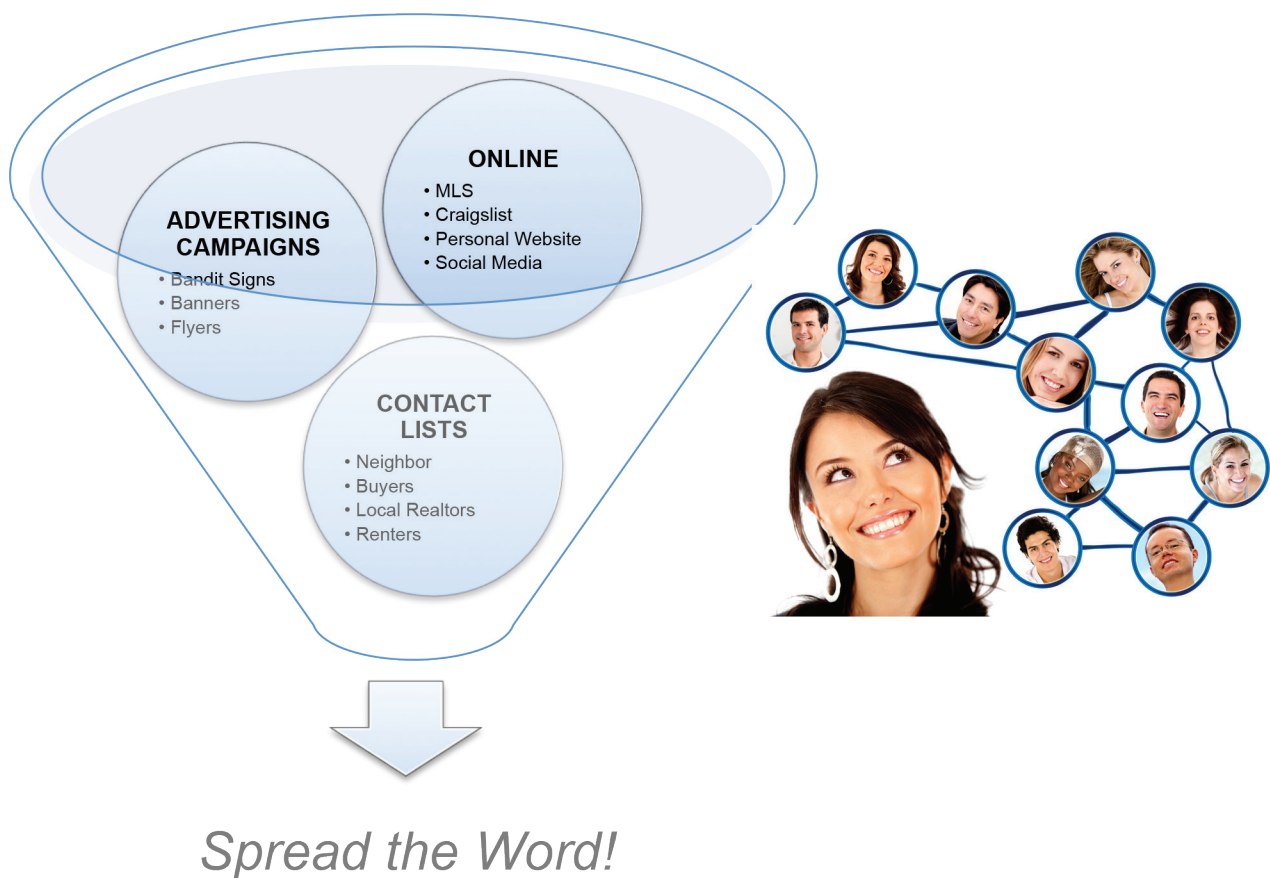
Helpful Tip!

Be conscientious of speed to market and speed to sale. If you choose not to list with an agent, make sure either you or a member on your team are able to do all of the services that an agent would provide.

Open House Strategy

When the time comes to host an open house, the task at hand is to generate lots and lots of traffic. You want as much activity going on as possible to create that buzz you need to get things moving. This can be a very time and cost-effective way to introduce your home to potential buyers. The first thing you have to do is **decide on the date and time**. Weekends work the best, particularly Sunday afternoons. You want to take advantage of the time when people are looking for things to do, and expecting open houses. Check the calendar in your local area to make sure you aren't conflicting with any big events going on, such as graduations. You may even want to check with the local public works department to see if any construction will be going on during the time of your open house causing detours.

Once you have a date and time you have to **market your open house**. In order to get people in the door, there are a few key marketing techniques that you can use. Pay attention to what works and remember the little things are what count. The most successful people in this business have realized that when you do the little things consistently, it leads to major success.



