



Yours Independently

Transform Your Real Estate Business
with a New Team-based Model of
Brokerage Ownership

JAMES HUSSAINI

Yours
Independently



Yours Independently

Transform Your Real Estate Business
with a New Team-based Model of
Brokerage Ownership

JAMES HUSSAINI



Yours Independently

Copyright © 2015 by James Hussaini

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means—electronic, mechanical, photocopying, recording, scanning, or otherwise, without the prior written permission of the publisher or authorization through payment of the appropriate fee to Access Copyright at www.accesscopyright.ca/permissions, except for the use of brief quotations for purposes of review.

Limit of Liability/Disclaimer of Warranty: This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold in the understanding that the publisher is not engaged in rendering professional services. If professional advice or other expert assistance is required, the services of a competent professional should be sought, because the advice and strategies contained herein may not be suited to your situation. The publisher and author specifically disclaim any applied warranties of merchantability or fitness for a particular purpose.

Books may be ordered in bulk quantities by contacting the author at Realty Point Inc., 240 Duncan Mill Road, Suite 600, Toronto, M3B 3S6.
Telephone: 1-800-410-8516

Cover and text design: Ruth Dwight Graphics, Toronto

Editor: Lindsay Humphreys

Loney Publishing Group Ltd.

15 Peking Road, Toronto, ON M1J 2X2

ISBN: 978-0-9939036-0-1 (print)

ISBN: 978-0-9939036-1-8 (ebook)

First printing

Printed in Canada

TABLE OF CONTENTS

ACKNOWLEDGEMENTS	xi
INTRODUCTION: LIVE THE DREAM: Own Your Own Real Estate Business	xii
WHERE IS YOUR CAREER IN REAL ESTATE SALES TAKING YOU?	viii
PART I: BROKERAGE OWNERSHIP	1
Chapter 1: Reasons Why the Traditional Brokerage Model Is Obsolete	
Reason 1: Changes Are Breaking the Brokerage Model	3
Reason 2: Salespeople Have Become Owners of Their Own Brand	5
Reason 3: Consumers Pay the Price	7
What Is the Solution?	8
Chapter 2: Why You Should Open Your Own Brokerage	9
Become an Entrepreneur through Incorporation	9
The Solution Is Brokerage Ownership	13
Chapter 3: Brokerage Ownership Is a Marker of Success	14
Set Lofty Goals	14
The “Top Agent” Ranking	16
The Transformative Solution	17
Key Questions You Need to Ask Yourself	18
Chapter 4: What Is Stopping You from Opening Your Own Brokerage?	20
The Three Defining Assets of a Business Owner	20
Overcoming Obstacles and Implementing Solutions	26

Chapter 5: The New Brokerage Model for	
Top Performers	27
Focus on What Counts	27
The Model Offers Predictability and Stability	30
The Model Offers You Time for Business Development	31
Step Forward and Become an Owner	31
PART II: TEAM BUILDING	33
Chapter 6: Realize Your Dream through Team-Based Brokerage Ownership	35
Know that Building the Right Team Is the Key to Building Your Future	35
Work towards a Comfortable Retirement—Not Until the End of Your Days	38
Chapter 7: The NEW Rules of Team Building	39
The Online Marketer Is at the Heart of Your Team	40
Growing Your Team One Member at a Time	40
The Boutique Brokerage Team Model	44
Create a Culture of Performance	46
BUILD YOUR BUSINESS—PHASE I:	
The Online Marketing Team Member	47
Chapter 8: A New Perspective on Real Estate Marketing	47
Clients Are Looking for a Partner in Their Journey	47
Ask Your Clients to Describe Their Own Buyer Journey	50
Acquiring Clients Is an Educational Process	51
Marketing Is Storytelling	51
How to Shorten the Buying Journey	52
Additional Opportunities to Prove Your Relevance	53
Keep Your Clients for Life and Earn Their Referrals	54
Have a Lead Conversion System	54
Final Word	55

Chapter 9: Real Estate Marketing 3.0 Will Transform Your Business	56
Real Estate Marketing Has Evolved	56
Create Great Content for Your Website, Blog and Social Media	61
Build Trust Using Social Media	62
Chapter 10: Establish Your Clientele Base	65
Create Social Proof of Your Value as a Professional Salesperson	65
Take Responsibility for Your Relationships	67
BUILD YOUR BUSINESS—PHASE II:	
The Buyer Specialist Team Member	69
Chapter 11: How to Create a Loyal Buyer for Life	69
Your Buyer Prospect Knows You—Even If You Have Never Met	69
Exceed Client Expectations	70
Are Salespeople Being Sold “A Bill of Goods” about Millennial Home Buyers?	75
BUILD YOUR BUSINESS—PHASE III:	
The Administrator Team Member	77
Chapter 12: Let Your Clients Build Your Brokerage	77
Standard Services for All	77
Be a Referral Business	79
Your Long-Term Vision	82
BUILD YOUR BUSINESS—PHASE IV:	
The Listing Specialist Team Member	84
Chapter 13: The Right Way to Get the Listing	84
Preparation	84
Presentation	87
Marketing the Property and Satisfying Your Client	91
How to Build a Location-Specific Website to Market a Property	92
Final Word	94
Chapter 14: Results-Oriented Sales	95
From WIIFM to WIIFT	95
The Buyer-Client with Pitch 2.0	96

Chapter 15: Building Your Referral System	101
Why a Client Makes a Referral	101
Your Customer Base Builds Your Business, So How Do You Build Your Customer Base?	103
Connecting Local Businesses with Clients to Increase Referrals	104
BUILD YOUR BUSINESS—PHASE V:	
The Recruiter Team Member	108
Chapter 16: Attract and Keep the Best Talent	108
How to Keep Your Team Members Fully Engaged	108
Treat Your Team Members as Family Members	111
Create a Value-based Community	111
Recruiting Is a Two-Way Street	112
Chapter 17: Proactively Accelerate Your Success:	
The “4 Ps” of Prospecting	116
The “4 Ps” of Prospecting	116
1. Place Prospecting	116
2. Property Prospecting	118
3. People Prospecting	119
4. Product Prospecting	121
In Conclusion, Here's Some Good Advice	122
Chapter 18: The Fundamentals of Listing a Commercial Property	124
Listing a Commercial Property	124
Property Details to Consider for Finalizing the Listing Price	128
Business Valuation	129
When Listing “For Lease”	129
How Much Commission Should You Charge?	131

Chapter 19: Making Money for Your Commercial Property Buyer	132
Due Diligence	132
Adding Value to a Property	135
The Best of Both Worlds: Play Safe and Profit	137
Assess Your Buyer's Resources	137
It's All about People	138
Look for Underpriced Properties	138
PART III: REGISTERING, OPERATING AND MANAGING YOUR REAL ESTATE BROKERAGE EFFICIENTLY AND PRODUCTIVELY	139
Chapter 20: Prepare to Register Your Real Estate Brokerage	141
Option 1: Purchase a Franchise	141
Option 2: Set Up an Independent Brokerage	143
Chapter 21: Prepare to Open Your Doors	149
Establishing Your Office	150
Chapter 22: Go Ahead and Register your Life Away ...	154
Step 1: set Up Bank Accounts and Banking Requirements	154
Step 2: Complete and Submit RECO Application	156
Step 3: Register with Your Local Real Estate Board	160
Chapter 23: Administrative Setup	162
Systems and Solutions	162
Schedule B 165	
Reconciliations	166
Complying with FINTRAC	167
Chapter 24: Time to Do Business	169
The Independent Contractor Agreement	169
The Broker/Existing Salesperson Transfer Process	169
TREB Transfer	170
New Salesperson Registration Process	170

Chapter 25: Transaction Management: Part I	173
Uploading Listings on the MLS™ (Multiple Listing Service)	173
Uploading Listings on the MLS™: The Steps Involved	174
Answering Phones and Booking Showings/Appointments	176
Chapter 26: Transaction Management: Part II	181
Sold Property Processing	181
Steps to Process the Deal	182
The Bought Property Process	185
PART IV: CASE STUDY	189
Case Study: World Class Realty Point Brokerage: Zia Abbas	191
Why Open a Brokerage?	191
Appendix: Tick Sheets	194
Realty Point: How to Contact Us	201

ACKNOWLEDGEMENTS

“You are the average of the five people you spend the most time with.”—Jim Rohn

This book has been a collaborative effort by five amazing people whose ideas complemented each other's, and who all added immeasurably to the richness of the content. First and foremost, allow me to thank Zia Abbas for laying a solid foundation for the revolutionary concepts discussed in this book. Sharing his knowledge and many experiences in real estate sales and marketing has been a valuable and much appreciated contribution.

I would like to thank Neelo Ahmadi, who encouraged me through every aspect of writing this book. She shared her experience and expertise in running a brokerage, which is invaluable. She has always recognized my potential and praised my abilities, which helped me maintain my commitment to finishing this book. Her contribution is priceless and I cannot thank her enough.

I would like to thank Robert Lee for collating, editing and proofreading my work. Sometimes we joke that he is translating my articles from “English” to “English.” His contributions are enormous and I am grateful to him.

Mahmood Zarabi helped me write about the technical aspects of operating a real estate brokerage. His dedication, commitment and perseverance in helping me to write this book is second to none. Hats off to Mahmood.

To Aziz Amiri, my friend, who was the first one to believe in this new model. He was not only the first one to implement the ideas expressed in the book, but he went the extra mile by sharing his feedback to make it better. Some sections in this book have been modified to reflect his practical perspective. Thank You Aziz!

Please finally allow me to thank my publisher, Don Loney, designer Ruth Dwight and editor Lindsay Humphreys. I would like to also acknowledge Don Campbell to whom I am most appreciative for not only endorsing my book but for influencing my life in a positive way, both in the world of real estate and beyond.

INTRODUCTION



Live The Dream: Own Your Own Real Estate Business

Are you in “that job”? You know, the one that could run so much better if only you were the boss?

We’ve all been there during our careers. As we’ve progressed along the road of life we’ve been engaged by many different personality types, people who exhibit varying degrees of professionalism, job commitment and determination.

Some we learn from; some just make us shake our heads.

Real business leadership becomes tested as business challenges rear up and our manager or boss has to make the decision to invest or not, to power ahead or pull up stakes.

Real estate salespeople have seen a lot of transitional change over the past few years with ever more technologies and strategies developing at an increasing pace. Keeping up isn’t an option with so much competition out there for that next listing.

The “personal touch” nature of the business relies not only on commitment but the willingness to continually invest in yourself whether through sales training, learning the latest technologies, deciphering marketing opportunities or just plain old networking.

There are programs for business and personal development, and sales training and coaching that are offered by real estate brokerages. This is the “hook” that convinces a salesperson to join a particular brokerage. The follow-through and quality of these offerings is spotty at best, as I know very well from having discussed this with many real estate salespeople.

With an insider’s knowledge of how a brokerage should operate versus the reality of how they do operate, many salespeople champ at the bit for their broker designation, ready to open their own brokerage and do what their boss could not: build a committed business that fulfills its promises.

WHERE IS YOUR CAREER IN REAL ESTATE SALES TAKING YOU?

Let's assume you are a Top Producer. You earn a good living and are (generally) happy where you work.

You seek out new ways to increase your sales (within the confines of where you work) and have found a certain level of comfort within your place of employment (even though you are technically self-employed).

You excel at networking and expanding your client base, have community involvement on your resume and genuinely like meeting new people without putting "business first" at every social interaction.

But there are several things that haunt you as you look back upon your career within the real estate industry:

- **Personal emergencies:** If you need time off you know your income will immediately fall.
- **Income stability:** Real estate sales is very cyclical; you have to generate ever more connections to be prepared for a market slowdown.
- **Retirement:** As a self-employed individual you are responsible for your own future retirement plans.

There are only two options available to real estate professionals as they look to their future:

1. Stay where they are and make the most of it; or
2. Move forward and open their own real estate brokerage.

The first option is the road most taken. It's hard for people to break out of their comfort zone and look at uncharted territory as the road to success. Work hard, grow your network and pay your bills. Be happy with what you have.

The second option is for those that want more. You are excited by new challenges and opportunities, and see real estate sales not as the "be all" to your career but as the first of many steps towards

building a sustainable business based on the time and effort you put into understanding the industry and marketing your professional acumen and personal brand.

Maybe it's that little voice inside you that tells you that you could do so much more. Maybe it's family and friends that see that entrepreneurial spirit inside you, waiting to be unleashed.

As a salesperson you work hard and build up the business of the company you work for. You remain within your comfort zone despite the time and energy you expend each working day and night because it is safe.

But that comfort zone is becoming uncomfortable.

Let's go back to the original question, "Why should I open my own brokerage when everything is working so well for me?" and ask yourself if you are ready for the challenges, and rewards, of owning your own brokerage business.

Ask yourself: are your best interests being taken care of? Is putting in the effort to build someone else's business the right career for you in the long term?

When you're sure of the right answer, that little voice in your head will get louder and louder.

Part I

Brokerage Ownership

Yours
Independently

Transform Your Real Estate Business
with a New Team-based Model of
Brokerage Ownership

CHAPTER 1

Reasons Why the Traditional Brokerage Model Is Obsolete

The Broken Model

Traditionally, a real estate salesperson joined a brokerage for the power of its marketing and name recognition, relying on the “higher power” to drive leads and sales. Changes to the commission split structure put more and more marketing responsibility onto the individual. The shift to social media and enhanced online networking systems has dramatically lessened the power of the brokerage over the individual, to the point now where the brokerage provides decreasing value to the successful salesperson.

REASON 1: CHANGES ARE BREAKING THE BROKERAGE MODEL

There have been significant shifts in the real estate brokerage industry, and none of the changes has been as significant as lower commission splits. Today commission splits are ranging from as low as 95/5 to a couple of hundred dollars per transaction going to the brokerage. As you might imagine, with such low commission splits a brokerage can only survive with a very high volume of sales. The margins of gross income and profitability are constantly dropping for the typical real estate brokerage.

On one hand there are not enough resources to properly manage and train salespeople, and on the other hand the brokerage is constantly looking to generate more revenue to cover its overhead and expenses. Basically, most brokerages are operating “hand-to-mouth,” and a sudden shock to their business, such as the departure of top-producing salespeople, can put the brokerage in jeopardy. With the intention of protecting their business, brokerages are recruiting licensed salespeople who may or may not have the right skills and business acumen to be successful.

One of the main tools used by brokerages to attract real estate salespeople was and still is the promise to give them leads. The basis of that “promise” ranges from doing “duty-time” at the office

to online resources. In most brokerages, if not all, this promise is rarely kept. Brokerages cannot keep their promise either due to lack of resources to generate the leads or the number of leads generated is so few that some salespeople are left without. Further, even if brokerages provide leads, they are usually of very low quality, which salespeople consider a waste of their time to pursue.

Moreover, brokerages promise to provide full coaching and hands-on training for salespeople joining their brokerage. Again, due to a lack of resources, most brokerages cannot afford to provide the training required for their salespeople. As a result, most salespeople are not fully equipped to practice properly and professionally in the field.

Additionally, most salespeople are not compensated for the cost of the technology they use on a daily basis. With the increase in functionality of smartphones and tablets, the costs associated with the use of technology have shifted from the brokerage to the salesperson.

Nowadays, there is another promise used as a recruiting tool to attract salespeople, and that is online marketing and branding. It is very challenging to practically carry out this type of promise as online branding has become very personalized. In today's age of content marketing, each individual salesperson has to be engaged with the online world and create their own individual brand and identity. This may involve writing blogs, posting videos, being active in social media, and so on. Practically speaking, it is almost impossible for a brokerage to brand salespeople individually as it needs a wide range of resources to accomplish this time-intensive task. So this most recent promise, along with previous ones, cannot be delivered even if brokerages had good intentions of following through.

The lack of supervision, training and coaching has led to another phenomenon in our industry—a significant increase in part-time real estate salespeople. On one hand, once in a while these salespeople receive a big commission cheque, which motivates them to stay in the real estate industry, while on the other hand they are

not confident enough to leave their full-time job for a long-term real estate career. Basically they are not dedicated enough to be fully focused on their real estate career or professional development.

As a result, most real estate brokerages have become more of a baby-sitting and license stacking office. Real estate salespeople are not fully vested in their career and therefore the rate of errors or incidents of unprofessional conduct is high. The Broker of Record is constantly putting out fires that are created by salespeople, mostly by part-timers. Instead of having a long-term vision to properly train and manage salespeople, brokerages are busy handling issues created by their untrained salespeople. Unfortunately, the real estate brokerage industry has brought this upon itself by constantly discounting its services.

Conversely, despite receiving higher commission splits, salespeople feel they are not getting the level of service they expect from their brokerage such as training and coaching, and more importantly their Broker of Record is not effective as a sounding board and in offering support for their transactions. When salespeople do not perform well, they blame their brokerage for their lack of performance. This situation could lead to a lack of confidence in the brokerage. As a result salespeople are moving from brokerage to brokerage looking for those “promises” to be delivered.

