

Real Estate Agent Checklist – Sellers

Real agents love listings. Unlike dealing with buyers, who may not decide to buy now, may not decide to buy in their area or may not decide to buy with them, locking up a seller guarantees them 3% of the transaction. As such, agents will work extremely hard to get your listing. Use the questions below to decide on the best agent to sell your property to maximize your investment value.

Questions

1. How long have you been selling real estate and how many transactions have you done in the specific area where I plan on investing?

Good Answer: 5+ years and an above average number of transactions. After interviewing three or four agents, it should be obvious who has done well and who hasn't.

Bad Answers: Anything confrontational or clear avoidance of the question. Even if an agent hasn't done a lot of transactions they should be able to provide good reasons for their lack of closings.

2. Tell me what you think about the real estate market in this area? Ask follow up questions to get beyond their canned answers.

Good Answer: Shows a good understanding of trends and is not overly optimistic or pessimistic. More concerned with you understanding the market and the types of products offered, than they are with getting you to sell something today.

Bad Answer: Too optimistic or too general. Both of these are characteristics of a sales person and not a good real estate agent. Be sure to press them on why they have the opinion that they hold.

3. Explain your full marketing plan for my property?

Good Answer: I develop a customized plan for every seller. First, I talk to you about who would most likely buy your property (investor, young couple, family, etc.). Next, I walk through your property and provide you a list of items to fix or consider changing to make your house more appealing to potential buyers. Third, I present your property to a host of local buyers and brokers I know in the area and hold open houses. Finally, I provide print and web advertising of your home in standard publications in your area. If the market is tight, they might recommend extras like a staging expert or more expensive upgrades.

Bad Answer: I will hold several opens houses, list it in the MLS and standard publications. You need someone that will work hard to market your property beyond the standard methods. At the end of the transaction, you should see real value for the 6% commission you pay.

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4. What has the time on the market been for the properties in this area and what are the average discounts to offer price? What about properties you market?

Good Answer: An easy to understand stat sheet with additional color comparing today's environment with the environment of the past.

Bad Answer: I don't know or let me send you a print out when I get back to the office. Anyone can send you a print out, but a good realtor will put it in prospective.

5. What happens if it takes longer than average to market my property?

Good Answer: If the house is priced and staged correctly it should sell faster than the average property. However, if it does not sell we should visit other homes on the market and retool our strategy. While it may be important to discount the price, we may also consider adding additional upgrades or offering seller financing or other creative alternatives to generate more interest.

Bad Answer: Discount the price. Make sure they commit to doing additional marketing and press them to consider alternative solutions. This will help you understand their knowledge of real estate.

6. What selling price would you recommend and why?

Good Answer: It depends on your motivation. Based on the comparables I recently walked I would recommend x because most homes have upgraded y rooms, while your home has z upgrades. Additionally, your location merits a small discount/premium. If you are looking for a quick sale, I would recommend reducing that by x% because your house would be a good value and would appeal to a wider range of buyers.

Bad Answer: Based on the comparables I have printed here, we should price it at the average or any other answer that does not show thorough consideration of the myriad of factors that go into valuing a property. They don't have to be an appraiser, but they should know what makes your property more or less valuable than your neighbor's.

7. Would you recommend offering seller financing or other incentives to potential buyers?

Good Answer: This is not common in the market, but it might have real merit. I have tried the following incentives and had fairly good success. For example...

Bad Answer: No, these kinds of things are uncommon and I don't have any experience with them. No, is not a bad answer, if it is back up with evidence that these items have not worked in the past. Other suggestions like seller paid closing costs, seller paying buyer points or sellers throwing in items like furnishings or other items should be considerations brought up by the agent. Investors typically like seller financing in markets where financing is tough. Assumable loans might have excellent value if they are available.

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8. Are real estate sales your sole source of income? Do you have another job?

Good Answer: Yes and no, I do not have another job.

Bad Answer: Anything else.

9. Do you invest in real estate in this area?

Good Answer: Yes, I have a modest portfolio of deals I have been able to access via my connections with local investors; however, my clients come first. Also, No, with the same, my clients come first answer.

Bad Answer: Simple no or yes, I own and manage a large portfolio. You want an agent that earns their primary income from helping others buy and sell real estate, not from managing their own portfolio. If it's too large, you can guess where all the good deals are going.

10. What kind of clients do you work with?

Good Answer: I traditionally work with small real estate investors. I have a handful of investors that I do a lot of transactions with and I may work with a home buyer on a one-off basis.

Bad Answer: Mostly residential home buyers. If you are buying residential homes, you still want a broker that works with investors. Typically, homes in need of cosmetic repairs or with other issues a potential investor might be able to profit from are not purchased by primary homebuyers.

Bonus: Talk about the last three properties you helped your clients sell.

Good Answer: Three investment properties that line up well with what you intend to sell.

Bad Answer: Three residential homes for homebuyers or three properties well out of your scope of investing.

Use this checklist in conjunction with the [Cooksquared Blog \(www.cooksquared.com\)](http://www.cooksquared.com) to start investing in real estate today.