

CHAPTER 23

WHEN YOU NEED MORE THAN JUST A REALTOR

BY JEREMY GANSE

“A customer is the most important visitor on our premises; he is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to do so.”

~Mahatma Gandhi

Recently I met with a couple who was expecting their unexpected third child. They had purchased their home eight years prior intending to stay in the home for 15-plus years. As a result they invested money to remodel the kitchen, update bathrooms, replace flooring, and add an outdoor deck. While they were realistic with their price expectations, they were discouraged by several meetings with realtors...including the agent who sold them the property. The value these agents saw in their home was limited to the “CMA’s,” or comparable market analysis they prepared. After listening to their hopes, dreams, and goals, we were able to position their home in the market and sell it using our proven repeatable system within 14 days for 97 percent of their desired list price. Had they accepted the historical numbers prepared by multiple realtors they would have left \$25,000 dollars on the table!

Realtors receive no formalized training on how to prepare these commonly used, but archaic, CMA reports and select comparable properties from historical sales data to determine what your home's current value *should be*. The problem is that two similar homes will never be identical. CMAs don't tell you if the home was professionally staged, if the sellers were getting a divorce, if the home was overpriced for months before being reduced, or if the neighbors dog barks 24/7. None of those factors play a role in the value of your home, and you should not position the price of your home in today's market to attract the highest offer based upon the unknown.

What is shocking to me is that even successful agents with good systems and technology still use CMAs. None of the agents who met with our expecting couple client took the time to listen or be open to the possibility that there was financial value in the home beyond the historical numbers. By including the customer in the process and believing there was an opportunity to serve them, we were able to apply our proven repeatable system backed by market research and help our seller get up to 18 percent more for their home in even the worst of markets. Our goal was the financial success of our seller. We knew that if they were happy with the job we were doing, we would reap the benefits and rewards once the job was done. Our focus remains on providing a world-class real estate transaction experience that our customers will want to tell their friends about.

The challenge for today's consumers is to find a trusted real estate advisor who has the education, training, systems, technology, and customer service focus. No one can dispute that the internet has changed the way we do business. Since the late 1990s consumers have become increasingly comfortable with online purchases. It started with small transactions, including books and music, and has transformed into major life investments, including automobiles, real estate and finances. The internet can also be credited with leveling the playing field for small business to compete in an increasingly global marketplace. Without a website and an internet marketing strategy, very few businesses and industries will be positioned for growth in the coming decades.

Many industries have already seen the dramatic impact that systems and technology can have on their business model. Take, for example, your

local travel agency. Until the advent of online travel agencies like Expedia, Travelocity, Orbitz, and CheapTickets, your local travel agent held a secure job with exponential sales potential on commodities, including airfare, hotel rooms, and rental cars. Successful travel agents have adapted to the changing market, by adopting new systems and technology, and have found a niche as “travel consultants.” They essentially act as advanced concierges assembling complex packaged travel and cruise vacations. Their primary point of differentiation is customer service. No longer do they sell a commodity and no longer can the average travel agent compete without technology and a focus on customer service.

The same is becoming true in the real estate industry. Websites like Zillow and Trulia provide buyers and sellers with property information, photos, and pricing that was once only available at your local real estate office. Realtors have continued to hold the “key” quite literally in terms of physical access to the majority of homes for sale. However, with the average realtor only selling eight homes per year, holding the “key” is not enough to justify their fee. The majority of the 1,200+ realtors in Lancaster, Pennsylvania, are part time and do not have the education, systems, technology, and negotiation skills necessary to represent their clients in the single largest financial transaction of their life.

Compounding these issues are the state licensing requirements. In Pennsylvania you need only be 18 years of age, have completed 60 hours of training, and pass the real estate salesperson licensing exam. Compare that to the 1,500-hour training requirement to become a licensed beautician, and you will begin to see the tip of the iceberg. In the coming years it will not be difficult for large corporations, including Zillow and Trulia, to transform the real estate industry and put the average realtor out of business.

With all of that being said, where does this leave today’s real estate consumer? The last 10 years have been a nationwide rollercoaster in value explosion, contraction and stabilization. Facilitating all of the tasks that need to be done, from contract to closing and beyond, has become nearly impossible for one person, but a team working together allows for specific attention to individual clients needs. Here are seven questions you can ask to be certain you are hiring the right real estate advisor.

1. *How often will I hear from you; how long have you been in the business; and do you work full time?*

A: How frequently the agent normally communicates with his clients and what methods of communication the agent uses (phone, e-mail or fax) will help you determine if you are on the same wavelength. Ultimately the agent's communication strategy should take your needs into consideration. You are a critical part of the team and your first impression is likely to be repeated should you hire the agent. With a national average of eight homes sold per agent, you want to be certain this isn't your agent's first time at the rodeo. Be certain that they have the experience and transaction history necessary to represent you and your needs. Lastly, the days of the part time agent are long gone. You need a full-time agent who keeps up with the national/regional/local market, financing considerations and laws.