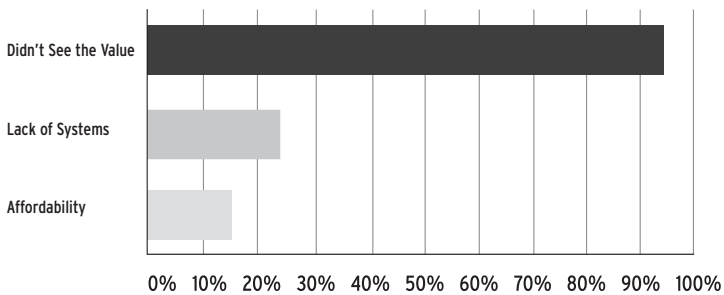
REASON 2: SALESPEOPLE HAVE BECOME OWNERS OF THEIR OWN BRAND

Salespeople that push forward to establish their own online brand often do not seek the assistance of their brokerage other than to see what tools they have access to. In fact, the traditional real estate brokerage franchise is not in a position to help the salesperson build their own individual online marketing presence as each salesperson has their own unique characteristics, and they can better create their own unique online footprint. In the past, brokerage and franchise branding might have provided some value to the image of the individual salesperson, but in today’s online marketing world each

individual is better off creating their own brand image independently. For this very reason most salespeople do not see the value behind the concept of paying the so-called “monthly franchise fee,” and this issue is reflected in a recent survey of Independent Brokers, published on January 5, 2015 by Inman, as seen below.

**Q18 WHY AREN'T YOU CURRENTLY AFFILIATED WITH A FRANCHISE BRAND?
(CHOOSE ALL THAT APPLY)**

Answered: 297 Skipped: 480



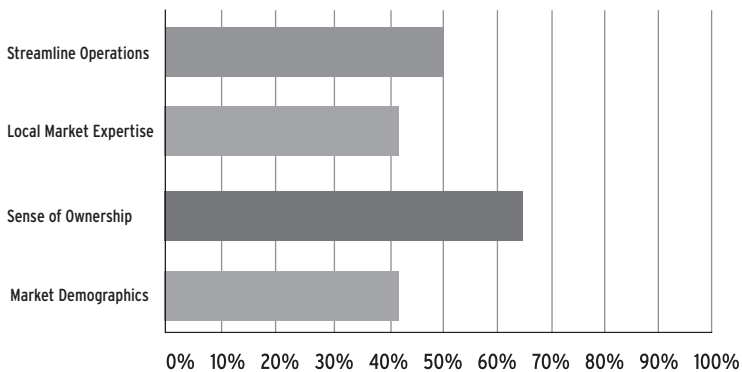
We are living in the age of “personalized marketing,” which means that the services delivered by each salesperson are much more important than the brokerage brand name they represent. Although personal branding has always been the biggest differentiator in the real estate sales industry, now it is the “primary motivator” for the consumer of today. The expectation of today’s customer is that they will receive customized services that align with their values, lifestyle and specific needs. There is no longer a one-size-fits-all strategy, the kind of strategy that built brokerages in decades past. Each client expects to be treated as an individual.

Traditional brokerages and franchises have systemized their processes and continue to provide a one-size-fits-all model for their clientele that is no longer relevant to the expectations of the client. The role of real estate professionals is more important today than ever before as clients expect the prompt delivery of customized and personalized services. This trend is clearly demonstrated in a recent

survey conducted by Inman News that concludes: “Brokers and real estate professionals surveyed by Inman say local control of branding and technology gives indie brokers the ability to craft nimble, profitable businesses that can adapt quickly to local market conditions – without the burden of franchise fees.”¹

**Q1 INDEPENDENT BROKERAGES ARE ON THE RISE.
WHY DO YOU THINK THAT IS?
(CHOOSE ALL THAT APPLY)**

Answered: 740 Skipped: 37



REASON 3: CONSUMERS PAY THE PRICE

Our primary mandate as professional salespeople is to protect the interests of our clients. I am not sure how we can serve our clients to the level of service that is expected when we have not received professional training and ongoing coaching. As mentioned earlier, consumers expect “personalized” and “individualized” services when they hire a real estate sales representative.

The image of the real estate industry has become tarnished due to the unprofessional conduct of some less-than-committed salespeople. We, as an industry, have not tapped into the talents and skills of our salespeople. We have not maximized their potential. Our sales professionals can reach much higher heights if they are nurtured in the right environment. This goal cannot be achieved in

1. Inman News, The Shift towards Independent Brokerages, 5 January 2015.

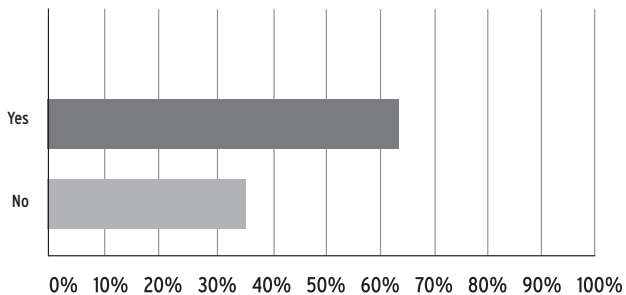
the traditional brokerage model as there are not enough resources. Moreover, the environment is not fertile enough for talents to grow to their maximum potential.

WHAT IS THE SOLUTION?

Our industry is no longer seeing much if any value in the traditional real estate brokerage franchise model, and as a result the opening of independent brokerages is the route more brokers are taking. Real estate professionals are rapidly moving towards establishing their own brokerages under their own name and creating their own brand. They prefer not be attached to the “traditional brokerage” model and, more importantly, want to take advantage of incorporating their real estate practice for tax-saving strategies and taking charge of their own future. Interestingly enough, according to Inman News, “nearly 9 out of 10 Inman readers surveyed (86%) think independent brokerages are becoming more popular among real estate agents ... while 71 percent of affiliated brokers surveyed by Inman report that they have thought about going independent, 97 percent of indie brokers say they aren't considering joining a franchise brand.”²

Q2 DO YOU THINK INDEPENDENT BROKERAGES ARE BECOMING MORE POPULAR AMONG REAL ESTATE AGENTS?

Answered: 762 Skipped: 15



2. Inman News, The Shift towards Independent Brokerages, 5 January 2015.

CHAPTER 2

Why You Should Open Your Own Brokerage

Playing It Safe Could Be Detrimental to Your Future Well-Being

One of the most common questions that real estate professionals ask themselves, as they look towards their future, is “Why should I open my own brokerage when everything is working so well for me?”

And it’s true that if you are happy where you are, why would you consider changing course? Staying within your comfort zone is the natural, and safe, thing to do. There are enough challenges in your job, so why take on more?

With this mindset you’ll be happy as long as your sales continue, as long as your income is consistent and as long as your long-term prospects are taken care of by the company you work for. Salespeople can do quite well in the real estate industry, and as a top producer you’ve done well so far, haven’t you?

Of course, we all understand that being a top producer requires a certain mindset—a mindset of embracing new challenges, of being a visionary and a leader more than a follower.

Isn’t it time that your long-term goals reflect your true nature within the real estate industry? That you take charge of your own destiny and take action to change your status from “salesperson” to “businessperson”?

BECOME AN ENTREPRENEUR THROUGH INCORPORATION

Top-performing real estate professionals are usually occupied with running day-to-day transactional activities. There is not much time and/or patience to lay down the vision for a long-term career plan. Even if there is a plan, it is usually a standard sales and marketing plan. After all, any business needs one of those. On the other hand, the real estate industry does not provide much in the way of support or vision for long-term planning. So, as individuals we have to help ourselves make the transformation from a salesperson mentality to an entrepreneurial mindset.

As a salesperson you have no future security. Your income will

wind down as soon as you stop selling. That means you have to continuously chase people to sell to until the end of your career. You will have put no retirement plans in place. Of course, some of our visionary top producers have laid the foundation of a long-term strategy. But there are many in our industry that need a supporting hand to help them cross that bridge.

Let me share a few of the crucial reasons that justify the goal of opening your own real estate brokerage and add some volume to that little voice in your head that wants more than you have now.

You Can Plan Your Future

Taking charge of your destiny through the creation of your real estate brokerage allows you to plan your future by considering entirely new directions.

Along with your business plan you will be able to create achievable goals that build your business and create a solid foundation for your future that includes your retirement goals.

When you take your real estate career to the level of business ownership, the first step is incorporation, which opens up a new world of advantages over the self-employed person you are now.

An incorporated business is its own entity and allows you to take advantage of certain benefits within this structure that can have a very positive long-term effect on your financial success. Company contributions to your retirement fund, building equity in your business and a solid business reputation that appreciates in value all can have a compounding effect on your eventual retirement nest egg. And it's nice to think of a secure retirement.

You Will Have the Prestige of Business Ownership

Elevating your name as the "Broker of Record" and "President/Owner" of your own brokerage adds a certain level of prestige to your real estate sales career. There are very few clients in the world that would rather deal with a salesperson than the owner of the company. Moving out of the shadow of the "independent contractor" to brokerage owner can only boost your standing in the real estate

industry, and in the community at large that will express confidence in your own abilities.

You Can Build a Team to Your Standards

The current industry trend of building a sales team is based on the division of labor and allowing certain team members to focus on the aspects of the real estate transaction that they do best, to the benefit of the entire team. While there are many positives to this arrangement, having several individuals, each with their own level of professionalism and contribution to a sale, can create conflict. Eventually the top producers of the team will see an unequal distribution of work and income and will seek greener, more profitable, pastures.

As well, teams operate under two banners—the primary brokerage and their own sales team name. This can lead to a muddying of reputation that many top producers dislike. They may even feel constrained by the lack of personal branding that is available to them.

There is also the issue of making payments and the sharing of commissions between self-employed people that can come under the scrutiny of Canada Revenue Agency (CRA).

Team building in the context of owning your own brokerage is about hiring and building the sales team that you can effectively drive to its own greater success within your business. You understand the requirements of hard work and dedication that lead to greater customer satisfaction, referrals and ever more sales. You can train and mentor your sales team to greater levels of success based on your own extraordinary achievements.

Rather than a higher split in the individual sale, you could award shares of your incorporated business to your top producers, keeping them in the fold while growing equity in your business, building loyalty and aiding in the long-term goals of your own staff.

Certainly paying out commissions to the salespeople of your brokerage is easier and less likely to be flagged by the CRA as an area of concern versus the payments for expenses and commissions from one self-employed individual to another self-employed individual even as part of a sales team.

You Can Realize Significant Tax Savings

Through incorporation of your real estate business and establishing your brokerage, you make available a variety of tax-saving and tax-reducing strategies that are not otherwise available to real estate salespeople as they are not allowed to create a personal corporation in some jurisdictions to conduct their business.

The first is the immediate tax benefit of paying the corporate rate on taxable income instead of the personal rate of a self-employed individual. Generally speaking, even after paying the corporate rate of tax on net income and then drawing an income at the applicable tax rate can produce a savings of several thousand dollars a year (often tens of thousands of dollars depending on the range of net income and gross expenses claimed).

Combine this difference of taxable income rates with income splitting between your family members and you can significantly reduce the amount of tax you pay on an annual income.

The second tax benefit is income deferral. This allows you to pay the corporate rate of tax on net income and keep a portion of the annual earnings within the corporation in order to pay yourself an income from these funds in later years. You can easily manage a steady income without a high variation in the tax rates you pay through this strategy.

The third benefit is shifting many of your reasonable business expenses (car lease, office expenses, marketing materials, etc.) to the company, instead of paying out-of-pocket for them, thus paying these expenses in pre-tax corporate dollars instead of pre-tax self-employed dollars and possibly saving thousands every year in net income.

Note: You must consult with an accountant to determine which tax-saving strategies are applicable and appropriate for you.

THE SOLUTION IS BROKERAGE OWNERSHIP

There are many additional advantages to incorporating your business activities, such as adding another layer of legal protection to your business and controlling your destiny by being your own boss. A top-performing real estate professional cannot take advantage of all these benefits unless they incorporate, and you cannot incorporate your real estate sales business unless you open your own brokerage in some jurisdictions.

So the most practical solution for you is to incorporate and build your own team with your own boutique brokerage. By doing that, you have the benefit of both worlds: you save significantly on taxes and establish your future security through team building. Then the future will truly belong to you!

CHAPTER 3

Brokerage Ownership Is a Marker of Success

Being an Entrepreneur Requires Resilience

Every career that is worthwhile to invest your time and energy into comes with an entry-level position and culminates with a pinnacle of achievement—and the real estate industry is no different.

While some may argue that the bar to starting a career as a real estate salesperson is low, being able to put in the effort and having the level of self-confidence required for someone to be self-employed with no guaranteed paycheck, and with immediate expenses due, is the first barrier to overcome when choosing real estate as your career.

SET LOFTY GOALS

Akin to used-car salesmen, consumers often lump all real estate salespeople together under an unfortunate stereotype characterized by incompetence and greed that does not apply to most of us in the industry.

Real estate professionals worry about uncommitted part-timers and are frustrated with incompetent real estate salespeople who create a general negative image among consumers towards the majority of dedicated real estate professionals.

The sheer force of will required to get up in the morning and face the unknown every day and not knowing if you will close a sale or find a new client is beyond the understanding of most of those that are not self-employed.

There are even some brokers who think that the real estate industry is congested by too many salespeople. The concerns are endless and range from the notoriety of salespeople discounting their services to making the news with their unprofessional conduct.

One thing that is common among the many professional salespeople in the industry is that it's the "other" salesperson's image that reflects poorly on them. This creates one unflinching goal when marketing their services: to differentiate themselves from "others."

As a real estate salesperson you rely upon personal and client

connections, and intense neighborhood marketing, to stand out in a crowded field, and the time and financial cost of your efforts can be overwhelming. You are on call 24/7, on the road and rarely in the office most days, and if you're not actively promoting yourself consistently you're losing out on meeting that next client and closing that next deal.

In real estate it is very hard to differentiate yourself from the next salesperson. Your exceptional work ethic is often overshadowed by the indistinguishable title of "salesperson." The major brokerage names do not help to set you apart from others or above the non-producers without the Herculean effort you must put forth on your own.

Should you survive the first two years (and many do not), you then have the option to continue with your real estate education and take the "real estate broker course" which moves you to the next level in the industry.

Through discipline and professional development to become a "real estate broker" instead of simply a "real estate salesperson," you will have taken the first step towards improving your lot in life.

At this stage you will have learned what it takes to be a brokerage owner, even if it's still too early in your career to take that step and you are not ready to commit to the additional time, effort and expense to be the Broker of Record.

Brokerage ownership is not for everyone—that is a truth. There are employers and employees, owners and staff, everywhere. Most people are comfortable where they are and have no desire to become an entrepreneur.

Those that choose to set their own course do become business owners. They understand the risks and rewards better than most and how to ensure they can profit at what they do best.

Real estate brokers that want to prove themselves to clients and peers will take the path that is least chosen and step into the position of business ownership by opening their own brokerage.

How much more pleasing it is to introduce yourself with "I am

the Broker of Record—I own my own brokerage” rather than “I work at such-and-such brokerage” or “I’m in real estate sales.”

The marker of success is when you reach the peak, whether it is Mount Everest or being the Broker of Record of your own brokerage business.

THE “TOP AGENT” RANKING

Real estate sales professionals are constantly trying to “rise above” the rest of the crowd. In the past they have been mainly trying to differentiate by being known as the “top agent.”

Ranking is a simple measurement that is used to differentiate salespeople from the herd. Being the top-producing agent of the brokerage or franchise generally motivates real estate sales professionals to continue to do better and race for that top position. Ranking does matter for most salespeople as they strive to grow their business and build their reputation. The motivation for this recognition is focused not only on their self-promotion to generate more leads but also to be able to proudly boast of their achievement. But is it an effective marketing tactic that represents the best brokers in the minds of consumers? No.

Why Is Ranking a Problem?

The main problem with ranking is that every salesperson, in one way or another, tries to make similar claims. As an example, you will constantly observe that salespeople are claiming to be “Number 1” within the same area. Someone is claiming their number-one status based on the volume of commissions generated, while another claims a number-one status based on the number of listings in a given time period. This continues with salespeople claiming number one for the number of sold properties and so on. Generally speaking, consumers are confused as to who really is “Number 1” and why there are so many “Number 1s” being claimed. This confusion has made the value of ranking in real estate industry almost worthless. Therefore, this differentiator may not necessarily set you apart from the rest of the crowd.

THE TRANSFORMATIVE SOLUTION

Whether you are a top producer or have an established brand in the industry, at the end of the day you are looked upon by the consumer as a salesperson. The image and conduct of other salespeople reflect upon your image and business practices in the minds of consumers. Every salesperson, especially top producers, would prefer to take their professional image, and their reputation, to the next level and not be grouped among the salespeople that are thought of in less-than-positive ways.

In order to rise above the ill-informed reputation that consumers have of the real estate salesperson in general, you need to transform your identity from salesperson to Broker of Record, because owning your own brokerage automatically sets you apart from other salespeople. Being the Broker of Record is a designation that differentiates you from the majority of others in the industry.