ADVERTISING CAMPAIGNS

When you are putting together your open house plans, make sure you always have plenty of **bandit signs** saying “Open House This Weekend” with balloons around the neighborhood. Make sure you do this not only the day of the event, but a few days in advance as well. If you plan on having your open house on Sunday, for instance, try and get the signs out by Friday. Make sure to include the date and time of the event. These signs have been around for a long, long time and there’s a reason for that-- they work! This tool is a simple, low-tech, and inexpensive form of marketing which is extremely effective at alerting people that you have a home for sale.



House **banners** should be strategically designed, and done weeks in advance. Use them as advertisements to show the neighborhood what’s coming, and to help people find the open house on the day of.

You want to also consider hiring someone to **flyer** the neighborhood. The more people you get from the local area, the better. You can also have flyers available outside the property to showcase when the open house will happen.

LISTING ONLINE

Most **Multiple Listing Services** across the country allow you to post an open house and allow local Realtors to do tours of open houses. A lot of Realtors do these tours with their clients to avoid losing them to another Realtor.

Use **Craigslist**, or other online classified sites, to make an effective ad that is easy for people to search. Use key words to attract your crowd. Try to do this about two weeks prior to the date of your open house. Other sites like Zillow and Trulia collect a lot of traffic as well. It can be time consuming to go to each website, create an account, and go through the process. However, you want to be where people are looking.

If you have your own **website**, make sure you are letting all of your followers know that you have this great new property on the market.

Social media has become one of the biggest advertising outlets. Once again, if you have a business page and/or a personal page on Facebook, you want to share with your network all the excitement of your open house. Once you tell your Facebook friends that you are selling a property, each of them as the opportunity to share that information with their friends, getting the word out in a short time.

TAPPING INTO YOUR CONTACT LIST

Walk around to tell your **neighbors** how you are trying to keep the value up in the area so you need some help getting in a good buyer. You can also use neighbor letters if they aren’t home in order to effectively advertise your property. The selling price of your home will affect their property values. Neighbors often want to be a part of their community and may know friends and family members that may want to move into the neighborhood. Renters renting a home in the area could also jump at the opportunity to finally own a home in a place they know and love.

This is a great opportunity for you to send out email blasts to your **buyers** list. Send out a fax blast to local **Realtors** about your open house. When offices have their morning meetings, often there will be discussion of the activity in the area. When inventory is low and buyer demand is high, they are likely to be shown at the Realtor meetings.

One of the most effective direct mail campaigns involves mailing to **renters** who have a 720 credit score or higher in chosen areas. If you can, get a list of a renters and contact them about the home you have for sale today, or being

Remember, when a buyer walks through the door:

- Have a sign-in sheet. A sign-in sheet should have three main components: name, number, and e-mail. You need to get this information as soon as your potential buyers walk in. Even if you only get an email, you're adding to your buyers list.
- Create small talk to make sure they are pre-qualified. As they come in, ask questions like "Do you have a Realtor?" or "How long have they been looking?"
- Hand them an information packet on the improvements, the area, and a little bit of information about yourself and your business. Your goal is to give them something that will eventually get them back to your office. Try using a credibility packet and adding a front cover.
- Avoid pointing out the obvious features in the house. Instead try and point out things that they might otherwise not notice. For example, don't point out the granite countertops, point out the fact that you had the gas stove re-wired and up to code. This makes for a more effective open house.
- Try to get a timeframe of when they are looking to move. Advise your potential buyers that this home probably won't last.
- If they show a fair amount of interest, ask to set up a follow-up appointment. Tell them that you'd love to tell them more about the home. Also, you can offer to show them some pre-construction homes that you have so that they can pick out their own design features.



Following Up With Buyers

When you need to convert your potential buyers, try using a **“sandwich effect”** by sending an urgent e-mail and following up with a casual phone call. The basic script you will want to use is:

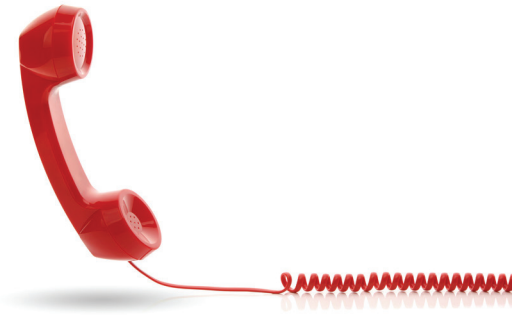
Seller: *“Hi this is (name) from (company), we met at 123 Main Street over the weekend, how are you?”*

Buyer: *“Great”*

Seller: *“I don’t want to take much of your time, but I wanted to extend to you a courtesy call because it seemed as if you were interested in the home. I feel confident that we’re going to get an offer in the next day or two – so let me ask you, are you still interested?”*

Now you are letting them open up about the reason they are or are not interested in buying the home. You also are creating a sense of urgency. If you had the opportunity to have a lender at your open house, make sure you also follow up and ask if the buyer had the chance to be pre-qualified. If you still get a “no,” start speaking with them about another home you have that they may be more interested in and offer to give them a “first look” so they won’t feel so rushed. If you don’t have a property that you’re currently renovating, tell the buyer about your future projects and ask to follow up down the road.

