

Real Estate Tips



GET WHAT YOU PAY FOR

By Sidney Jimenez / Your Realtor

"You had better shop around." We've all heard the saying, but do we heed it?

We live in a consumer-based nation so saturated by marketing ploys that we don't always allow common sense to weigh in on judgment calls. Think about it. If you want to buy a box of sweetened corn flakes, are you going to spend time in the cereal aisle at the supermarket comparing the different types, or will you automatically take the blue box with the tiger on it? Most of us would do the latter. Why? Because we're familiar with that particular brand. We've seen the commercials, which have convinced us that these must be the best sweetened corn flakes, and we're even willing to pay more for them.

Some of us, however, have learned to take the time to shop around. And when we do, we find that sometimes we can get the same quality product for a lower price, and other times our experience is that you get what you pay for—cheaper price, cheaper quality.

The bottom line is when you look for quality, sometimes you may have to pay a little more to get it. And if you're willing to pay more money for a simple box of cereal, shouldn't you do the same for something as important as a Realtor?

We're talking about someone who will hold what is likely your most important asset in his or her hands. Don't skimp on this decision. Choosing a Realtor based solely on the lowest commission—the "cheapest price"—could be a mistake you'll regret for a long time. When you decide to put your home on the market, it's critical to choose a Realtor who can provide you with clear examples of top-quality work, not one who can just brag about their low commission.

Realtors incur certain expenses that aren't recuperated unless they close a sale. So I ask you—if the Realtor is willing to sell your home for a lower commission, where do you believe that money will be made up? That's right! They could choose to employ a minimal marketing plan to offset some of their personal costs of trying to sell your home. And just like that generic box of cereal, your home will sit on the shelf until someone looking for a cheap deal finally

comes along. Your home could stay on the market for many months longer than it should—and that means more money out of your pocket. Therefore, while you might pay more in commission, superior marketing efforts and attentive service will result in more people interested in buying your home. And in the end, you'll get a bigger return on your most precious asset.

A colleague recently filled me in on an unfortunate truth. Many real estate agents try to sell your home with the "Five P's":

- Put a sign in your yard.
- Put an ad in the paper.
- Put an ad on the Web.
- Put your house in the MLS.
- Pray it sells.

Needless to say, this approach is not only shameful, but completely ineffective, considering today's challenging market. Look for a Realtor with a comprehensive, in-depth marketing plan that they take the time to explain to you. By investing in a Realtor with a diverse marketing plan, your home will have that desperately-needed advantage and will attract more potential buyers.

Of course, you do need to pay attention to the issue of commission and to see all sides of it. Be careful of a Realtor who wavers on his or her initial commission request, caving in quickly to your plea for a lower percentage. A Realtor so easily talked down could also be weak when negotiating on your behalf to get your asking price—and may not have your best interests in mind. Be wary, too, of Realtors who lower their commission, only to increase your asking price so that it exceeds your home's market value—this could be a sign that the Realtor is trying to make up for that lower commission with a higher sale price. You can't guarantee that you'll get that price though, which again means your home could sit on the market for much longer than you intended.

It's a balancing act, to be sure! You want a successful realtor offering a diverse marketing plan and quality service, and a commission that matches it all. Keep an open mind and shop around—because you deserve to get what you pay for. *See ad on page 31*