Not only is your designation as Broker of Record a distinction, but more importantly your corporation (brokerage) is *your* business that falls under *your* control. You can distinguish yourself to your clients by showing them that you own your brokerage, which is at the pinnacle of your profession, and allows you to make the decisions as to how your brokerage deals with your clients at the highest level of service and attends to the smallest of details.

By doing so you will establish a successful brokerage identity, which carries a more trustworthy image than the idea of a “regular” real estate salesperson.

Slowly but surely, you will build your team by recruiting salespeople to your brokerage. By building your own team you transform from a one-man show to an entire brokerage of professionals abiding by the standards you set.

The best differentiator available for real estate professionals is brokerage ownership along with the designation Broker of Record.

KEY QUESTIONS YOU NEED TO ASK YOURSELF

The debate of the value of working under the umbrella of a big-name brokerage or opening your own brokerage under a “boutique” name is as old as when the first broker negotiated a plot of land for two sheep and a goat, taking home wool and goat milk as the commission.

On one hand the brand recognition value of a large real estate franchise cannot be understated. You have immediate recognition as a real estate professional when the franchise brokerage name is mentioned, whereas the boutique brokerage name may not have that type of distinctiveness about it.

Of course, individual effort and accountability factors are often overshadowed when tied to the name brand, with the association of professionalism and success falling more on the side of the boutique brokerage owner/entrepreneur and the reputation they have built.

In real estate, expertise is usually the product of learning and mentorship, from someone that has walked the same path that you are on, yet they have reached the top of their Mount Everest in that they own their own brokerage.

Remember, an individual's success is earned, not handed to them.

Client leads through the brokerage office are not arriving on your desk fast and furiously. You must network, meet and greet, market and push your individual identity to become a reputable broker. Every contact is a potential client, if not today or tomorrow, then maybe years down the road. Referrals are based on your own initiative and connectedness, not by virtue of someone else's name.

Very often real estate salespeople shift from one brokerage to another because of lack of sales training, nonexistent support through challenging times and unfulfilled promises of leads being provided while monthly brokerage fees increase. Changing brokerages and maintaining your sales volume is a good indication that it's your sales ability and work ethic that provide the foundation for your success, not the brokerage's name that you work for.

You understand what works for you and try to find the right employment to ensure that what you need to continue your success is available to you.

As you seek out alternatives to your current brokerage you may ask yourself:

1. Will the promises of the new brokerage be fulfilled?
2. Can I build my reputation under this new brokerage name?
3. These questions lead us to a third question about where your real estate career is headed. Do you see yourself still selling real estate in 10, 20 or even 30 years?

Shifting from brokerage to brokerage seeking long-term sales success may not be in your best interest.

Every real estate professional, at some point in their career, must answer the question (if not to others then certainly to themselves), "Do I have what it takes to own a real estate brokerage?"

It's easy to find the answer; just look at your past income statements, and if you're paying too much tax compared to other professions with comparable incomes (your accountant can help you with that answer), then yes, your sales are established and your income needs protecting from the tax man.

The next answer you need is whether to open a traditional franchise brokerage or a boutique brokerage. Each model has its own benefits, but consider:

1. Do my own name and reputation have what it takes to be the sole influence of my marketing efforts of a boutique brokerage?
2. Does a franchise brokerage offer the support and sales territory I need to continue my sales volume?

By answering these questions, whether moving to a different brokerage or maybe even opening your own brokerage will become crystal clear.

CHAPTER 4

What Is Stopping You from Opening Your Own Brokerage?

Know Your Skill Set

Despite all its benefits, what discourages top-performing real estate brokers from owning their own real estate brokerage?

The real estate professionals who investigate the feasibility of opening their own brokerage very soon realize the overwhelming overhead cost and significant amount of time required to handle the administration of the brokerage office. Moreover, additional resources are necessary to meet regulatory requirements and be up-to-date with changes in rules and regulations. Generally speaking, most of them are successful as salespeople and they prefer to be out there selling properties and not stuck in an office to shuffle through papers and accounting reconciliations. Further, we can appreciate that a good salesperson is not necessarily a good administrator, a good bookkeeper or a good manager for that matter. For these very reasons, there is a large number of successful real estate salespeople who do not dare to open their own independent brokerage despite all its advantages.

THE THREE DEFINING ASSETS OF A BUSINESS OWNER

In the same way that business ownership is not for everyone, brokerage ownership is not for every real estate salesperson. Within the desire to owning a business there are certain qualities in a person that makes them a true entrepreneur. None of these qualities is as important as the internal courage and resilience required to take calculated risks. If there is no risk at all, it is not a business—or at least it is not an attractive business.

An entrepreneur typically has sound leadership skills and the ability to work with and guide others to see past their concerns of the business risk. But that risk has to be tempered with vision. A risk without a pre-determined strategy in place is akin to playing soccer with no goal posts. A business leader has a planned outcome in mind even before taking action. Their leadership skills allow them to push, pull and prod others to embrace their vision and plan.

The above two qualities alone will not ensure business success. In addition to risk-taking and leadership skills, you need managerial qualities to power your business.

These are the three traditional defining attributes of the business owner.

If you are lacking in any of these three areas can you still become a business owner? Or are you forever to be a salesperson standing in the shadow of your Broker of Record?

Many successful businesspeople have learned that by leveraging the skillsets of others in areas where their own skills are not that strong, they can acquire the experience, education and drive to achieve success by utilizing a strong workforce that becomes the foundation of their business, as we discuss in the next chapter.

For those who are brave enough to consider opening your own real estate brokerage you will need to assess the following four areas:

1. Business Creation and Registration

One of the hassles that deters real estate professionals from opening their own brokerage is the initial work involved in establishing their corporation and all of the paperwork involved. There are a lot of important details when setting up your own real estate brokerage that need to be acted on and often in a specific order:

i. Incorporation and Business Registration

These two areas will require the services of experienced lawyers and accountants to guide you through the steps. From the choice of business name to the type of corporation your business will adopt, the decisions you make will need to be coordinated with your brokerage application and registration. You will also need to register and open your tax accounts, provincial tax and employer accounts, and other government accounts for filing and reporting compliance.

ii. Office Space

After crunching the numbers and making the decision to open your own brokerage, first and foremost you have to figure out where you want your office to be located. If you are opening an independent brokerage, you have control over its location.

Once the location of your brokerage is determined, you have to start searching for office space within your area. While searching for office space, you have to tackle issues such as type of property, size of space, and parking access. The biggest issue about office space for most brokers is the long-term lease commitment. Generally speaking, most office space is leased for a term of five years which is a significant expense commitment, especially if it is a large space. In addition, you need first and last month's rent deposit.

Although some individuals run their brokerages out of their homes, which I absolutely do not recommend as it may tarnish your image (you have to ask yourself: "Will a home office instill confidence in my ability to serve my clients?"), I would confidently say that if you are planning to run your brokerage out of your home, you are probably better off staying at your current brokerage.

iii. Office Furniture and Equipment

Now that you found your space you have to start looking for furniture and equipment that fit with your business's image. But before moving in the furniture, your office space might need renovation or at least a cosmetic touch-up. You have to plan all these steps and more importantly reserve time and money to complete these things. The cost of renovations and furnishing could run into the tens of thousands of dollars depending on the size of your office and your interior decorating choices and options.

iv. Brokerage Application and Registration Paperwork

Filling in and filing required registration forms needs a truly detail-oriented individual. In addition to forms, you have to

coordinate other paperwork such as a police background check, transfer forms, bank account setup and signature cards, etc. You need to be aware of each step of the process and constantly coordinate and follow up with different agencies and individuals. You will need to organize your action plan to get through the initial stages or assign someone who is detail oriented enough to handle your registration paperwork on your behalf.

v. Systems and Processes

In order to operate your brokerage efficiently, you have to put processes in place, even if you are the only registrant/employee in the brokerage. There could be a wide range of processes that you want to establish ranging from office procedures to closing policies. Some of the basic processes to be established are: transaction process, funds disbursement process, trade record sheet process, and your recruitment process (if you are recruiting new team members). In addition to systemizing your processes, you might have to work on preparing an extensive “Office Policy” and “Office Culture Policy”. Planning ahead will save considerable time, effort and headaches as your brokerage grows.

vi. Hiring Administrative Staff

Before your office door opens, you are likely to hire someone to answer your phone calls, and further you may also need to hire someone to handle your transactions: the “Deal Secretary.” As you can already appreciate, you have to go through the process of interviewing, selecting and training staff. This in itself can be daunting for some brokers.

2. Day-to-Day Administration

There are a lot of hassles in operating your own brokerage. Obviously the more salespeople you have the more paperwork is involved. Some of the regular but crucial duties are:

i. Transaction Coordination

Every deal that gets onto your desk means that you have to handle the details. You have to start by making sure that you have

all of the required documents. In order not to scratch your head each time to remember, you should have a transaction checklist. You must keep abreast of changes in regulations and keep key documents at hand. In addition to document collection, you have to coordinate constantly with the lawyers of both sides for closing the deal.

ii. Fund Disbursements

Trade Record Sheets are instrumental in directing your fund disbursements. Once the deal is closed, it is time to disburse funds through proper channels (bank accounts) to different sources (brokerages). Understanding the funds disbursement procedure is at the core of brokerage process. If you don't have a proper process in place, you might jeopardize your brokerage license.

iii. Accounts Reconciliations

Reconciling accounts is at the heart of regulatory requirement for real estate brokerages. A Broker of Record is required to reconcile all accounts on a monthly basis. Of course there are many other paperwork requirements, but account reconciliation is the most important one. It is a crucial task and the most daunting. No one likes to do their monthly reconciliations. It is very time consuming and needs a lot of patience. Broker of Records/Managers are tempted to postpone this crucial (and boring) task. Accounts reconciliations are at the pinnacle of importance compared to all other details of all the accounts that you have to record and report. Your accounting files are required for your annual tax filings, which is another topic in itself. Although there are many accounting software programs available that may make your life easier, such as QuickBooks, all reports and reconciliations still need your involvement and signature.

iv. Filing and Record Keeping

Of course a brokerage is required by both the real estate regulatory body and the federal tax agency to keep records of all transactions. Brokerages are constantly referring back to their

paperwork long after transactions have closed for many different reasons, not to mention inspections and audits. It is important to have a filing system in place at the time of inception of your brokerage; color-coding has been proven to be one of the most effective methods of organizing files. With the rapid developments in technology and cloud-based online storage, not only are a lot of hassles taken care of, but also one can access their transaction documents from anywhere, anytime.

v. Supervising Staff

Not only do you have to prepare plans and processes for your staff, but more importantly you have to make sure that those processes are implemented. Planning is much easier compared to implementation, especially when it comes to your staff. You may have the best systems and online management software to handle all aspects of your brokerage, but it still needs your oversight. No matter how reliable and trustworthy your staff are, you still need to be involved and engaged with them.

3. Industry and Regulatory Changes

Like any other industry there are rules and regulations that govern the real estate industry. The rules are written in stone but may still change, sometimes without notice. With recent rapid advancements in technology, the changes are more rapid than ever before. These changes can originate with regulatory bodies within our industry or from the technology industry itself.

You have to keep yourself up-to-date with the changes in your regulatory environment. Not only do you have to be aware of changes to regulations and compliance issues, but you have to make the necessary changes within your systems and office processes to follow the rules.

4. Managing Ongoing Overhead and Operating Expenses

Perhaps none of the above concerns compares to the stress of the risk of money coming out of your pocket each and every month whether you are generating revenue or not. You not only have to

pay your office rent but also make payroll and meet other regular expenses such as phone systems, internet, after-hour answering services, equipment rental, supplies, etc. The worry about ongoing expenses against cyclical revenues is usually the greatest concern that stops most brokers from opening their own real estate brokerage.

OVERCOMING OBSTACLES AND IMPLEMENTING SOLUTIONS

Real estate brokers operate in a “risk versus reward” economy. There is no hourly wage, only up-front expenses and time spent with a cyclical paycheck based solely on completed deals. When you decide you are worthy of the challenge of brokerage ownership, after having examined and solved the obstacles as described above, it’s time to take your real estate career to the next level.

The benefits of owning your own brokerage, for the true entrepreneur, outweigh the risks because the risk involved is minimized.

One of the solutions of keeping your ongoing expenses manageable, and on budget, is based on the current trend of the “sharing economy” and is similar to “business center office services.”

When you can hand over the majority of non-selling tasks to experienced and competent staff that you pay on a contingency or flat-fee basis, you can budget your expenses and always gauge your income potential with every deal that crosses your desk.

This model not only takes care of tasks and details but also cuts down the cost of office setup, renovation, furnishings and even administrative staff, as we discuss in the next chapter. With recent shifts in our industry, now it is possible to open and manage your own brokerage without much of the hassle.

CHAPTER 5

The New Brokerage Model for Top Performers

The New Brokerage Model

I would like to disclose outright that even though you can outsource most aspects of operating a brokerage, accountability rests with the Broker of Record.

Top-performing real estate brokers have been dreaming of having the business benefits of both worlds. On one hand, they want to “own” their own business, and on the other they do not want to “own” the operational headaches of a real estate brokerage. Now it’s possible to have your cake and eat it too.

The new brokerage model makes it possible for top producers to make the transformation from a salesperson to an entrepreneur running a full-fledged business. This opportunity is made possible by the latest advancements in technology and behavioral changes both in consumers and real estate professionals.

FOCUS ON WHAT COUNTS

We are all looking to conserve resources, and we can accomplish this by sharing them. The trend today is that the business owner doesn’t have to do everything on their own. One can outsource the skills and experience that is needed by a business. A real estate brokerage is no exception to this trend.

This new business model will give the owner of the brokerage a greater opportunity to focus on the sales side of the business. As an example, some businesses outsource their marketing efforts while others outsource their administrative responsibilities.

In the real estate industry the administration side of the brokerage is the most time-consuming and tedious work that every broker/owner prefers to hand over to someone else. Administrative tasks prevent the brokerage owner from generating revenue. Instead of focusing on sales, recruiting and training, the broker is caught up with administrative hassles.

As per the rules, the Broker of Record is the signing authority and responsible for all aspects of conducting the business of the real

estate brokerage. Having said that, the Broker of Record should always carefully review all paperwork before signing off, even if the services are completed in-house by brokerage staff.

The responsibility doesn't go away when done in-house by someone other than the Broker of Record. The final authority is one and the same. It goes without saying that whoever takes the responsibility of handling your administrative paperwork should be qualified for the task.

A wide range of brokerage services can be outsourced, but the ones that gobble up most of the resources and are the most tedious as well are:

Deal Administration

In order to bring a deal to the closing table, there is a lot of coordination and paperwork that goes on behind the scenes. Minute detail and paperwork are exchanged between the brokerage and all interested parties such as lawyers, lenders, insurance brokers, etc. Your time, as a top-producing real estate professional, is worth way more than handling these tedious tasks. And if you hire someone to do it for you, you will still need to supervise that individual. But more importantly, it may not be financially feasible to hire an individual to coordinate and close your deals in a boutique brokerage. The ideal option for you might be to outsource this service and let someone else take care of this essential work for you.

Accounts Management

In order to protect the interests of all parties involved, legislation sets out strict parameters regarding how brokerages must conduct their business.

Naturally, these rules and regulations generate a vast amount of checks and balances which lead to a copious amount of detailed record keeping.

There are compliance regulations about how funds are disbursed and how documents are filed and managed. Each and every detail has to be met as per the regulations.

These details can be extremely time-consuming, and require a lot of attention and plenty of patience to properly attend to. For example, every brokerage is required to reconcile all accounts (trust, commission, general) each and every month. This is a very tedious process. Even if you utilize some of the latest software available, it still needs an individual to reconcile each item of the transaction. There are many other operating tasks that are going to fully occupy your precious time. You will be able to attend to higher-value work by outsourcing these operational tasks.

Receptionist Services

It is part of the real estate brokerage business norm to be open for long hours during weekdays and weekends, in order to take calls and arrange showings.

Like any other task in a real estate brokerage, there are many details behind the scenes such as showing instructions, appointment confirmations, broker paging and handling all sorts of client and broker inquiries. In addition, any type of communication such as phone calls, fax, email, mail, etc. needs to be handled accordingly and promptly.

Technology has made it possible to be mobile, and you may be able to handle your reception services from anywhere, but not having a receptionist in your office might reflect poorly on your image and reputation. Although hiring a receptionist should be a must for a brokerage, it may not be financially feasible for everyone.

This is where the new brokerage model has an advantage, because you can have access to the services of a receptionist. It is much more cost-effective and headache free. More importantly, it allows someone else to focus on hiring, firing and monitoring the staff. In the business center model, a receptionist, in addition to many other resources, is shared.

Shared Office Space

One of the main obstacles of opening a real estate brokerage is the cost of office space and interior furnishings required for a real estate

business. The initial setup cost could run into the tens of thousands of dollars, which is a sizeable risk even for top producers.

More importantly, the commitment of paying office rent each and every month is an obligation that most top producers prefer not to get themselves into. Therefore, some brokers choose to work out of their home which can tarnish their image, and others do not dare to establish their own real estate brokerage for this very reason.

The new brokerage model proposes to open your brokerage in a shared office environment where it is a move-in ready space. All furniture, interior design, printing equipment, internet, phone systems, etc. is in place for you. All a broker has to do is just move in.

