



Role of the Realtor



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Presented by:



Agenda

- Role of the Realtor
- REALTOR vs. Real Estate Agent
- Top 10 Myths
- Offer to Purchase Contract
- Conclusion

Role of the Realtor

- A REALTOR, whether acting as an agent for the Seller or the Buyer, is bound by the Code of Ethics to give fair and honest treatment to all parties in the transaction
- Some of the services you should expect from a REALTOR include:
 - A complete understanding of the type of property that will best meet your needs and wants
 - Assisting in determining what you can afford to purchase for property
 - Researching the market for suitable properties
 - Showing properties and soliciting your feedback
 - Preparing the Offer to Purchase contract
 - Assisting with financial arrangements
 - Interacting with other REALTORS, lending institutions, inspection companies, and attorneys throughout the transaction

Role of the Realtor

- The goal of the REALTOR and the buyer is to find a property which meets the buyer's needs, within his/her budget and time frame and bring the sale to closing in a timely fashion
- There are four ways that the buyer can greatly assist in this effort:
 - Be loyal to one REALTOR. Select a REALTOR you feel comfortable with and direct all inquiries to that person. Once assured of the loyalty of the buyer, a REALTOR will spend considerable time, effort, and energy to see that buyer happily relocated.
 - Give the REALTOR as much information as possible about the type of property desired, the urgency of relocation, and details on your wish list or other information, which will affect your ability to qualify for a mortgage.
 - Let your REALTOR who is a member of a Multiple Listing Service (MLS) investigate all ads. It is not necessary to call each office to see its listings. Your REALTOR has the same information and can obtain prompt assistance from a fellow REALTOR.
 - Be frank with your REALTOR about price range and your reaction to each property to avoid confusing the picture and making your search for the right home difficult.

REALTOR vs. Real Estate Agent

- They are not the same. Although both are licensed to sell real estate, the basic difference is that Realtors subscribed to a code of ethics
- The Code of Ethics is strictly enforced. It contains **17** Articles and various underlying Standards of Practice
- The Standards are much more restrictive and confining as to conduct than those governing agents who simply hold a real estate license

#1) Pledge to put the interests of buyers and sellers ahead of their own and to treat all parties honestly and fairly.

#2) Shall refrain from exaggerating, misrepresenting or concealing material facts; and is obligated to investigate and disclose when situations reasonably warrant.

#3) Shall cooperate with other brokers / agents when it is in the best interests of the client to do so.

#5) Shall not provide professional services in a transaction where the agent has a present or contemplated interest without disclosing that interest.

#10) Shall not discriminate in any fashion for any reason on the basis of race, color, religion, sex, handicap, familial status, or national origin.

#11) Expects agents to be competent, to conform to standards of practice and to refuse to provide services for which they are unqualified.

Top 10 Myths

1) Real Estate Agents are Always Late for Appointments

False. There is no excuse for habitual tardiness among professionals. None. I don't care if it's your doctor, your cable TV installer or your Realtor. Every person deserves respect, and respect is earned by providing what is promised and being on time.

Top 10 Myths

2) The More You Pay for a House, The More an Agent Makes

False. Ever hear a friend say this: "Every dime more you pay for that house makes the agent more money, so don't trust that agent." That's a misunderstanding. The difference between \$300,000 and \$310,000 is about \$100 to an agent. Do you really think the agent pays any attention to the commission difference of a \$10,000 spread?

Top 10 Myths

3) The Less Commission You Pay to Sell, The More you Make

False. Discount brokers like to propel this myth. They claim to save sellers money by charging less. The truth is agents who are top producers and excel in this business do not discount services. Why? Because they don't have to.

Less-than-full-service agents can't afford all the bells & whistles paid for by full-service agents, who tend to draw higher offers. It boils down to you get what you pay for. A 2% commission reduction doesn't amount to much when your price is discounted 10% or more because your agent couldn't afford full market exposure.

Top 10 Myths

4) Agents Must Show You Homes On Demand

False. Unless you have a signed contract with an agent or that agent represents the seller, that agent you call doesn't have to show you anything. You can't call a local real estate office and demand service or demand to be shown homes, because agents don't work for free.

If you aren't planning on writing an offer with the agent you call, be upfront or don't waste that agent's time. But don't expect that agent -- who is likely to earn nothing -- to be too excited about jumping in the car with you. That agent is not obligated to show you anything.

Nor is the listing agent obligated to show you a listing if you are represented by another Realtor without a request from that Realtor.