2. *How do you get paid?*

A: Real estate agents earn their commissions from sellers at the time of closing, which are split between the seller's and buyer's brokerages and then split again with the individual agents. As a buyer in Pennsylvania you will be asked to sign an agreement to exclusively rely upon a single agent. This exclusivity agreement is in exchange for the time and hard work that goes into communicating with buyers, keeping current with the market, preparing contracts, showing properties, and reviewing sellers' disclosures. It is important to understand how real estate agents get paid so that you don't accidentally engage multiple realtors, spend months working with them, and then have to inform them that another agent found you the home you want.

3. *How do you handle "dual agency"?*

A: Pennsylvania believes that realtors are schizophrenic enough to get the highest and fairest price for the seller while also obtaining the lowest and fairest price for the buyer. I have yet to meet a living human being that can equally represent both the buyer and the seller. As a consumer you need an agent who will maintain their agency relationship with you as being primary and who works in a team environment with other agents who can capture and separately represent prospective buyers for your home.

4. *What is your negotiation strategy and how do you handle home inspections?*

A: Real estate agents have an ethical and legal responsibility to put your financial interest first. You want to be certain you can trust that your realtor will negotiate from a position of strength and has the negotiation training necessary to help the cooperating agent acknowledge little victories, creating a mutual advantage so that negotiations on any larger future issues will be easier. If you are selling your home, it is important to understand that it will most likely be inspected by the buyer prior to settlement. Market research shows that a seller preinspection can save between 2 to 4 percent in repair costs vs. price. We believe preinspection is essential.

5. *What is your cancellation, termination and expiration policy?*

A: Hope for the best but plan for the worst. There should be no upfront fees, no cancellation fees, no termination fees, and no expiration fees for either buyers or sellers. You may find that the brokerage has a transaction fee for the internal processing of paperwork and cost of closing your transaction, but that should only be payable at the time of closing. There may also be other optional incentive programs that do have an upfront cost, but you should receive a service in return, and they should not be mandatory. If you are not quite ready to engage an agent in writing, be clear and upfront on where you stand.

6. *What is your marketing plan, and how does the internet play a role in it?*

A: Before you ask this question...Google the agent you are interviewing and “homes for sale in <insert your hometown>”. If nothing is returned on the agent you are interviewing or you don’t like what you see, you may be better off interviewing the agents who are returned in your search results. Ninety percent of buyers use the internet to search for homes, and 81 percent of internet searches are done on Google. If the agent doesn’t have a strategy to promote themselves via the internet, it is unlikely they will adequately market your home on the internet.

7. What do you do to ensure that the leads generated by my listing are followed up with in a timely manner so that we don't lose any qualified buyer inquiries?

A: In today's fast-paced internet society, people want instant information and are able to get it. Make sure you hire a realtor working in a team environment who has an immediate response system to get highly trained professionals responding within five minutes, 16 hours a day, seven days a week. No one individual can accommodate this requirement, and accordingly you need to be comfortable with the team that is in place to accomplish this crucial task for the marketing of your home. Remember, you are a part of the team.



About Jeremy

Jeremy Ganse is a licensed realtor, bestselling author, entrepreneur, education chairman of the Lancaster Young Professionals Network, and Certified Expert Advisor™. Over the course of his 15-year career, he has built several successful internet marketing and e-commerce websites that have produced sales of over \$40 million in real estate and consumer storage products. His information systems and technical communications background gives him a unique insight into the application of technology in the facilitation of the residential consumer real estate experience.

He is CEO and founder of The Jeremy Ganse Home Selling Team, a dynamic customer-centric business dedicated to embracing technology to enhance their client's real estate experience. Jeremy helps his clients to understand, comprehend, and navigate today's real estate market. His systems and processes provide consumers education on avoiding common pitfalls while capitalizing on opportunities. Jeremy believes that knowledge is power and that his clients deserve access to information and coaching so that they can make informed choices and play an active role in one of the most significant transactions they will make in their life.

Jeremy represents a new breed of real estate agents. As a Certified Expert Advisor™ he has emerged as a leader in specialized knowledge, skills and advisory services in the real estate industry. He is the real estate agent of choice for professionals, business owners, community leaders, doctors and lawyers who understand that to run a real estate business you must have the highest level of specialized knowledge, a solid track record of success, and the systems and resources to execute a proven plan.

Jeremy holds a dual BS degree in information systems and technical communications from Clarkson University in Potsdam, New York. He resides in Lancaster, Pennsylvania, with his wife, Lisa, a graduate of York College, with her BS in nursing. Lisa is currently at home with their two children. To learn more about Jeremy Ganse and how you can receive the free special report *When You Need More Than Just a Realtor*, visit www.jeremyganse.com, or call toll-free (877) 271-5520.