The risk to the brokerage owner is much lower as there is no significant upfront cost, and further, because it is a shared resource, the cost of monthly rent is very low compared to independent office space with a long-term leasing commitment.

THE MODEL OFFERS PREDICTABILITY AND STABILITY

All the above four aspects of the new brokerage model create stability for your business. The biggest challenge for a business owner is unpredictability. On one hand, the expenses such as phone bills, internet bill, utility bills, office supplies, etc. can fluctuate greatly and unexpectedly. On the other hand, handling staff schedules can be unpredictable and aggravating. Sometimes staff may not show up, while other times they may quit without notice. As the owner of the business, you have to fill the vacancy, which could be costly for you. It can take you away from important commitments.

The unpredictable aspects of running a business can mitigate against a decision to open a brokerage, but by opening a brokerage with a shared resource model, not only does it fix your monthly operating expenses at a very low amount but also gives you confidence that someone else is taking care of the critical operations so that your brokerage runs smoothly.

THE MODEL OFFERS YOU TIME FOR BUSINESS DEVELOPMENT

By taking charge of administrative hassles you are necessarily attending to the day-to-day operations of the business. You are not opening your own brokerage to have matters take you away from your business. At the very least, you don't want your business to decrease. By getting involved with the daily operation of brokerage administration it is more than likely that your revenue will take a hit.

Even if a portion of your focus is shifted towards administration attending to paperwork will have a negative impact. Once your focus is shifted, even if there is time left in your day, you cannot bring your focus back on business development. You are worth way more than handling administrative hassles when compared to income potential.

Once you decide to hand the administrative hassles to someone else, you now have to choose one of the two paths you want to follow: either to focus on your sales or develop your own team and focus on managing your team. Of course you can do both at the same time, but it may not produce optimal outcomes for you. Just imagine a world where you don't have to worry about the paperwork and you can simply walk into your office and either prospect for new deals or work with your team members to expand your business.

STEP FORWARD AND BECOME AN OWNER

Top-producing real estate professionals have always preferred to establish something of their own for many different reasons. Some might want to leave a legacy behind while for others it is about offering superior customer service and growing a brand.

In the past there were obstacles for an individual to open their own brokerage ranging from initial hefty setup cost to high monthly payment commitments. The broker is responsible for monthly payments whether their brokerage makes money or not. It is a risk that a lot of people are not willing to take, especially if they feel comfortable with their current employment status.

The new brokerage model takes away all these worries. There is minimal initial upfront cost as there is no office leasing involved. More importantly, there are no significant monthly operating expenses as almost all aspects of running a brokerage business are shared.

Further, even staffing is handled by a third party, which leaves a lot of room for the brokerage owner to focus on the development of their business. The beauty of operating out of a shared resource brokerage center is that a brokerage can expand at any time it wants.

Therefore, this new brokerage model offers the best of both worlds; making you an owner who can depend on expert administrative support and who can focus on business growth and expansion.

So go ahead—leverage your resources and take advantage of this new brokerage model!

Part II

Team Building

Yours
Independently

Transform Your Real Estate Business
with a New Team-based Model of
Brokerage Ownership

CHAPTER 6

Realize Your Dream through Team-based Brokerage Ownership

Your Future Is in Your Hands

Real estate sales is a 24/7 job that requires dedication and commitment for you to succeed. Most brokers are self-employed, and within that structure if they aren't working they aren't earning an income. Along with this prospect is the greatest hurdle a real estate salesperson faces: retirement. It's exceptionally rare for a brokerage to offer a retirement plan to its salespeople, so it's up to the individual to plan and save for their eventual exit from the workforce.

At the end of the day, whether you are a top performer or not, as an individual salesperson your business ceases to exist as soon as you stop working. You have to plan for your retirement. For a comfortable retirement to be achieved you have to start planting the seeds today for your harvest tomorrow—and building your own team is the most secure way to retirement and income consistency.

KNOW THAT BUILDING THE RIGHT TEAM IS THE KEY TO BUILDING YOUR FUTURE

Recruiting salespeople for a brokerage is much easier compared to the effort required to build your sales team. There is a significant difference between salespeople who work independently or those who work within a team, and there are clear indications in our industry that teams outperform individuals (and the traditional brokerage model for that matter).

In the traditional brokerage model, salespeople are recruited who are not necessarily the most engaged or skilled. These individuals are not expected to remain with the brokerage very long, and thus little effort is expended on their professional development.

When you are constructing your own team, however, it is like establishing your own dynasty, and you will recruit according to a clear focus on skillsets and personality, and know where the gaps are that need to be filled. Building the team becomes less about “head-

count” and more about finding the “specialist” that will strengthen the team—and your brokerage. Each member of your team will have a significant impact on your business because of the specific duties and functions they will be responsible for. You share resources within the team but, more importantly, you share clients and business goals, as well as responsibilities, targeted to each person’s strength.

In a traditional brokerage model, individual sales representatives are almost an island among themselves, responsible for every phase of a transaction. In the team model your team member is working within the safety of a like-minded unit with more specialized responsibilities that allow them to grow their strengths and constantly improve their expertise and knowledge. In the same manner that you would not pick anyone off the street to be part of your inner family circle, you would also not pick just anyone to be your team member.

The work environment heavily impacts the motivational levels of team members; therefore, creating a culture of support and encouragement is paramount to the effectiveness of the team. A team member walks into the office as if he is walking into his family home and understands what his responsibilities are, to himself and his team members. There needs to be a full system in place to support his activities within clearly articulated guidelines that foster the team in a positive manner. Although each member might service a specific phase of the deal, their approach to their client is as one unit working together. And obviously this approach leads to better outcomes in both the short term and long term.

Of course, the team leader plays a crucial role, but all team members contribute to the culture of the team. It is very important not to bring a stranger to your team unless you have fully qualified the person and the specialization they bring with them. One bad apple can ruin the whole barrel; even if they are productive but cannot be a team player, you cannot afford a negative impact on the positive culture you are striving to create. Working within a team environment

is about having a peaceful work environment. In fact, for many of us work feels like home. We spend most of our time in our workplaces, often more time than we do in our home. So having an enjoyable work environment is very important for the quality of our life and the satisfaction we receive from the work we accomplish.

A culture of consistent high-performance will have a positive impact on the overall success of all team members. Team members will be encouraged and motivated by the high level of performance of other team members, and the continued drive that is shown within the team creates an environment that encourages everyone to outperform one another. As a rule, team members will help each other to constantly raise the bar, achieve the next level of success and continually build on the foundation that is provided and supported by the brokerage.

Once team members are bonded as a team, it is very difficult to separate them from each other. Building a strong team is ideal for the long term, which means your business model has continuity. As a team member retires or leaves, a new qualified team member replaces them, but this new team member is working within the culture that you have built. Of course, there is always the possibility of disputes and disagreements that could lead to separation. But the possibility is much less within carefully crafted teams compared with the usual brokerage status where salespeople move constantly from one brokerage to another.

Build your brokerage on a team model rather than the traditional model for your success. If you have a team model, your brokerage and your brand become the culture that can pass from one generation to the next. It becomes part of the brokerage “family tradition” and is the best way of planning your future by building your present day.

WORK TOWARDS A COMFORTABLE RETIREMENT— NOT UNTIL THE END OF YOUR DAYS

So, what does it take to build the equity realized from your real estate career through brokerage ownership into a business that can be sold, passed on to the next generation, or create a passive source of income for your retirement?

Traditionally a brokerage's value was determined by the number of salespeople. This is no longer the case. The sales teams that are the top producers of your brokerage, clientele that generates steady business, and the satisfied customers that build your referral business are what truly creates the value and equity of your brokerage, and its true worth will be judged on these three aspects.

Your real estate career is an investment of your time and energy that should provide the rewards you have earned over the years towards your retirement. Superior customer satisfaction is not guaranteed unless the people on the front lines are trained and ready to be a shining example of excellence. A client list has limited value when it is no longer yours. Referral business evaporates when the referrals are asking for you and you are not there. When these three aspects of your business are brought together under the name of your brokerage they will have exceptional value long after you have exited the industry.

The simple question is, *“What would happen to my business if I stopped working tomorrow?”*

If the answer isn't *“My income would not be affected,”* then you have some planning to do about your future.

CHAPTER 7

The NEW Rules of Team Building

The Foundation of the New Brokerage Model

The real estate industry, in today's climate, is moving towards having collaborative sales teams with complementary skills and away from individual salespeople as the main composition of a brokerage's staff positions. Sales teams show more profitability and better reliability than the solo model.

In the traditional brokerage business model, any registrant is recruited, while in a team model the recruitment is very selective based on the role the team member will fulfill.

In the traditional brokerage model, a high headcount of salespeople is the name of the game, despite the fact that only a few top-producing sales professionals account for the majority of the transactions. Underperforming salespeople consume most of the resources of the brokerage, and to make matters worse their overall sales contribution to the brokerage is much lower when compared to the top producers.

So why not just focus on top-performing real estate professionals instead of recruiting laggards? Why not build your team one high-performing member at a time? Why not build your team slowly and soundly, instead of through random recruitment that has no clear long-term vision?

There are many real estate team-building models available to use as your framework. The model I propose is one that focuses on a core membership centered on collaboration. Ideally the "core member" relationship should be structured upon a sense of ownership. You have to make your core members feel as though they are sharing the same destiny. A sense of ownership can become the main motivator for your team members to take their performance to the next level.

Initially you will attract your core members and add new team members as your sales grow. Consider your core members as department heads for your team. At the beginning each core member will be both in charge of their department and responsible for handling the details and tasks of their department. Once the business grows, each department (core member) will recruit personnel accordingly. This structure will give core members the opportunity to advance their skills and talents by focusing on a specific aspect of your business.

THE ONLINE MARKETER IS AT THE HEART OF YOUR TEAM

In today's age of hyper-content consumption, online marketing is the bloodline for real estate sales. One of the main challenges in the real estate industry is that most real estate salespeople do not have formal sales and marketing training.

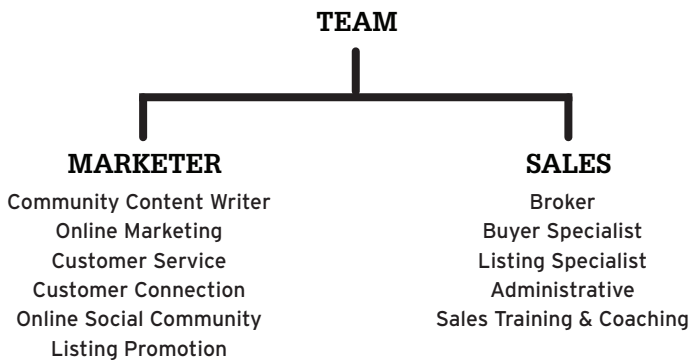
Generally speaking, most real estate salespeople lack up-to-date marketing know-how. Some do not understand the true value of online and social marketing and still live back in the MLS™ and newspaper age and think that marketing is only about advertising in magazines and having a “business card” style website. Others do not have the resources to stay up-to-date with current marketing trends or understand how to implement sustainable marketing strategies and are at the mercy of internet search results.

The real estate professionals that understand the value of true marketing and have the resources to work with a marketer face another challenge: their lack of confidence in online marketers. The crux of the problem is that some real estate salespeople see online marketers in the same way that some property owners see renovators. Similar to the renovation profession, anyone at any level of skill can claim to be an online marketer. In the same manner that some renovators over-promise and under-deliver, some online marketers do the same. Therefore, some real estate salespeople do not feel comfortable and confident working with online marketers. This can result in losses for real estate salespeople, as online marketing plays a crucial role in their sales success.

GROWING YOUR TEAM ONE MEMBER AT A TIME

In today's age of absolute relevance for content marketing, the online marketer should be your first recruit at the inception of your brokerage. You can add core members as your business grows. (Obviously, before adding any member to your team, you should have your office protocols and processes in place.) Below is a plan to grow your team in five phases:

Phase I: The two core members that are required at the launch of your sales team are a real estate sales professional (which can be you) and an online marketer. At the beginning, in addition to sales, the real estate professional will handle general administrative tasks such as typing offers, listing agreements, etc. The online marketer, in addition to content marketing duties, will handle customer service and retention responsibilities, as well as community content writing, as shown in the chart below:



All marketing efforts should focus on community content writing and neighborhood promotion. You have to select an area to focus on and then prepare material and content to eventually become the go-to brokerage for the community. After deciding on a specific “farming area,” which can be a neighborhood or a group of people, you will create a relationship with the community by doing research and writing about community developments, events, sales, etc. There is a wide range of methods to establish your team in your targeted community. At the time of writing this book, search engine optimization and social media community engagement are the two most effective ways of establishing your brand and business reputation online. We will explore this at length in chapters 8, 9 and 10.

Phase II: Once your sales grow, one of the next members you want to add to your team is a Buyer Specialist, as serving buyers occupies most of your time through phase one. This individual should

enjoy dealing with people, in addition to possessing excellent sales and communication skills. The key qualification for this position is having patience for handling buyer's inquiries and demands which can be overwhelming at times.

If you are planning to grow the rest of your future buyer specialists under the direction of this individual, in addition to the above skills, they should have leadership qualities. Chapter 11 will elaborate on the buyer-client relationship.

Phase III: At this stage, your sales are keeping you fully occupied and you would rather prefer to hand over paperwork details to an administrator. Your time is more valuable than what you will be paying an administrator. This individual should be detail-oriented and trustworthy as they will be handling your paperwork and general office administration.

In addition to handling the paperwork, the administrator will assume the responsibilities of customer service and customer connection from the online marketer, as he or she might be overwhelmed by this point. Keep in mind that customer service means offering a high quality of personalized service to your clients during the transaction, and the term "customer connection" means staying connected with clients after the transaction. There are ample opportunities for this CS/CC person to serve your clients between the time relationship starts and a deal closes. But more importantly, this individual will focus on keeping in touch with clients long after closing, through online and offline efforts, to help build your client list and referral network. Chapter 12 focuses on customer connection, and chapter 15 provides the foundation for long-term client retention.

Some might argue that an administrator is required right at the inception of the brokerage. While this might hold true for high-performing salespeople, the intention of this new team-based model is to help real estate professionals build their business from the ground up. My main concern for a salesperson is not to get caught up in the vicious cycle of constant expenditure in hopes of future success. We must remember that results motivate and obligations demotivate.

Basically, make the money first and spend it later—not the other way around, which is riskier and the old way of doing things. A Dari proverb puts it best: “When money comes, intelligence comes with it.”

Phase IV: Probably at this point in your business, the Broker of Record may want to devote their attention to attracting talent to the team. Therefore, you need to recruit a Seller Specialist to handle the listings. This individual is perhaps the most important person on your team as their name will be used and branded on your brokerage listings. Therefore, it might be better to consider to make them part of the ownership within your business structure.

Should you decide to add a seller specialist to lead your listing sales team, bear in mind that this individual must have the skills to generate sales initiatives and implement systems, methodologies and sales training. Only by improving your seller specialist's skills can you add to your bottom line. Maximizing your team's potential through training and coaching is a priority throughout this phase. Chapters 13, 14 and 15 provide details on how to cover all your bases during this critical team development phase.

Phase V: You have to remember that, in the long run, attracting top-producing talent is the best way to grow your business. One of the main stakeholders in your team has to fully focus on team member recruitment and community relationship building. Your business has to participate, and even sponsor, at the community level to nurture and build your brokerage reputation and brand. This individual can be the Broker of Record or one of the stakeholders, or you may recruit a new team member in one of the following roles:

1. Talent Recruiter (Human Resources)

The most crucial issue for success of your team is to attract sales talent. The talent recruiter will focus on attracting best talent in the industry to your team. This person should enjoy social networking and meetings. Of course, your marketing person/department will assist in the process of recruitment by connecting with individuals through online communities and platforms.

2. Community Connection Liaison

As mentioned earlier, your team should focus on a specific neighborhood or a group of specific people. The main mandate of this position is to build your team's image in the community through community engagement and involvement. The community connection liaison member of your team focuses on keeping up-to-date with the latest community developments and amenities. Your team will bond with the community by participating in community events as much as possible. The most important aspect of this responsibility is to write consistently about the community and promote this information online through your blog, social media groups, etc.

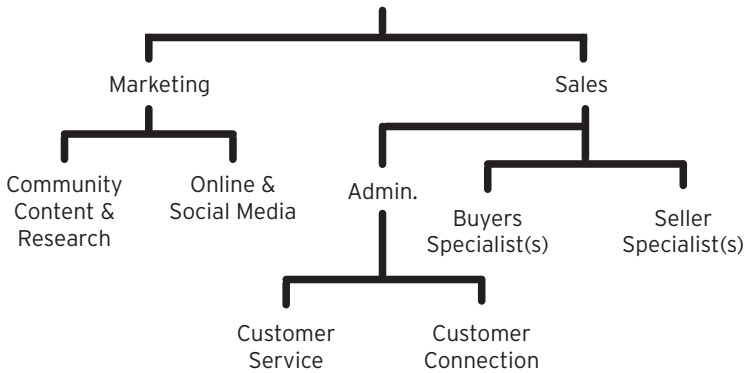
THE BOUTIQUE BROKERAGE TEAM MODEL

As you can see through this process we now have multiple stakeholders and everyone involved works as a team with one goal. Therefore, you may choose to promote your primary stakeholders to partner in your brokerage. There are different structures that you can select for your partnership but you, as the owner of brokerage, should remain the decision-maker. Most importantly, we have to remember that this team-building model is not about an individual's image or brand but rather your brokerage's brand and reputation. Therefore, instead of promoting an individual as the brokerage representative, your brokerage name becomes established within a community.