As always, it is going to be critical that you stay organized in this process and come up with a system that works. To stay on top of your marketing and ensure a successful open house, come up with a checklist of things that you want to do and keep up with it as you go. On the next page is a preparation checklist to use for your open house.



Open House Checklist

- ☐ New listing flyer w/open house date leave at house
- ☐ Warranties for appliances or for the home
- ☐ Door knock on 50 neighbors (Ask questions, see if they're looking to sell too)
- ☐ Sign in sheets
- ☐ Town information packet
- ☐ "Come on in" sign for front door
- ☐ Frequently asked questions about the home
- ☐ Balloons
- ☐ OPEN HOUSE SIGNS
- ☐ OPEN HOUSE DIRECTIONALS
- ☐ Laptop with portable printer
- ☐ List of Improvements
- ☐ Business cards
- ☐ Drinks, chips, etc.
- ☐ Purchase and sale contracts
- ☐ Pens
- ☐ Signs
- ☐ Install air fresheners
- ☐ Bring radio with music for open house
- ☐ Tape
- ☐ Bring mop to clean floor
- ☐ Towels
- ☐ Bring IPAD to become friends with everyone that shows up
- ☐ Sponsor brochures/flyers/business cards
- ☐ Straps
- ☐ Scissors/razor
- ☐ Comps
- ☐ Client view MLS sheets

The Post-Contract Process

Once you reach the closing stage of selling your home and you receive a signed contract, you certainly aren't done yet. During this time, the buyer, seller, and third parties are working together to inspect the property, establish its title, and obtain financing to close the sale. There are five key things that will occur before you reach the finish line. To be successful, you want to be prepared and know exactly what's coming your way.

1. TITLE SEARCH: As things move forward, the buyer should order a title search. The title search will make all parties aware of liens or encumbrances that will keep you from executing the deal. If there is an issue with title you want to find out as soon as possible so you can fix it prior to closing.

2. INSPECTIONS AND RENEGOTIATIONS: A home inspection ensure that buyers don't get stuck paying for things like termites, leaky roofs, and plumbing problems. Be involved in this process as much as possible. Find quality inspectors and make sure to explain everything to your buyers along the way. If something goes wrong, the buyer may attempt to renegotiate the price or obtain repairs from the seller.

3. FINANCING: The financing process begins in earnest after both parties agree on price and terms. This is when the lender will send in an appraiser to inspect and report on the value of the property. Once again, working with the right person is key here. Since the mortgage lender selects the appraiser, you want to build a relationship with them quickly. The appraisal report is the key to the bank's decision as to whether or not they want to lend on the property.

4. FINAL WALK-THROUGH: The buyer typically has the right to re-inspect the property right before closing. Many contracts don't allow a full re-inspecting, but they can ensure that nothing else has gone wrong since the last visit. The buyer is also confirming that the seller has finished any repairs that were agreed upon.

5. MONEY TRANSFER: The buyer will arrange to have loan funds and down payment in the escrow account either the morning before an afternoon closing or the afternoon before a morning closing. The seller will not release a deed without this payment. If the seller needs to pay money at closing, such as a lien or a mortgage, they may need to transfer money into the escrow account before the closing appointment.

6. CLOSING: Both parties will sign the necessary documents to transfer ownership, pay off the mortgage, and establish the buyer's mortgage. If there is anything being prorated, like property taxes and utility bills, they will be handled as well. Finally, the buyer receives the keys.