Top 10 Myths

5) Agents Get Kickbacks from Lenders / Title / Inspectors

False. Since 1974, agents have been prevented from receiving any kind of kickback or favor from real estate vendors. It's against the law. It's against RESPA: the Real Estate Settlement Procedures Act. Some agents are slower than others to realize how the law affects them, but most have heard of RESPA and would not jeopardize their license, regardless of the temptation.

Top 10 Myths

6) An Agent's Home Inspector Will Always Favor the Agent

False. Any agent worth her salt wants disclosure. Why? Because she wants what is best for her client but also, and this is not to be taken lightly, because she does not want to be sued.

Agents must disclose material facts. A buyer is always, without fail, better off knowing the truth about a house. Good agents care that a buyer receives full disclosure and are willing to fight for repairs on the buyer's behalf or help the buyer cancel the transaction.

Top 10 Myths

7) All Real Estate Agents Make Too Much Money

False. An agent's average annual salary is less than \$40,000 a year. You will find that about half the agents in any large brokerage close less than four deals a year. Nobody can live on that. Not once office fees are paid, MLS fees and lockbox fees are deducted, overhead and expenses for the agent are deducted, errors & omissions insurance and office supplies are paid.

Top 10 Myths

8) Agents Sell Their Own Homes for More Money Than Yours

False. Busy agents and top producers don't have the luxury of time to waste when selling their own home. They also understand the market better than your average home seller, which means if a home isn't selling within a reasonable period of time, it means it is priced too high.

Top 10 Myths

9) Agents Should Tell You About Crime, Schools & Ethnic Make-up of Neighborhoods

False. Federal Fair Housing laws prevent a real estate agent from discriminating against a number of protected classes, which automatically prohibits an agent from disclosing anything remotely relating to the protected classes.

Therefore, it may come as a shock to many people that agents cannot disclose crime rates, school stats or ethnic mixes of neighborhoods. If that kind of information is important to you, an agent can tell you where to find it but cannot provide it.

Those who tell you otherwise are misinformed.

Top 10 Myths

10) Agents Will Say Anything to Make the Sale

False. Although it is true that some agents will lie to you, it's unfair to paint all agents with such a broad brush. Top producing agents, those who enjoy a solid reputation in the community and practice real estate honestly and truthfully, are very careful to uphold a client's trust.

Making misrepresentations or a false statement is against the law. Agents who break fiduciary relationships or fail to disclose material facts are subject to prosecution and a loss of their license to sell real estate.

Offer to Purchase

- A preliminary agreement setting down the terms of the Buyer for the purchase of the property and the Seller's subsequent acceptance of the terms
- Usually this offer is accompanied by a sum of money described as "Earnest Money"
- When the Buyer presents this "Offer to Purchase" and the Seller subsequently accepts the offer, the Buyer has secured the right to purchase the real estate upon agreed terms for a limited period
- If the offer to purchase the property is not accepted by the seller, the earnest money is totally refundable

Offer to Purchase

- Typically an offer will specify the following:
 - The deposit amount
 - The mortgage and down payment amounts
 - The closing date
 - The occupancy date
 - An itemization of what is included in the sale
 - Time periods for performing the contingencies
 - An itemization of who pays for fees associated with the sale
 - Who is responsible for complying with any point of sale ordinances (such as installing smoke detectors)
 - May include optional clauses

Offer to Purchase

- Price, while important, is not the only consideration
- For example, a full-price offer might not be acceptable to the seller if it is **contingent** on the buyer selling his home
- The seller needs to know all the terms and conditions of the buyer's offer before he can decide if the offer is acceptable
- This is why all the terms and conditions that will affect the purchase transaction are encompassed in the offer

Offer to Purchase

- Acting quickly when you see a home you want to buy can make the difference between getting it or losing it to another buyer
- The real estate market doesn't stop while you decide whether you want to buy a property or on what terms.
- Ideally, no matter how rushed you are, you should sit down with your agent and review the contract. Together you can decide on the specific terms you want to include in the contract
- Be sure to leave yourself enough time so that you fully understand the contract before you sign it

Conclusion

- This presentation provides just a snippet of the important role a real estate professional--a REALTOR--plays in the home buying process
- The joy of being handed your keys to your new home at the closing table can not be expressed with words
- Please consider my services as your realtor and allow me to assist you in making your dream of home ownership a reality

Thank You

Please contact us if you have any questions

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