This is a new way to bring corporate-style branding to your real estate brokerage, which adds to your credibility. You have to remember that this is also the best way to transfer your business to the next generation and have a legacy to leave behind as it is challenging to transfer an individual's image to another individual. But the image and brand of a brokerage can continue through succession planning.

Whichever method you use to attract your team members, you must have an accountability system in place, otherwise your brokerage will not perform to its highest potential. Eventually your brokerage structure may look as below:

RECRUITER & COMMUNITY LIASON



The progression from being the only salesperson in your boutique brokerage to having a full sales team in place, as shown in the five phases above, can confidently begin with the filling of the position of marketer. As your sales grow you will be hiring talent needed for your sales team.

It is important to remember that although the above chart has its separate components, in practice they are all linked. The center of this connection is the marketing department. Whether you are servicing a new customer or connecting to a past client, it is all to be considered as marketing. You will be using the latest techniques of digital marketing, including social media, to connect with your prospects. Even while serving buyers and sellers, you have to work very closely with your marketing specialist to provide a personal experience to buyers and generate the highest possible traffic to your sellers. So everything in our model begins with working with your marketing team (or individual). In fact, sales, service and marketing are so blurred that sometimes it is difficult to distinguish the individual contributions they make to the point where they are inseparable.

It is also crucial to understand that although each phase of this team-based model is developed over time, at the beginning of the process all aspects of client service are handled between the salesperson and the marketing person. As we provide a road map to this new model in the following chapters, it doesn't mean you will wait

to implement the model, but rather you will implement this entire model, as a whole, from the start. It is just that the two of you (representing sales and marketing) will handle every aspect of this model between yourselves, and eventually you will branch out and assign each section to a specific partner.

CREATE A CULTURE OF PERFORMANCE

When you are working in an environment where your team members are highly motivated, it will also positively influence you. Their higher performance will push you to do better than before. There exists a culture of achievement within all members of the team. Further, in a true team environment, every member will learn from each other. This will add to each member's confidence when approaching prospects and clients. More importantly, team members are supporting and elevating each other's spirits. Positive energy is always higher within a team environment as there is always a support system in place. How long an individual salesperson can maintain their positive energy in the ups and downs of real estate sales varies greatly outside of our proposed team model.

Over time, and by hiring the best people you can, your brokerage will grow and create the business you envisioned from the start.

BUILD YOUR BUSINESS—
PHASE I: The Online Marketing Team Member

CHAPTER 8



A New Perspective on Real Estate Marketing

Make Your Marketing Relevant

We are observing the transformation of traditional marketing as we know it. The shift is happening rapidly, and at the core of this change is “buyer” engagement. (Buyer means “consumer,” which is both property buyer and seller). In the past, potential buyers would be educated by a salesperson, usually when meeting face to face. Today’s buyers are well-informed long before meeting the salesperson. Buyers are self-educators with access to information. They will be well prepared for that first meeting.

Buyer engagement is not necessarily about your potential client liking you on Facebook, commenting on your blog or retweeting your message. Rather, engagement is the process of educating your prospect throughout their buying journey. Each video, blog and picture, and every other content piece that you post or share takes the prospect to the next stage in their buying journey. Your prospects move toward the goal of solving their problem by educating themselves and engaging with you based on your relevancy and availability. The key here is that you have to be “relevant.” Gone are the days that you will randomly advertise to your target audience. Today, your message will be ignored if you are not responding to a specific area of concern. To stay relevant, your message should be the solution to a specific problem at a specific moment for a specific person.

**CLIENTS ARE LOOKING FOR A PARTNER IN
THEIR JOURNEY**

Prospects are self-educators and sometimes they may know more than you about a property, a neighborhood or the financing options that are available. When they approach you, it is mainly because they are looking for creative strategies to solve their specific problems. Alternatively, prospects may reach out because they are at a point where they feel confident in you to give you the responsibility

of making their buying journey painless. Or they may not have the patience, time and/or information to take their journey any further by themselves. Either way, this means they are looking for a “partner” to join them on their journey.

Persona Is the Building Block

Understanding your target audience is the building block of your marketing strategy. This doesn't mean you only need to analyze their demographics and financial status. It is not even good enough to additionally understand their needs and desires. In today's age of the personalization of experiences, you have to understand a prospective client's lifestyle, buying behavior, service expectations and more.

For example, you may want to focus on targeting a particular neighborhood to establish your brokerage brand and services. Within that neighborhood there are likely people of different ages, income levels, cultural backgrounds, education levels, etc. Having this basic information is necessary, but diving deeper into understanding the client's lifestyle, culture, behavior and, more importantly, their expectations will provide the basis for an “engagement opportunity.” At the end of the day, your target should engage with your marketing and that will not happen unless you fully understand your target audience's persona. Since there are people from all walks of life within a neighborhood, you have to consider having multiple “personas” as a target. For each persona you have to prepare a specific “buying journey.” Additionally, the presentation format for each persona might be different. For example, one category of your audience might prefer to read your blog while another might prefer to watch your video or listen to your podcast.

In the past you may have started your marketing process by aligning your personal story to your client's story. The next step might have been to focus on promoting the community and its assets. Some of the areas that you may have explored through your content writing could have been:

- Your personal story and why you got into real estate
- Defining the community and why people should move to this community because of things such as schools, amenities, transportation, etc.
- What is happening in the community such as events, developments, etc.
- A report on the state of real estate in the community such as trends, prices, etc.

Understanding the personalization of services may help to establish you as the person who has expert knowledge of a particular neighborhood, but you are still not necessarily fully connecting with your target audience. In order to emotionally engage with your prospects, your content has to be relevant. In order to be relevant, you have to fully understand your target audience to engage it effectively.

The engagement happens when you personalize the experience of each prospect by catering to them according to their specific stage in their personal buying journey.

In your target neighborhood, for example, there might be seniors who are thinking of selling their home and retiring to a condo. For this persona, your content will guide them in the process of selling their existing property all the way to settling them down in their condo unit. On the other hand, there might be millennials who are staying with their parents but are thinking of buying their first property. In this case your content will have a different starting point. The journey will begin with a dialogue as to whether buying or renting is a better option in the current market situation. So basically, your content will have to adapt to your target's buying stage in their overall journey. You cannot begin to understand your prospect's journey if you don't know who your prospect is. Therefore, before any marketing plan is started you have to do your homework and get to know your target audience and their persona type.

ASK YOUR CLIENTS TO DESCRIBE THEIR OWN BUYER JOURNEY

You must prepare content based on the client's buyer journey. Real estate sales professionals typically make assumptions about their client's buyer journey, based either on past experiences or third-party research. Assumptions are unhelpful. The internet has made research easy to carry out, but again too much research is based on assumptions that may not be correct. The best way to understand the buyer journey is to ask your client in the form of an interview.

Interviewing past clients and prospects will be revealing, too. It may not be easy to want to know why a client terminated a relationship with you or why you lost a client to another salesperson, but be honest about your skill gaps.

In an interview with prior clients, find out:

1. Why the client chose you over other sales representatives.
2. Why a client terminated a relationship with you.
3. What would it take to refer business to you.

For new prospects, find out:

1. What motivates the client to consider a transaction.
2. What does the client expect from a real estate professional.
3. What past experience, if any, the prospect has had with real estate salespeople.

Once you interview a sample from your past and prospective clients, you will be confident about how much you understand about the buyer journey and, further, you will be happy that you have spent your resources wisely. More importantly, your rate of client acquisition will increase exponentially as you will begin to talk your client's language.

Once you have answers directly from your clients, your knowledge of the buyer journey will not be based on assumptions. Your marketing will be based on a solid foundation that presents what

your client (or prospect) said they wanted to see, not what you thought they wanted to see. Only by fully understanding your prospects' expectations can you personalize the experience. And you cannot comprehend their expectations unless you ask what they want.

ACQUIRING CLIENTS IS AN EDUCATIONAL PROCESS

Based on your understanding of your target market, you should prepare a series of content items to educate your prospects. You will hold their hand every step of the way as you present relevant information to them, all the way to bringing them to the meeting table with you. If you try to approach your prospect before they are fully prepared, you will get an “unqualified” lead and you will have a harder time convincing that prospect to become your client. You have to understand that acquiring the services of your brokerage is an educational process for them and work needs to be done to satisfy them to get them to commit.

Remember that your marketing content is not about you but rather about your target. You must not produce an infomercial, but rather a sincere and informative educational experience. You should not boast about yourself and your achievements, but rather focus on your client and providing solutions. Your blogs, social media content, videos and all online activities should be built with the aim of moving your prospect from one stage of the buying process to the next. You have to understand your prospect to map out their buying journey from the moment they begin considering their needs and acquiring your services all the way to the closing table.

MARKETING IS STORYTELLING

The best way to prepare your educational content is to share it as a story. Each scenario is part of a bigger story, which moves the client forward on the buying journey. Storytelling can be accomplished in multiple formats such as blogs, video, pictures, infographics, etc. Expressing your message in animation might be one of the best ways to tell your story effectively and memorably.

Your story starts with the client's current situation; identify the challenge and engage in a search for a solution. Your expertise, presented in the form of your selected format, helps the client see where a solution lies. Further, your story is only a part of a bigger picture, which eventually is expressed fully for the client and leads the client to take action.

For example: for a property seller one of the concerns could be whether to list their property above, at, or below market price. Your story will begin with the current status of a property seller who may be confused and has questions. Then the story moves to explaining the advantages and disadvantages of each of the available options for pricing a property. Finally, the story ends with a solution based on your expertise, experience and localized sales data.

Make sure that whatever medium you choose to tell your story that there is always a link to another message that leads to the next stage of the journey. For example, the next piece could be about the length of time it takes to sell a property in a given market and why.

HOW TO SHORTEN THE BUYING JOURNEY

To complete your story and to give confidence to your prospect, you have to provide evidence of your service delivery. Service is an intangible; it cannot be touched, seen or smelled. Potential clients are making decisions based on your promises. You can motivate them to choose you as the service provider by providing concrete evidence of your track record. Testimonials from satisfied clients in the form of video and written quotes might be one of the best ways to solidify your case.

For example, on the closing of a transaction create a story about your client's family or about the property's history. This story is not about promoting you but rather showcasing how your client reached the end of their journey successfully. The story starts at the beginning of their journey and ends with a joyful completion.

In addition to educating your prospects and providing concrete evidence of your experience and qualifications, handling their objec-

tions ahead of time will make the buying journey shorter. There are a ton of “What if...” questions that arise during a buying journey, and if you provide answers to these questions ahead of time you will move the prospect closer to the goal of acquiring your services.

Ideally, you want to pick your most common objections based on your experiences and research. Then, you identify clients who best can demonstrate overcoming those objections based on their past experiences with you. Approach these clients and ask them for a testimonial based on their experiences of a specific objection. To help them out, you can draft the material. By using these testimonials on your website and marketing material, you will significantly shorten the buying journey and get new clients much closer to the closing table.

ADDITIONAL OPPORTUNITIES TO PROVE YOUR RELEVANCE

There is a wide range of ways that you can be more relevant in your marketing. Below are a couple of examples of other opportunities that you can take advantage of:

Promote a Listing: You can create a specific landing page, open house invitation page, etc. for your listing. You may have multiple landing pages for the same property, targeting different audiences within your many marketing personas. For example, promoting a bungalow to your senior audience could be about not having too many stairs to climb, while the same bungalow could be targeted at millennials as a cozy home within their budget.

Newsjack a Community Event: Take advantage of events in your community that occur throughout the year. Your community members will search online to find about local events. If you write about a community event, your content may also appear in search engine results. If there is little coverage of the event, there will not be too many online pages about it, so your story will be ranked high. This is one of the best ways to get your name on top of Google without paying for an ad. But more importantly, you are helping your

prospects by sharing knowledge of the event and describing how it will be valuable and relevant for them. Similar to promoting a listing, your article can be customized for various personas.

HAVE A LEAD CONVERSION SYSTEM

All of the above activities may generate leads, but a lead not converted doesn't mean much. You have to have very clear processes in place to follow up with each lead. You might want to consider acquiring Customer Relationship Management (CRM) software to automate your follow-up system. The key rule is that you have to respond right away and you have to engage with the lead. As discussed, engagement means holding their hand and qualifying them one step at a time. Each step is taking them along their buyer journey towards the goal of solving their problem. And you need to be the "solution provider." You have to earn the designation of solution provider by educating them every step of the way. You have to remember that an uneducated lead is also an unqualified lead.

You have to be patient and remember that establishing your business is not going to happen overnight. You have to establish a marketing plan and be consistent with its implementation and expect to reap the results over time.

KEEP YOUR CLIENTS FOR LIFE AND EARN THEIR REFERRALS

You can be relevant to your clients forever. Your relationship doesn't end with the completion of a transaction. In fact, the end of the transaction should be the beginning of your business relationship. You have ample opportunities to get referrals from your past clients. Your relevant marketing content, such as tips on home maintenance, contractor selection, etc., when directed to past clients can keep your clients engaged with you.

Further, you can create an online community that benefits your clients. Of course, you have to keep engaged with the community you create (maybe it's a localized Facebook page that you create and invite them to join). You have to have plans and schedules on

how you want to be engaged with this community over time. You will lose all relevancy if you abandon your community, just as you lose the opportunity for referrals once you discontinue following up with past clients.

FINAL WORD

Marketing is effective when it is relevant to your target prospect. Relevancy should be identifiable by the target persona. A prospect's life is busy and you can shorten their journey by providing valuable information in a format they are willing to consume. The highest-rated marketing content supplies the answer to what is causing your prospect pain and what will bring them relief as a home owner/purchaser, as well as "What can I do this weekend?" for a prospect interested in the community you specialize in.

CHAPTER 9

Real Estate Marketing 3.0 Will Transform Your Business

Marketing 1.0-Post a listing to an MLS™, publish the listing in a real estate paper, talk to some people.

Marketing 2.0-Post a listing to an MLS™, publish the listing in a real estate paper and on some real estate websites, talk to some people.

Marketing 3.0-Post a listing to an MLS™, post to a few websites, publish pictures to social media, add listings to your personally branded website, create a property-specific website for targeted marketing, and write an article about the property and how it will suit a specific lifestyle. Edit the article and republish it to appeal to several different personas of potential clients, and write additional articles about the neighborhood, the local schools, community events, small businesses in the area, etc.

REAL ESTATE MARKETING HAS EVOLVED

Just as more of our lives are spent online, and we can “google” anything, the successful people among us are the ones that have the right information at hand to share as someone needs it. You are late to the game if you have the wrong information or information that you are not sharing in a way that will reach a wide audience. Consider all of your networking and circle of influence contacts that are within your reach.

It used to be enough to be a “niche specialist,” and many real estate brokers continue to do well when they specialize in rural properties, condos, single-family homes, new homes, etc. But for the majority of urban real estate professionals, the trend has turned towards being a local expert that can bring to life the reasons why a certain neighborhood will appeal to a specific type of buyer.

Home buyers today expect to have the information about where they want to live available to them, even before they find a home to view. They have chosen their location and now are busy searching for the information that matters to their lifestyle, whether it's their closest favorite coffee shop or the quality of schools within walking distance.

Yes, I hear you, all of that information can be found online already. Sure it can. Go ahead and try to find out school information in your own neighborhood. Or search for a neighborhood's community events that are happening in two weeks.

It's not easy to find that information unless you are very familiar with the area and the related websites—and surprise! That's your job now.

Be the Local Expert

It's how Real Estate Marketing 3.0 demands that you market your services. It's how today's buyer/seller clients expect you to be their "local expert." You need to reinvent yourself as someone that can be relied on to keep your clients, and potential clients, involved in their neighborhood, even if it's just to keep them up-to-date on news and events. And they will stay part of your referral network when you can be relied upon to be informative and helpful.

As we get older our world becomes smaller. We have less time to look for things and we expect that help is just a click away. So let me tell you this: that click of the computer mouse better be directed to your website if you want to be successful in this new era of marketing your real estate business.

Real Estate Marketing 3.0 isn't simply about having a website or buying online ads telling the world you're a real estate professional. It isn't about trying to get "likes" or "followers" on social media.

It's about connecting with your past and future clients in a way that involves their everyday life and future dreams.

It's about anticipating their needs as homeowners with a recommended stable of repair and maintenance professionals you can refer your clients to when they need help.

It's about letting them know why their neighborhood is such a desirable place to live, and will be also in the future, as you can comment on the changes taking place in that area.