Closing Preparation Checklist

- ☐ **Order Title Search From Lawyer or Title Company:** If it is a foreclosure situation, you must put a rush order on the title search.
- ☐ **Insurance Binder:** Call insurance broker and get insurance binder for property so that insurance is in place the day of closing. Make sure lender's name is on policy as additional insured.
- ☐ **Lead Violations/Building Violations:** Call the city and see if there are any outstanding leads or building violations against the property.
- ☐ **Condo Docs/Resale Certificate:** If it is a condo, call the condo management company and make sure the seller has obtained a copy of the condo docs and a 6D certificate.
- ☐ **Water Company:** Call the water company and get the water bill changed over into company name set for the day of closing.
- ☐ **Sewer Company:** Call the sewer company and get the bill changed over into company name set for the day of closing.
- ☐ **Gas Company:** Call the gas company and get the bill changed over into company name set for the day of closing.
- ☐ **Oil Company:** Make sure there is enough oil to last three months.
- ☐ **Electric Company:** Call the electric company and get the bill changed over into company name set for the day of closing.
- ☐ **Traditional Mortgage(s):** Check with mortgage broker or loan officer to get all paperwork, appraisals, fees, etc. done on time; get loan commitment and closing date commitment.
- ☐ **Mortgage(s) for Private/Hard Investor(s):** Call lawyer and tell him who will be sending money over if private or hard money lenders are involved, who needs to have a mortgage, and what the terms are.
- ☐ **Call Private Investors to send over money:** Call all private investors for that project and have them send over money to the lawyer. Give them the wiring instructions as well as the address of the lawyer.
- ☐ **Company Funded:** If the company is purchasing the property with its own funds, call and get amounts that will need to be brought to closing the day before the closing.
- ☐ **Certificate of Good Standing (if buying in business name):** Bring original to close. You can order through your secretary of state.
- ☐ **Change of Management Letters:** Create and send out letters to all existing tenants that there will be a change of management with a new application for them to start filling out with our information. Have the seller sign the letters.
- ☐ **Signed and Notarized Quit Claim Deed:** For all properties we are buying, whether a short sale or an equity deal, and for short sale properties or any others where the seller is not going to be at the Close. (Some sellers will sign the deed at closing.)
- ☐ **Signed and Notarized Limited Power of Attorney:** Required for all properties where the seller is not going to attend the closing.
- ☐ **Get smoke and carbon monoxide detectors installed:** Check the fire department of the individual town to find out where the detectors need to be installed and if they need to be hardwired; get homeowner to install or, if need be, buy them and have them installed.
- ☐ **Set up smoke inspection at least one week before the close:** Find out how much it costs and if you have to pay in advance; get receipt and a copy of the check if we pay it.
- ☐ **Set up water reading two to three days before the close:** Make arrangements to have the water paid on the HUD if possible. Otherwise, we need a receipt and a copy of our check. Get a faxed or scanned copy of the water reading that can be turned in at the close.
- ☐ **Title V Report:** If the property has a septic tank make arrangements to have a title V inspection completed.
- ☐ **Keep in contact with the closing attorney:** Make sure that the closing attorney and mortgage broker have all the information they need in order to close. For short sales, they will need copies of the acceptance letters from the banks, the preliminary HUD, an invoice from our company for our commission (if applicable), copies of any receipts we need to be reimbursed for, the signed purchase and sale, Title V certification if on septic, water reading, smoke certificate, power of attorney, signed deed.
- ☐ **Check preliminary HUD against closing attorney final HUD draft:** Make sure negotiated figures are the same and that final HUD will be acceptable to the banks.
- ☐ **Find out close location and time:** If there is one individual who has limited power of attorney, see to it that they can attend the close.

Wrap Up

The home sale process isn't going to happen overnight. This system has outlined the steps for you, but here is brief snapshot of every phase, and the length of time for each phase.

#1. PRE-SELLING PHASE

(14 DAYS)

Market to sell prior to listing property on the MLS. Help buyers understand their benefits in helping design their own home and getting a deal before it hits the market.



THE HOME SALES PROCESS



#2. LISTING PHASE

(30-45 DAYS)

Stage the home & have it professionally photographed. Work with an agent to host an open house & list the property on the MLS to gain mass exposure.



#3. POST-CONTRACT PHASE

(45 DAYS)

After the contract is signed & final walkthrough completed, sign & receive copies of all important documents. Once buyer transfers your funds, you give them the keys and close the deal!

FortuneBuilders | 3033 Bunker Hill Street, San Diego, CA 92109
©2018 FortuneBuilders, Inc. All rights reserved.

This information is for educational purposes. We don't believe in push-button profits—we believe in proven business systems, education, drive and hard work. We are committed to teaching you how to reach your goals. In promoting our educational programs, we illustrate success stories. We want you to know, students are not compensated for their testimonials. However, many of our most successful students join our team as Coaches and Trainers. As stipulated by law, we cannot and do not guarantee results or offer legal advice. As with any business, your results will vary and will be based on your drive, effort, follow-through and other variables beyond our control. We believe in full transparency, and a high standard of integrity, that is why we encourage you to read our full earnings and income disclaimer by visiting www.fortunebuilders.com/earnings-income-disclaimers/