

WEDNESDAYS
with
WAYNE 
LIVE AGENT TRAINING

LEANING INTO THE NEW NORMAL
Begins in:

10:00
Stop

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with
WAYNE 
LIVE AGENT TRAINING

LEANING INTO THE NEW NORMAL

“In life, change is inevitable,
in business change is vital”

Warren Bennis



As Steve Harney of *Keeping Current Matters* reminds us...

Now is the time to...

Calm Down

Sit Down

Think

Plan

ACT



The Challenge...

No one really knows what the final outcome of these legal actions will be



While the federal court system may take years to finally come to a conclusion, the “court of public opinion” will not



What we do know...

We have to be prepared to have more in-depth conversations about the process than ever before



We have already seen the following:

New Jersey: Seller refuses to pay any agent. Lists home with the provision that all commissions will be paid by the buyer

Oklahoma: Seller calls listing agent after signing a contract for sale, and says he doesn't want to pay the buyer agent, because "he doesn't think he has to" after watching news reports

Virginia: Seller calls listing brokerage and requests name of buyer agent who sold his property months ago. Thinks he might sue for the commission



In countries other than the United States, most home buyers do not have a real estate agent representing them in transactions, and instead rely on the seller agent to coordinate the transaction and provide information about the home. What do you think about this?

72%

I think it makes sense and seems simpler than having 2 agents involved

28%

I think it is a bad idea and leaves the home buyer vulnerable

Which side of the transaction will require new dialogue?

Both Sides!



Things to work on:

- Be prepared for more in-depth conversations with both buyers and sellers on strategy and marketplace
- Don't be “on your heels” Lean into the conversation
- Begin working on your VALUE as it relates to your client
- Understand why you are being hired...strategy, control and communication
- Design/enhance your presentations and materials
- Decide your commission structure and be able to defend it! While fees are negotiable, yours shouldn't be

What is likely to change?

1. You will need to up your game at every level
2. Being “good enough” or better than “the other agent” will no longer suffice
3. Quoting production or years in the business will no longer be enough value
4. Commission structures in residential real estate will most likely change
5. Consumers will begin interviewing agents
6. Some buyer agents will move to a fee for service model, perhaps tied to timeframe
7. Listing agents could see this as an opportunity

**But it really
depends on
who you are,
and how you
THINK!**



THE PRO...

Embraces the potential changes, and already has/is working on new business practices and dialogue for the marketplace

THE TWEENER... *Plans on making a few changes once they are forced to*

THE ROOKIE... Actually has an advantage, as their “habits” are not ingrained

The Buying Side

Develop a Multi-Step Approach to
answer the question

"Why should I hire you to represent
me?"



Step 1: Property Search Techniques

MLS

Neighborhood Mailers

Calls

Door Knocking

Networking with other Agents (Pre-Market)

Canvassing Past Clients

Step 2: Pre-Offer

Market Analysis on all properties under consideration

Review of Covenants/Restrictions

Review of HOA Documents

Step 3: Negotiation Strategies

Proper Initial Offer Strategy:

The higher the initial offer, the lower the sales price. Less than the seller expects, but high enough they are afraid to counter

Step 3: Negotiation Strategies

“Plan B”:

We will always have a “Plan B” house we are willing to purchase if the offer is not accepted. This will help to create leverage.

Step 3: Negotiation Strategies (Continued)

Market Analysis to Seller:

I will attach a market analysis to each offer so that the seller will understand how we determined our offer amount

Step 3: Negotiation Strategies (Continued)

Physically Presenting Offer to Seller and Seller's Agent:

I will make every effort to physically meet with seller and seller's agent to present the offer. This is to make sure that our offer is not "spun" to the seller.

Step 4: Contract To Close

I will provide recommendations on:

Inspectors

Contractors

Lenders

Title Insurance

Home Warranty

We will devise the proper strategy for Negotiating
Inspection Remedies (if needed)

Step 4: Contract To Close (Continued)

Review Title Commitment

Review Survey

Provide you with a list of “To-Do’s” before closing

Keep you informed weekly of progress/process

Step 5: CLOSING

Review HUD Statement prior to closing for accuracy

Attend Closing

The Listing Side

(The tougher conversation)

The First Question YOU must answer for yourself...

Do you believe the compensation model is broken?

The answer will determine your strategy

The Basic Premise:

If a seller understood how the marketplace actually worked, they would have no issue with the process or compensation

The Question you must be prepared for:

“I don’t want to pay another agent”

Ask “Why?”

The goal is to get the seller to defend their position/comment, then be ready to explain the process!

Explain the Marketplace to the Seller
Utilizing 4 of the “Immutable Laws”
and
STATISTICS

Real Estate is all about control. One party always has more control. It's never a level playing field.

Law #2

“Control”

Seller Control Levers:

Time on Market

Price

Ease of Showing

Condition

Terms

Buyer Control Levers:

Time on Market

Condition

Law #7

“The Pool”

The best buyers are the FIRST buyers.
Why?

Concept #1:

95% of transactions involve 2 agents

Agents find out about the property
immediately via the MLS



Law #15

“Bracketing”

Under \$100,000

\$5,000 Brackets

(\$70,000-\$74,900)

\$100,000-\$200,000

\$10,000 Brackets

(\$150,000-\$159,900)

\$200,000-\$300,000

\$25,000 Brackets

(\$200,000-\$225,000)

Over \$300,000

(\$50,000 Brackets)

Concept #2

Pricing in the correct price bracket is the key to control

Proper Bracket 98.9% of List Price in average of 11 days

Improper Bracket 92.9% of List Price in average of 58 days

Law #12

“Time”

Time is not a seller's friend.
Agents deal with new inventory...not old.

Concept #3

There is a DIRECT correlation between days on market and List/Sale price ratio!

Anything that elongates the process is detrimental to the seller. *NOT offering compensation will elongate the time frame*

There is a larger pool of buyers among the populus of agents in MLS than ANY one agent or company will have

Bidding Wars are a direct result of MLS

MLS is a POWERFUL marketing machine...

For 10 days to 2 weeks...

After that, listing agent
marketing kicks in!

Concept #4

The Quality of Buyers (via MLS)
DECREASES OVER TIME

The Quality of Buyers from your marketing does
not decrease over time

However, over time, buyers begin to wonder...

What is wrong with the house?

Once that question is in play, seller control is gone!

If you're enjoying Wednesdays with Wayne,
please email us a quick testimonial to
admin@stfconsult.com





See you November 29th
for
***Unlocking
the
"Business of your Dreams"***

Thank You!

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