As you pull the strands of neighborhood life together you create a rich tapestry that invites your network of clients to look deeper

into your personal brand, and it is your local expertise that allows their neighborhood to come to life for them.

By creating information that centers on the areas of interest to your clientele, your local expertise will be the magnet that attracts future clients and keeps past clients involved with your business.

Putting the Pieces Together

There are many steps towards building your local expertise reputation. First and foremost know that without an effective website and digital marketing plan your efforts will speak to no one. You will either need to learn the tools or hire the specialists to make it happen.

Step 1: Speak with your real-world contacts and let them know you are specializing in a target area. No one person can be everywhere all of the time, and it's time to put those years of networking to use in helping you establish your new reputation as the local expert by using the knowledge and reach of your existing network.

Tip: Establishing your expertise never ends, so stay in touch with your contacts and make new connections wherever possible.

Step 2: Rebrand your personal brand website to identify with your local area of specialization. You are now the person to talk to about what's going on in your area, and this needs to be first and foremost in your message.

Tip: Your personal brand extends beyond what you write online to how you are seen in public. Once you put yourself out there, assume that everything you do will be seen by someone.

Tip: WordPress-based websites offer a lot of functionality and free template designs that take a minimal amount of set-up and not a very big learning curve to master.

Step 3: Build out your social media content to include community news, upcoming and recently completed events, seasonal homeowner tips, school events, municipality news like street closures, pool openings, etc. Write your own articles and use your own photos as much as possible. Link to reputable sources as needed.

Tip: Invite the professional service providers you trust to submit articles and photos of their work as an additional content source. This cross-promotion of services will work wonders for building trust with your clients and referrals from the businesses you support.

Tip: You will want to take advantage of the analytics offered by the various social media sites so you can track the visitors to your channels. For Facebook, for example, you need to have a company page as analytics are not offered on personal pages. Google also has a suite of analytic services.

Step 4: Write a newsletter to be sent out to clients, contacts and website visitors on a regular basis. Include a newsletter signup link on everything you email, publish and mail out. Your email newsletter is your local expert voice that speaks directly to your clients to keep them engaged and to build your local expert reputation and your referral network.

Tip: Mailchimp.com is a newsletter service that has an automated RSS-to-newsletter template that will send out a newsletter on the schedule you choose with your recent articles automatically added to it. This allows you to “post once, publish twice,” which is a great time-saver. Best of all, Mailchimp is free when you have fewer than one thousand people on your newsletter list.

Step 5: Be available to be involved. Anyone can write a third-person account of an event, but not everyone can write from personal experience, and this is what your audience will demand of you if you want to gain traction as the local expert that is involved with the community and always in-the-know of what’s going on. You don’t need to be present at every event; this is where your skill as a people-person comes into play. Know who is going to an event in your area and ask them to cover it for you. Ask them to provide a short description and pictures of it that you can use on your website.

Tip: People love to be quoted. Be sure to give credit for photos.

Step 6: Never stop growing your local area connections, in the real world and online. You need to know who the movers and shakers are in the area you represent to your clients. It's also vitally important to know who is reporting on and writing about your neighborhood. Not only will they be a great source of information to link to, you may be able to share your articles with them and gain some additional publication footprints.

Tip: Follow local news sources and writers on Twitter and Facebook to keep pace with news and events.

Step 7: You may overlook this, but no one else will. If your customer service isn't of the highest standard, if you're not treating every transaction as though you were purchasing or selling the home yourself, you will not be able to retain clients, and all of your efforts to date will be overshadowed by the poor experience your clients had with you. And you can be certain that this reputation will follow you for a long while too.

Tip: Never over-promise, always over-deliver. Simply checking off the boxes on the form is not customer service.

Real Estate Marketing 3.0 starts with rebranding yourself and requires that you live up to the reputation of being the local area expert with the highest possible standards of customer service.

This new era of real estate marketing builds your business by providing you with a reason to maintain contact with past clients and allowing potential clients to discover your expertise online through the articles you write, the information you share and the connections you make.

Your real-world expertise is an asset that will carry your business to ever greater heights. Your (online) reputation precedes you, so you'd better be the one in charge of it.

CREATE GREAT CONTENT FOR YOUR WEBSITE, BLOG AND SOCIAL MEDIA

It's hard to write original content regularly to publish to your website, post to your blog and share on social media. I know that I have some inspired writing days and days when I experience writer's block. On those latter days, content I'd like to write seems like it's been written before and by someone better versed in getting their words out. But there is a difference between creating and consuming content (you don't necessarily write what you read).

Whether you are writing articles for your business or your personal website, a good place to start your content idea search is in the "hyper-local" category. Hyper-local is all about what is happening in your neighborhood and local area. The places where you live and work are alive with the stories and events of thousands of people, and people that live and work in your area want to be informed about them.

A big plus to writing local is that you reach the people nearest to you, which can have great relevance for search engine results, and local content is often shared by bigger websites and social channels.

Tips for writing great content that readers will appreciate:

- **Write for yourself.**
Put those thoughts down and follow where they lead you.
- **Speak to your reader.**
Offer insights from your experiences.
- **As you understand things, so should you write.**
It's great to be an expert in your field, but do not be constrained from writing about subjects that you are passionate about and want to share.
- **Write about the smaller, more intimate events of your hyper-local area.**
The content you write does not have to be all-encompassing, as people are looking for what impacts them directly rather than something written for the average mass audience.

Just as you live in and write about the world around you, many others will want the information you know so they too can be informed. Your views, while you may feel they are unique to you, can be a common interest between you and your audience. But you'll never know until you write them down and share them. Home is where the heart is and it's also where the story starts.

BUILD TRUST USING SOCIAL MEDIA

Real estate sales is a relationship-based business that revolves around building trust with your clients and potential clients.

With the changes in how technology allows salespeople to generate leads, often social media is used to get the word out and hype your abilities. While this may work for some (and others will put their money into buying the attention of the users of these platforms), it is more important to remain authentic to build up the trust of those you meet and want to connect with.

We are all people first, and by putting our "socialness" first it is easier to connect with people who become not only clients but also sources of referrals because they genuinely like you. This has to be balanced against becoming an intrusion in people's lives, which is a disincentive for people to engage you.

I will use Facebook as an example as it stands out as the "friendly contact" and networking platform of choice for most, although other platforms such as LinkedIn (which is much more business-professional oriented) and Twitter (more of an "it's happening now" format) have their own attributes that lend them to different avenues of social marketing efforts.

I will say that, in my opinion, more than anything Facebook is a place to catch up with friends and friends of friends. It's replaced the phone call with posts and likes that help us to keep in touch with those we know. And with this there is an element of trust baked into your relationship with Facebook friends in that they will not be sent posts that are not in tune with their lifestyle, ideologies and everyday life. Certainly voices are raised and issues brought to light

very quickly on Facebook, just as many people's newsfeeds is full of cat videos and funny pictures with quotes that may or may not interest you.

You may have been sold on the idea of "post timing" and "how much business versus other items to post" to your own newsfeed. This "magic" exists in the digital marketers stats and are averaged so highly that besides being able to see when people visit your (business) page using Facebook Insights, it's almost impossible to say "this post" will get that many shares, likes or comments.

Authenticity is about sharing your story, your personal story, with those you have connected with.

I have read many articles about the "best strategies" for using Facebook to market your real estate business, and certainly some people can leverage the numbers and expense of building a large following. But I feel that many of these people lose their authenticity as they pursue ever more "likes," and their efforts to appear less business-minded all the while chasing after business becomes a telling feature of their online activity.

Facebook, as a platform, is a place to connect with family and friends. Facebook also has a "create a page" option that allows you to build your business profile; create a page to celebrate causes that are close to your heart; become a leader of a fan site; and form a community group. There are plenty of additional uses for this page that is separate from a focus on your own Facebook identity.

If you're on Facebook and are a regular user, you've seen all of these elements. Knowing how to best approach the separation of your business and personal life will not only change how you build your business, it will affect your own quality of life by giving to others what you would want to receive yourself.

Basically, Facebook activities should result in consistent referrals and building your authenticity, which create the goodwill every real estate person needs on their road to success.

While “business is business,” by sharing your life experience you will enrich others, and the positivity you generate will certainly follow you through all aspects of your life, online and in the real world.

ONLINE MARKETING SUMMARY

To encompass all aspects of online marketing, discussed so far, we can summarize it in the following three Cs:

Content—Create Content (which can be in different forms such as written, video, animation, infographics, etc.) based on your targeted audience’s expectations (Buyer Persona).

Communicate—Publish and promote your content in all media where your “target audience” finds relevant and interesting content.

Community—Create a Community around your content by engaging with your audience through social media, blogs, etc. The examples of engagement could be responding to comments, liking postings, but more importantly providing timely and relevant solution to their problems.

CHAPTER 10

Establish Your Clientele Base

Create Clients for Life

Along with having a high-performing sales team in your brokerage, in order to be in control of your future and to establish your brokerage business on a solid foundation, you have to build your clientele base. Your clientele base is created by providing personalized experiences clients receive from your brokerage. You build your clientele base one client at a time, and very often one contact at a time. So you need to have a system in place to capture your clients with the vision to keeping them as clients forever. For them to be your “client for life,” you have to keep them continuously and constantly engaged with your firm. Some of the engagements could be online, such as social media, and it could be offline, such as social gatherings.

CREATE SOCIAL PROOF OF YOUR VALUE AS A PROFESSIONAL SALESPERSON

Every real estate broker, at some point in their career, is asked to explain the value they bring to the table concerning the commission they charge.

Your experience, knowledge of the neighborhood, and current information regarding homes sales in the area as well as home valuations will satisfy a potential client’s curiosity to a degree, but it’s still a difficult proposition to explain your value as a professional salesperson.

Of course there is a better way to show your clients that you are the right person to have representing their interests, and it’s a simple process to prove your value should clients remain indecisive about which real estate salesperson they will work with.

By being able to showcase and illustrate your value, you help to build your client’s confidence in your abilities and provide them with reasons to drive referrals that will build your business. There are no surprises about what a client relies on you for, from before the sale to after the move-in. By being knowledgeable and helpful well beyond the home sale and into the home ownership stage of your

client's journey, you'll help them in ways that many salespeople abandon to others. This difference in attitude and ability can pay forward many times over and will build a network of satisfied clients that will enhance your reputation and help you increase your business while others chase leads.

YOUR SOCIAL PROOF TOOL CHEST

Website: Take your website beyond listings and mortgage calculators and include details about each neighborhood in the areas you operate. Potential buyers want to know about schools, community centers, transit, shopping. Sellers want to know that you're up to speed on the particular characteristics of the neighborhood and what makes it a great place to live. Everything that makes a neighborhood a great place to call home should be easily accessible on your website.

Social Media: Go beyond connecting with past and future clients, and use social media to stay in touch with local businesses and community services. This will keep you steps ahead of what is happening within a neighborhood, such as infrastructure changes, as well as events and the availability of services and shopping. It will take some initial work connecting your profile to these businesses and organizations, but afterwards the information will be available to you with just a click.

Neighborhood Businesses and Services: Do you know your local fashion stores from the bargain shops? Your clients want to know what specialties are available within a few kilometers of their home, so you should be prepared with that information. Can you recommend a great place for a "mani-pedi" or a quiet dinner out? While it's fair to say that many owners will want to explore their new neighborhoods, by offering advice on where to find what they're looking for your expertise of the area will shine through and greatly enhance your value beyond a commission amount.

Trades Recommendations: We all know that the cost of home ownership goes well beyond a down payment and mortgage. A home owner will invest in repairs and upgrades, and by being able to recommend trustworthy tradespeople to your clients you'll extend the reasons why past clients want to talk with you and you'll build trust with future clients with your knowledge and helpfulness whatever the repair predicament.

By creating a “hub of information” you gain credibility of your abilities and build a network of clients that depend on your knowledge.

As you increase your neighborhood knowledge you can share that information on your website, across social media, in email newsletters and as promotional material you send to past and future clients.

You need to be more than just a salesperson to build your network and provide the social proof of your value as a professional salesperson.

TAKE RESPONSIBILITY FOR YOUR RELATIONSHIPS

“*So what do you do?*” asks someone you've never met before.

“*I'm in real estate,*” you answer.

Can you see what just went wrong here?

You were given the opportunity to build your business and form a positive impression of yourself in that three-second window of meeting someone, and you blew it.

The right answer is “I own a real estate business,” because even if you're self-employed (and don't own a brokerage) you are your own boss and should be proud enough of what you do to reinforce that with everyone you meet.

After a few minutes of talking you've discovered a few things in common with this person. Maybe it's what sport teams they follow, places they have traveled, or maybe it's what their spouse does for a living, or maybe their kids have activities in common with yours. You've just discovered a few usable touch-points to keep in contact with this person.

The next step is to add their information, and the highlights of your conversation, into your contact database so you can keep in touch with them when the occasion warrants. The next day call them on the phone or send them an email saying how nice it was to meet them and add something of value to the conversation that they will find of interest. It might be an upcoming local event or a news story on a topic you talked about. This something should be of value to them, not yourself.

Whether you are using customer relationship management software (CRM) or the old standby Excel spreadsheet, be certain to add keywords about your conversations and their personal information so you can easily search your contact list as you come across items to share with your connections.

Creating touch-points that give you a specific reason to make contact with someone over time is how you will develop your business, and managing the information about your connections should be part of your everyday routine.

You are an “authentic person” with professional services to offer, and as your contact database is built one connection at a time so it should be maintained one touch-point at a time. If you’re not effectively and actively managing your contact database, you are ignoring business that you don’t even know exists.

CLOSING IS A THREE-STEP PROCESS

You have to remember that closing is a three-step process. First of all, you have to establish rapport by continuously nurturing your relationship through constant communication. Once you understand your clients’ needs, wants and expectations, you can take them to the second step of the process by showing them their future. You should be taking them to a world where, after they execute the transaction, it will transform their life. For a buyer, examples could be moving to a bigger space, better neighborhood, more convenient location, etc. For a seller, the transformation could be in the form of fewer obligations (such as not having a mortgage), new lifestyle, new location, realizing equity, etc. The final step of closing is to act assertively. When you genuinely understand that a particular option is the best choice for your client, you have to assertively express your opinion. Please note that I do not mean “aggressively” or “arrogantly,” but rather assertively, which is a method of convincing someone to do something that is beneficial to that person.

BUILD YOUR BUSINESS— **PHASE II: The Buyer Specialist Team Member**

CHAPTER 11

How to Create a Loyal Buyer for Life

A First Impression Is a Lasting Impression

There are three main reasons why a buyer-client will hire you to work for them the first time:

- Likeability
- Trustworthiness
- Knowledgeability

Your client needs to like you. They need to feel comfortable about the way you dress and the way you talk. Your first impression will set the tone of any future relationship with a buyer-client, so you need to invest time and money in your professional appearance, presentation and communication skills. Their perception of you, for better or worse, is the emotionally charged deciding factor of your likeability when you first meet.

Your client needs to trust you. By saying what you mean, and meaning what you say, you will build their trust and confidence in your abilities to protect their interests and close the deal that benefits them the most.

Your client needs to be aware of your knowledge, not only of the overall real estate industry but also right down to the specific aspects of the location the buyer is interested in. When you can't share a great amount of information that coincides with the best interests of your client, then you will lose their confidence because your knowledge is limited.

As you should know, serving a buyer is all about establishing a relationship. They have to like you as a person, feel confident in your knowledge and trust your advice. You constantly nurture your relationship by being enthusiastic about your work, constantly update them with up-to-date information and provide service with full care and consideration.

YOUR BUYER PROSPECT KNOWS YOU—EVEN IF YOU HAVE NEVER MET

In order to serve your client with the highest level of service, first and foremost you have to understand your buyer prospect and their

needs. Your relationship with your buyer prospects may start when they contact you through your yard sign or an ad, a referral, etc., but you can be certain that they have also researched you and your services, either online or through word of mouth.

You have to keep in mind that buyers know more about you than you know about them. Therefore, the biggest mistake most real estate salespeople make is to jump in their car and start showing properties without investigating the client's needs. It sounds unbelievable, but it happens all the time. We have to understand that sales is a process, and the most important part of this process is preparing yourself and your client. Serving your client without preparing for the service that you need to provide is like singing without learning the song. If you don't understand the needs of your client, you will deviate every step of the way both with what you present and how your client reacts.

The best way to create a loyal buyer is to provide a high quality of service. It is the quality of service that they remember and will differentiate you from others. And preparing your client before meeting them is the first and most important service that you can provide. As they say, "the first impression is the lasting impression." You will have many opportunities to impress your buyer client throughout the transaction, and I will discuss some of the buying processes that can help you in providing a high quality of service to your client.

EXCEED CLIENT EXPECTATIONS

As much as a good buyer-client will interview you to find out if you have the knowledge and experience that will benefit them, you will have to interview the buyer-client to understand their motivation for looking to purchase a property.

This is even more true of the client that calls you up with a listing address that they want to see right away. If you don't ask any questions, you're starting off the broker-client relationship on the wrong foot.

Only by opening the door of communication, and asking the questions that can provide the answers that will help you to effectively guide them through the process, will you be able to thwart the possibility of the broker-client relationship being a fruitless and time-wasting exercise of frustration.

By asking the right questions at the beginning of the broker-client relationship you will be better prepared to meet, and exceed, your client's expectations and bring home a commission cheque as you happily move them into their new home. Your relationship can be crystalized in the following three steps:

Step 1: Prepare and Pre-Qualify Your Buyer

Even if your prospect buyer-client is a close friend or family member, you still have to follow this first step; otherwise, they will not have confidence in your capabilities. After getting the buyer-client's contact information and confirming that their finances are in place and they are not working with another real estate professional, you have to address the following criteria:

1. **Where** are they looking? What amenities such as schools, facilities, transportation, etc., are important to them?
2. **What** are they looking for? What size, style and type of property? Further, the number of bedrooms, baths, garage, etc. is important to know.
3. **When** are they planning to make the move? Perhaps this is the most important question as it is an indication of their motivation level.

Without the above basic buyer information, I cannot comprehend how a salesperson can show properties to their prospects. But more importantly, I cannot imagine a prospect having confidence in a salesperson who shows properties without qualifying what it is they are looking for. How can you expect them to stick with you, let alone become your client for life, when this basic information is missing?

Once you have some of the basic information, you have to re-search and prepare for meeting with the buyer accordingly. Before meeting the buyer, you have to prepare your Buyer Package, which should contain the following items:

1. Listings of matching properties based on the buyer's criteria;
2. Information explaining the buying process from showing to closing; and
3. Forms such as the Customer/Buyer Representation Agreement, Buyer Questionnaire, etc.

Step 2: Meet the Buyer in Person

You have to take your prospect's understanding to the next level. The better you understand your client and their needs, the better you can serve them appropriately and professionally. As a result, when you understand your client better, you can adjust your counsel accordingly during the course of the transaction.

The first meeting is crucial in understanding your client and their needs and requirements. Ideally you want the buyer to meet you at your office as you want to impress upon them that you are not a one-man show but rather there is an entire office supporting you. Although you may be directly serving the client, it is important that your entire team is supporting you in this effort. Further, it indicates the level of their seriousness, and an understanding of your professionalism, when the client comes to your office.

During your first meeting some of the important matters that you have to tackle are issues such as how much are they approved for by the bank. What is their down payment threshold? How much can they afford? Are they currently owners or renters? If they own, is their property currently listed or has it sold? If renting, when is the lease expiring and how much notice is required to vacate the property? But the most important issue for you might be to understand how soon are they thinking of moving.

At this point you can share some of your findings based on the criteria the buyer provided to you before the meeting. This is a good

time to have a detailed conversation about some of the options available for them based on their initial criteria and try to make them realize that there is no such thing as a “perfect house.” This is where your knowledge of the market is important. You have to be able to advise your buyer on all of the viable options available within their resources and requirements. More than just your knowledge, buyers have to be convinced that you are truly on their side.

Step 3: Go Property Hunting—Properly

You have to constantly and continuously impress your buyer-clients. If they lose confidence in you, they will abandon you. The quickest way to lose a buyer is show them houses that do not meet their basic criteria. It is worthwhile to properly invest your time and research to show them properties that they will be interested in. If you don't show them what they want, they will think that you don't know what you are doing and will quickly lose confidence in you, which obviously leads to dropping you as their representative.

Once you have done your research and found them properties that match their criteria and are in the best condition (to the best of your knowledge), please follow these instructions while showing each property to your client:

1. **Preview** the properties ahead of time to easily locate the property address, lockbox and, more importantly, know the condition of the property. In order not to look confused and unprepared, it is better to preview the properties; otherwise, you may lose your self-confidence and credibility in front of your client.
2. Constantly **gauge** your client's reaction to each property you show. You have to constantly develop your understanding of their ideal property. You can take them to their “dream home” if you have developed your understanding of their needs effectively.
3. Once your client picks a property, the **negotiation** process starts. Ideally, you want to meet the seller and their repre-

sentative in person to present your offer. You have a better opportunity of coming to a close if you are meeting in person. The most important thing to remember in any negotiation is to leave ample time to allow a negotiation to come to a fruitful conclusion.

Basically you have to think as if you are buying this house for yourself. You have to forget your commission. Do not try to sell a buyer-client something just for the sake of your commission. I can confidently claim that if you treat your client with care and look out for their best interests, they will take notice and appreciate your honesty. Honesty and sincerity is the best way to gain their respect, confidence and trust in you. As a result, they will proudly refer you to their friends, family and circle of influence.

Go Out of Your Way

Most real estate salespeople perform similar tasks such as preparing the offer, presenting the offer, and handling the negotiations. What buyers remember about you is when you go above and beyond the basics. There are issues that may not necessarily be directly your responsibility, but for the sake of closing the deal and for the sake of keeping your client happy you have to be on top of them. Try to be up-to-date and coordinate, if necessary and when appropriate, between different professionals and stakeholders involved such as lenders, mortgage brokers, home inspectors, insurance brokers, lawyers, moving companies, etc. By going out of your way to help your client in the process of buying their new home, you are showing that you care, and that is what counts. That is what they will remember. "Just the basics" are what everyone else does; going above and beyond is what makes you different and makes you their "agent for life."

ARE SALESPeOPLE BEING SOLD “A BILL OF GOODS” ABOUT MILLENNIAL HOME BUYERS?

Are millennials that much different a home buyer?

Every generation lives through, and inspires, change. While personal values may remain a constant across generations, the tools and information available to help make decisions changes with the times.

The mere access to information, generally speaking, does not make people smarter. They need to know which information sources to trust as they wind their way through life.

Millennials have lived their whole lives with technology at their fingertips, but does that make them more independent of needing helpful advice and a knowledgeable professional by their side?

Certainly not.

Does technology replace the important aspects of a salesperson's value or does it enhance it?

I would suggest that technology enhances the capabilities of a salesperson's efforts when used appropriately and that, with the same tools available for millennials to use in their home search, expectations are higher that the salesperson's knowledge is more comprehensive about neighborhoods, local services and the general liveability of any particular home in any given area of the city.

In the auto sales industry, the buying cycle has been shortened through consumer's use of technology to research and select the vehicle of their choice. Fifteen years ago the car sales cycle was comprised of four to eight trips to two or three dealerships that had the type of vehicle(s) a person was searching for. Now the buyer begins the process with an online search and when ready to make the purchase heads to the dealership they know has their vehicle of choice in stock, which greatly shortens the sales cycle.

The available tools for today's home buyer far exceed any basic MLS™ listing, requiring salespeople to enhance and exhibit their knowledge in a variety of channels to make themselves the search result that will shorten the home buyer's purchase cycle.

It's very easy to find out everything a home buyer would want to know about a neighborhood including transit, schools, neighborhood shopping and entertainment venues. Even crime rates can be found online.

Niche and neighborhood expertise is what millennials want to find in their sales representative, just as any other buyer does. This is no different from home sales of thirty years ago. The real difference is that anyone with basic online search skills can find the information, and millennials are just savvier at expecting to find that information online and deciding if the source is reliable.

It's up to the salesperson to package the information in a way that provides real value to their potential client, to understand how to position themselves online, and to be the real estate professional that exceeds expectations.

“Change is the only constant in life”—Heraclitus.

BUILD YOUR BUSINESS—PHASE III: The Administrator Team Member

CHAPTER 12



Let Your Clients Build Your Brokerage

The Opportunity Is There

What consumers expect is consistency in their real estate experience and they prefer not to encounter an unpredictable situation. Unfortunately, our industry does not provide the consistency and predictability that consumers want as each salesperson provides a different level of service. As a result, generally speaking, consumers have reservations and doubts when it comes to selecting their real estate sales representative.

This reality presents an outstanding opportunity for your brokerage to step up and establish basic standards of service regardless of which salesperson is serving the client.

STANDARD SERVICES FOR ALL

One of the main challenges in the real estate industry is that there is no set standard for serving clients. Certainly there are regulations that form the basics of the transaction, but as far as the “personal service” aspect of the transaction goes, what a consumer can expect varies greatly from salesperson to salesperson and even brokerage to brokerage. By creating a standard menu of services that is offered to all of the customers of your brokerage, everyone involved, including clients, will have an understanding of what to do and expect throughout a transaction.

Your brokerage should establish a system to train your sales representatives on personalizing the experience of prospects and clients alike, with this standard service menu as the starting point. As soon as a prospect contacts your brokerage, he or she should begin receiving a high level of service that will make the experience memorable.

Personalization of the client's experience should not only be offered at the point at which the client contacts your brokerage, but throughout the process of a transaction and beyond.

Offering standard services must be a long-term strategy for your brokerage, which can lead to building your brokerage to greater levels of success with repeat and referral business. In order to build your brokerage with consistent services, you have to direct your efforts in the areas listed below.

As clearly indicated earlier, one thing that is lacking in our industry is the consistency in brokerage services that are provided to consumers. There is a clear opportunity for a visionary brokerage to standardize its services and offer quality on a level that will exceed consumer expectations.

When salespeople can confidently deliver outstanding service as their main goal, that is exclusive to their brokerage, clients will appreciate the effort. Business will be built through referrals. Some of the examples of standard services could be:

Constantly Updating Clients: One of the areas where brokerages can play a crucial role is to constantly update clients every step of the way through the listing and transaction process. There are many opportunities to update clients from the start of the sales process to the end of the closing process that are often overlooked until the client contacts the salesperson first with a question about the progress of the transaction. Of course, technology can be utilized to establish the follow-up system, but the personal touch is what a consumer prefers to receive, and this can easily be incorporated within the chosen system.

Going Above and Beyond Expectations: There might be some aspect of a transaction that is not your specific responsibility, but as a courtesy you can include information about it as part of your standard service. For example, send the client reminders to arrange for all their utilities before their move, such as phone, cable, internet, hydro, gas and so on. Remind them that all of these services need

to be disconnected from their present house and set up in their new home. Some of the other ways that you can better serve your client is to coordinate and stay on top of your client's progress with their lawyer, mortgage broker, insurance broker, etc.

Exceptional Service Continues after Closing: You have to understand that your relationship with your client starts with a transaction and it should be nurtured after the completion of the transaction. As an example, one of the services that very few salespeople do is to introduce clients to their new community. You could prepare useful information on issues such as parks, schools, libraries, community centers, amenities, transportation, etc., within the vicinity of their new home. In addition, a week or so after the move-in date, you can call the client and ask how their move went and if they are settled in. Asking if their kids like their schools and if they have made any new friends, or if they need help with finding any services in their new neighborhood keeps the door open to be a continuing part of the support your client may need throughout their home ownership cycle.

These suggested standard services are the exception rather than the rule in today's real estate industry, and by offering them they will set your brokerage apart as you anticipate and fulfill your client's needs as part of your higher level of customer service offering.

BE A REFERRAL BUSINESS

As we all know, study after study tells us that clients forget about their sales representatives soon after the closing of a transaction because salespeople do not keep in touch with them. Let me remind you that the basis for success in this business is the referral. Furthermore, referral business comes from providing personal and professional services and by staying in touch with the client long after the transaction closes.

Often real estate salespeople are deemed to be one-trick ponies that do not continue a relationship with their clients after the transaction closes, and this certainly costs them business in the

long run and does not help their own reputation, or the reputation of their brokerage.

A visionary brokerage would fill this gap and institute a system to keep in touch with clients. There is a wide range of strategies a brokerage can use, from contact management systems to arranging social gatherings for the clients of the brokerage, to maintain customer contact.

One of the most relevant ways to engage with your clients is to help them maintain their property. If you are only offering tips and schedules about home maintenance, it is not enough. More importantly you should have a circle of professionals such as renovators, plumbers, electricians, roofers, etc., that you can refer as solution providers to your clients. Your clients should be able to rely on your connections to solve their problems. As you can see, in order to stay relevant and engaged with your clients you have to be a problem solver.

One of the areas in which you have an opportunity to really impress your clients is when they need to repair their home. Generally speaking, most clients do not feel comfortable looking for and dealing with general contractors and renovators. If you can build your circle of professionals and refer those professionals to your client, you will be appreciated like a hero. Further, you can remind the client about seasonally checking items such as the roof, heater, air-conditioning system, downspouts, etc., while providing information about reliable professionals.

You can create a calendar for each client using software that is personalized with the information about their home from your listing information. This level of personalization will separate you from others and allow you to keep your clients engaged, and you will even be able to ask them about changes and upgrades to their homes, which can affect the market value and even provide a relisting opportunity for you when it comes time for them to sell.

The Basis for Referral

Having a mechanism in place to keep in touch with your clients plays a crucial role in the future business of your brokerage. Clients build your brokerage on the basis of referrals, and as you already know the majority of business comes from referrals for a job well done.

Referral is the name of the game in this business, and staying connected with your clients is the path to get there.

People refer you because they want to be “heroes” in front of their circle of influence, mainly their friends, family and co-workers. They want to impress them by establishing that they have good connections. Your connections refer you because they are proud of the quality of your service. They refer you because they believe that you are great at what you do.

Just think: if you did not impress them with your service during the process of their transaction, how can you expect to get referrals from them later? Your clients are proud when a referral goes well, but are embarrassed when a referral goes poorly. So no one, client or connection, wants to refer you if they have any doubts about your service, experience and/or abilities.

One of the most effective ways to make your clients remember you long after your transaction is to keep in contact with them. Continuing the personal touch with your clients is emotionally powerful. For example, you can contact your clients on occasions that are important to them such as their birthdays, anniversaries, and other special dates such as Mother’s Day. For some of your clients, religious and cultural special days are important. You have to gauge accordingly, and this is where your personalization experience kicks in.

A salesperson, and brokerage, that utilizes several different methods of maintaining contact with clients can only grow their business. There are many methods to use to keep this contact alive including phone calls, mailings, email newsletters and social media.

You can also keep in touch by creating an online community for your clients. In addition to providing relevant and engaging infor-

mation for your audience, you can make your own online activities more personal such as posting your own trip pictures, celebrating your family's special days and even day-to-day activities—basically, anything that shows that you are a fun person and at the same time that you take your business seriously.

Whichever method of communication you choose, always take ample notes. The most natural way to reconnect with your client is to continue the conversation where you left off. It is crucial to remember what was important for them and what they said that led to your follow-up call. There is nothing more important for a client than to know that you were listening to them. Nothing can enhance your relationship more with your client than being a good listener. The best way to demonstrate that you are a good listener is to remember important aspects of your previous conversation in the follow-up contact.

Ultimately, if you take care of your clients, your clients will take care of you. Conversely, if you abandon your clients during the transaction, they will abandon you no matter how many times you try to pursue them after the transaction. Keeping in touch after the transaction is nurturing your relationship; not diminishing your relationship. The start of the bond is developed during the transaction and it's up to you to grow that bond further. Therefore, your high quality of continued customer service is the best way to retain your clients for life. Further, you have to nurture your client relationship, like any other relationship, to keep your relationship sustained and lively for the long term.

YOUR LONG-TERM VISION

At the end of the day it is a matter of strategy whether a real estate brokerage wants to be constantly chasing after new clients or wants to establish its business on the basis of referrals.

Furthermore, it is also about the tone of business that a brokerage wants to adopt; that is, whether to be reactive to consumer changes or be proactive with the help of the feedback of your

client-base. You do have the option to consistently communicate with your clients and be ahead of the curve. As a brokerage with a strong client base, you can engage with them regularly and let them help you steer your brokerage forward.

The biggest value that clients can provide is to give you feedback, positive and negative, about your level of customer service. In today's highly engaged consumer society, a client's experience is crucial for maintaining your business reputation. If your brokerage has an engaged client community, you are already ahead of the curve.

It is imperative for a successful brokerage to invest in resources today and build its business for tomorrow. So be a visionary and start implementing a clientele-focused brokerage model today that will help your clients build your business.

Real estate sales professionals can no longer be regarded as gatekeepers, but rather as advocates that work for the better interests of their clients at all times.

Their professionalism and dedication to customer service are what will rebuild confidence in the profession, but only so far as this becomes an industry-wide standard.

BUILD YOUR BUSINESS—PHASE IV: The Listing Specialist Team Member

CHAPTER 13

The Right Way to Get the Listing

Be Prepared and Informed

The engine of real estate starts with a property owner considering to sell their property. Usually the first point of contact with a real estate salesperson is to either evaluate or list the property. Most salespeople make the mistake of trying to get a listing without preparation or research. By not being prepared, the salesperson's chances of getting the listing are reduced. The owner of the property will not be impressed, as an excited but uninformed salesperson could appear to be desperate for the business. It is important to prepare yourself, and more importantly to prepare the seller for the listing process, by helping the seller to make an informed decision about the terms of the listing. Listing a property is a process that is divided into two stages, namely "Preparation" and "Presentation."

PREPARATION

Preparing for your client's listing is all about paving the way for your listing presentation. A listing presentation without preparation is like a car without any features—it has a sturdy frame but nothing that inspires ownership. You may work your way inside your client's property but you are not advancing their acceptance of you as their agent. Preparing for the client will sell your services to that client. Preparing the client for the listing presentation is a three-step process:

1. **Prepare an Information Package:** The main purpose of the information package is to introduce yourself and your services to your potential client, so that you don't have to talk about yourself during your listing presentation. At the time of the listing presentation your focus should be on your client and their property, and not on selling yourself. Nothing else but the

client matters when it comes to their property, and trumpeting yourself as “the best” or “number one” will be taken as a high-pressure sales tactic that may work against you. Ideally you will drop your package before 5 p.m. as you want to have your information package available for the client when the client arrives home. You can leave it in their mailbox or at their door.

The package should contain essential information about you, your brokerage, your industry and your qualifications, as this is the right time to be selling your capabilities, experience and achievements. There is a long list of additional items that you can include in your package such as your board’s latest housing report, a seller information package, your previous “just listed” and “just sold” post cards, feature sheets, marketing action plan, newsletters, advertisements, awards, marketing material, testimonials, your track record, etc.

With your information package the intention is to win half of the battle for the listing before you step onto the client’s property. You have to build their confidence that you are the best candidate to sell their property and that you can sell this property in the optimum time for the highest price. The other half of the battle is all about the property and its price, objections you will overcome during your listing presentation. Before you leave the area, and after dropping off your package, visit a couple of comparable properties to help you in evaluating the property and with preparing your Comparative Market Analysis (CMA) for your presentation.

2. **Call to Pre-Qualify:** Once you drop off the package, you should call the client that evening, sometime between 6 p.m. and 8 p.m. Allow them time to come home, have a bit of time to relax, and perhaps have a chance to go through your information package. Then you will call to qualify them. The main purpose of your call is to show the client that you are preparing them

for the selling process. You will inspire confidence in them that you are a professional by preparing your presentation before showing up at their door. Therefore your questions should be about qualifying them and their property, such as:

- a. When are you planning to move?
- b. Along with you, who owns the property? And will he/she/they be there when we get together? (You may want to check the property's title before your call so that you can verify it when the seller answers this question.)
- c. Tell me about your home. Any renovations since you bought the property?
- d. What do you feel your home is worth?

Once you set the listing appointment, and before you end the phone call, request that the seller have some documents on hand at the time of meeting, such as: the property survey, tax bill, mortgage balance statement, and layout of the house from the builder (if available).

3. **Prepare Your Tools:** Once you have prepared your client for your listing presentation, now you have to prepare yourself. You will require some basic tools for the appointment. Some of these tools are available to you all the time. Some of the other tools are specific to a property. Below are some of the items that you may want to have with you:

- clipboard for taking notes
- calculator
- seller's net sheet
- pre-filled listing agreement with price of the property and your commission fees. (I always take a "pre-filled agreement".)
- measurement tool
- a "leave behind" gift item such as a magnetic memo pad/calendar

COMPARATIVE MARKET ANALYSIS

There are many factors that play a role in evaluating the market value of a property. Some of the basic points to consider to determine the value of a property are: location, size, style, condition, community amenities, local supply in the market and financial options available at the time of listing the property. Of course, while comparing the properties in the area you will make the necessary adjustments to compare market activity with your prospective client's property. But perhaps the most important aspect of evaluating a property is the timing. While comparing similar properties in the area, you have to consider that the data you use is, ideally, not dated more than a couple of months. But you should have at least a year's sold data of the area to be prepared for the seller's questions. Nothing will shatter a client's confidence during a listing presentation than a lack of knowledge about a property that was sold in the area and you have no details about it. Basically, you have to invest your time and prepare a proper and professional CMA so that you feel confident while conversing with the client during your listing presentation. The listing presentation is all about the property and its asking price. Therefore, you have to "price" the property with full diligence and confidence and project that to your client.

PRESENTATION

Before you rush off to your listing presentation, please remember following:

1. Carry a professional brief case
2. Wear business attire; a dark suit (ideally black) with a light-colored shirt (ideally white) shirt/blouse and conservative shoes
3. Wash your car and bring the luxury one, if you have more than one

4. Groomed hair adds to your professional image
5. It goes without saying that you have to smell good.

You have to remember that people are visual and they will judge a book by its cover. Your professional appearance and tone will go a long way in adding value to your listing presentation. The same rule applies to the perceived value of your presentation. The focus of your presentation should be more of a visual presentation rather than simply a content presentation.

Similar to preparing for the listing, presenting to the seller is also a three-step process as follows:

Step 1: Walk Through the House

Before you head over to your client's house, you should plan to arrive a few minutes early as the worst thing you can do is to be late for your appointment. As soon as you enter the house, you want to walk around the house (of course, only once you have the seller's permission). Not only should you look around and take notes for your listing remarks (such as floor finishes, bathroom styles, renovations, etc.), but more importantly also be taking notes of any deficiencies to inform the seller about the items that you know will negatively affect the asking price. This might be the best time to do your room measurements as well. Your hard work right at the beginning will make the seller realize that you are prepared to list the property and this may make them feel obligated to list with you. Further, by being precise in your assessment, these actions show your level of professionalism and how seriously you conduct your business.

Step 2: Sit in the Kitchen

Once you have gone through the entire house and completed your notes and measurements, ask the seller to sit at the kitchen table with you. Sitting on the couch may not be necessarily comfortable for both you and the seller. Once you are settled down, please do not take out your listing presentation folder and start bragging about your achievements and plan of action, which is what most salespeo-

ple do. You want to take an advisory role and assure them that you are there to help them. An advisor is not selling but rather listening in order to provide the best advice to their clients. So let the seller talk. In your presentation, if the seller is doing most of the talking and you are listening, you have done your job. At the end of the day, your mandate is to make them understand the process of selling their property properly. Pay particular attention to their body language and assure them that they should ask any questions when they are uncertain of the purpose of any of the terms you discuss. The better informed your client becomes the smoother the process is for them and yourself.

Step 3: Price the Property

As we noted earlier, the main focus of your conversation during your listing presentation is convincing the seller about the listing price of their property. Once the issue of property price comes up, you should hand them three to five recently sold comparable properties from the area and let them compare and evaluate their own property against them. Allow them to reach their own conclusion about the listing price as you go through each property's uniqueness. With this you are preparing them to list their property at the right price. Finally, you may want to hand over your comparative market analysis to confirm their opinion.

Of course, the seller may object to your pricing, whether they decide it is too low or too high. You have to confidently convince them that if they try to list at a higher price, they may lose the opportunity to sell faster as most activity for a listing is during the first couple of weeks of the new listing. Further, in order to sell the property, your price should not match the market but rather "beat" it.

Once the price is firmed up, you take out your "pre-filled listing agreement" and data form to be signed by the seller(s). It goes without saying that you have to explain, in plain language, what they are signing and what their and your obligations are.

One of the topics of discussion that invariably arises before a client signs the listing agreement is your commission. There is a wide range of options on handling a seller's "commission objection." The options range from being firm and not budging on your commission to offering a tier-based fee structure.

Each proposal has its pros and cons and each salesperson should conduct this conversation based on his or her strengths and style.

The way I prefer to handle such objections is to shift the conversation and put the sales process into perspective. In this particular scenario, it might be better to convince the seller that their main objective should be to sell the property at the highest price possible within the shortest time.

In the event you are not able to sell their property within a month, it is most probably the listing price will have to be reduced a lot more than the amount the seller is seeking to cut from your commission. Pricing a property should be market-based, and your commission should reflect your own market value.

By the way, if the property is priced right and shows well, it should sell itself within a month considering the online and office resources we possess today. So feel confident and go ahead with this proposal as long as you priced the property for the current market conditions.

Before You Leave the Property

Just before you step out of the seller's property, remind them that they have to prepare their house for viewing. A well-presented house will sell faster. You may have to help them to prepare the house with such things as cosmetic renovations, staging, cleaning, etc. The most important factor that plays a role in selling the property is the curb appeal that a potential buyer gets from the property. Items such as the front lawn, front door, garage, driveway, etc., all play a crucial role. If a prospective buyer is not impressed at the outset, they have already created a negative image of property in their mind even before entering. Inside the house, of course the kitchen layout and condition play the most important role in buyer's

decision. Remind your client to let their home “smile a welcome” to buyers and to make them feel at home as they step through the door.

The best thing you can leave for your client is a list of items that they have to keep in mind while welcoming the buyer. But the more important gift you can leave behind is a step-by-step guide of the process of selling their house, such as what happens once their house is listed, what happens when they receive an offer and what happens after the property is sold.

MARKETING THE PROPERTY AND SATISFYING YOUR CLIENT

Taking specific steps to market the property will not only help to sell the house and generate more business for you, but will also help to satisfy your client. The best way to keep your clients for life is to provide them with high-quality service during the transaction. Promoting and marketing the listed property is part and parcel of your service to your client—not to necessarily just help you generate leads. Of course leads come with it, but the main intention should be to deliver quality services to your client.

Once the property is listed, there are many opportunities that you can use to promote the property such as:

1. You can knock on doors to invite neighbors (ideally one hundred) to your open house.
2. You can distribute “just sold” post cards around the neighborhood of the listed property.
3. Display as many professionally taken pictures possible via online channels and offline feature sheets.

Customer Service Makes It or Breaks It

Remember that like any other business relationship, the quality of your customer service is the determining factor for the satisfaction of your client. The best thing you can do for your seller is to keep them updated on all activities, at least once a week.

Real estate sales is hard work, and by keeping your client informed at every juncture you will earn their business today and referrals from them tomorrow.

HOW TO BUILD A LOCATION-SPECIFIC WEBSITE TO MARKET A PROPERTY

Creating a website to market a property listing can be as complicated or as simple as you like. Most real estate salespeople now understand that the potential of their property listings is best represented and marketed by having a specific website that displays detailed information, photos and videos of the property. The website is also a lead generator for future clients and referrals.

While most real estate salespeople may hire a professional web designer, there are online resources that can allow you to quickly register a domain, set the website up, and upload content in a short amount of time and at a low cost.

If you decide to do it yourself you will find significant savings in the cost, while amazing your client with your marketing prowess. Also, as the property website becomes part of your marketing initiatives, doing it yourself will give you the experience to take the creation of the website time from several hours to just one or two hours.

Steps for Preparing for the Website

1. You will need to register the domain name (i.e., 12345street.com)
2. You will need to arrange for website hosting, often available where you register the domain name
3. You will need to install Wordpress or you may use a website builder template that is supplied by your hosting company (recommended)
4. You should have ready the property information, photos and videos ready to be published to the website.

The above steps will take just a few minutes of preparation, not including the actual taking of pictures and video, and your website is ready for content to be added.

The specific pages you should create on the website, besides the home page, are:

1. photo gallery (all photos)
2. video
3. kitchen
4. bathrooms
5. bedrooms
6. living space (a page for each separate living room, rec room, den, etc.)
7. basement
8. front yard/backyard
9. special property features
10. local amenities
11. contact information

Each page should feature descriptive text and a photo gallery highlighting the specifics of the room/area. The “Local Amenities” page should have a map of the area (Google Maps is a good choice) and links to such other information as the Walkscore, local government services, schools, shopping areas, transit, etc.

Again, depending on the type of website you select as the template for the design, the page-building process could take just a few minutes or perhaps longer depending on how well you are prepared with information that needs to be loaded and your comfort level with the website program you are using.

Tips to Remember

Keep in mind that you expect the property website to be active only as long as the listing, so register the domain name and pay for the hosting at the minimum length of one year. Do not select the auto-renew option for the domain registration or hosting services, as you don't want to keep paying for it year after year.

I recommend using the supplied website builder from your hosting company instead of Wordpress; the set-up time will be minimal and you can use a drag-and-drop design format that even a novice can master, so you can create the website with limited design knowledge as long as you have your materials at the ready. Wordpress also requires a lot of updates, maintenance, selection of plugins and more that can increase the amount of time it takes to have the website "go live" and keep it "hack-proof."

Website Extras

You will find it very beneficial to add Google Analytics to your website for tracking purposes, so you can later analyze your marketing efforts and where the traffic to the property website is coming from.

If you publish an email newsletter you should include a sign-up form on the contact page or across the bottom footer so interested people can opt-in to your list.

Include your social media links so people can follow you and connect with you in the usual places.

Offer to transfer the domain name to the new property owners or redirect/forward the domain to your main website once the sale closes and it's time to take the website offline.

FINAL WORD

While website creation and online marketing used to be often thought of as "too technical," the available tools now make it much easier for the average person to do. By investing a few hours and a few dollars your marketing reaches new heights and your capabilities will outshine the majority of other real estate brokers.

CHAPTER 14

Results-Oriented Sales

The Transformation from Salesperson to Advocate

The dawn of Real Estate Marketing 3.0 is here. As we look back at the mistakes that were perpetuated by our real estate predecessors we realize that, where once we were the “gatekeepers” of real estate information and only shared our special information with a select few to prod them into working with us, we know now that how we disseminate the information to our clients and prospects, and how we complement the information with our expertise, is the future of our business. Actually, you can lose the “salesperson” moniker from this point forward.

FROM WIIFM TO WIIFT

This is what you were taught:

Pitch 1.0—*A potential client calls you up (buyer or seller) and is considering hiring you. You meet with them armed with all of your awards, personal sales stats, local area sales numbers and testimonials of a hard worker ethic to convince the prospect to hire you.*

(How did that work for you by the way?)

This is what you’ll learn with “Pitch 2.0”

Pitch 2.0—*It’s not about you.*

Really, it never was.

Starting now, you must consider yourself an “advocate” for fulfilling the life-changing transaction that will transform your client’s life in a way that only an experienced professional such as yourself is capable of guiding someone through to their desired outcome.

While your buyer-clients and seller-clients expect different end results, their required outcomes are the same: they want to be happy.

As their advocate you look beyond “what’s in it for me” (a commission) and look at your client’s bigger picture: their happiness (“what’s in it for them”).

In breaking that down from initial contact (even before the initial contact, you should be starting with your online reputation)

through the transaction process and beyond, you need to be on their side, in every action and reaction you take.

Pitch 2.0 is all about selling the future to your client. They have dreams, and it's your position that when they hire you, their interests, indeed, their future, is in your hands and you're going to do your best to ensure that their future is secure.

As their advocate you need to shift your mindset from the current task ahead of you to a more forward-looking aspect of the complete transaction you want to handle for your client. That means taking them from where they are now into a comfortable future that you understand they want, even if they can't yet visualize it.

They will become your client for life, and you will do everything you can to make that happen when you help them handle the responsibilities that lie ahead. That's a lot more than simply providing home ownership tips—it's lifestyle help.

By putting your client's interests before your own you create a climate of trust that will allow them to follow your advice because they understand that you are working for them and not a pay cheque.

THE BUYER-CLIENT WITH PITCH 2.0

Real Estate Marketing 3.0 tells us that your buyer-client will know a great deal about you even before making contact with you. While it is possible they have been referred to you by a satisfied past client, it is certainly likely that they have looked you up online.

They will already have searched online to find houses in their preferred area and in their price range before asking for you to represent them and show them properties.

You will be expected to know the area, to have details about the neighborhood at hand, and be able to advise them of the home ownership opportunities the current market provides.

Working for your buyer-client makes it necessary for you to ask specific questions so you can fully understand their requirements and desires, and how to bring the two together. These are questions that go well beyond "Pitch 1.0," because today's client has more

information available to them and at the same time the information may not be current, accurate or even true. The information they have sourced online or through their friends may not be relevant to their requirements of their future needs, and it's this type of advocacy that you need to be transparent about to gain their trust and their business.

Your experience should prepare you to understand the differences that a young family would have in their housing and neighborhood requirements, and how that will vary from a couple just starting out and is still a few years away from having their first child to a couple that is divorcing or retiring and downsizing.

You don't need to shine up your crystal ball to see that a young family needs schools nearby, safe parks to play in, room in the house to play in, a yard, and a neighborhood with families in the same age range.

A couple just starting out may want less interior space for bedrooms and more room for entertaining. If their plan of homeownership in one home is long term, then you will have to accommodate the probable changes in the family unit size within the homes under consideration.

You should by now recognize that buyer-client questions you should ask need to go beyond the "price range and type of financing" to their plans for the future and how their plans mesh with the house style and neighborhood they have selected.

Additional Questions for Buyer-Clients with Pitch 2.0

As we have said, Pitch 2.0 is about understanding your client's dreams and their lifestyle and how the future may change their happiness objectives.

You will help your client by asking them questions that bring answers to more than just room sizes and furnishings. Start by saying you want to serve them the best way possible so you have additional questions that relate to their future to be able to advise them appropriately.

Ask questions about:

- lifestyle and activities
- family life, at home and with extended family members
- retirement plans
- how they like to relax, evenings and weekends
- about children, current or future
- how they invest
- what would change in their life to change their space requirements
- and any other questions that will help you, to the best of your abilities, bring about the realization of your client's dreams

If at any time your client becomes uncomfortable with the questions, apologize and move on to another topic.

The Seller-Client with Pitch 2.0

The seller-client wants to have their property listed and you are one of the few brokers they are interviewing. Real Estate Marketing 3.0 teaches us that your approach needs to be modified from the past methods to help the client to be better informed, and less strong-armed, into hiring you.

Pitch 2.0 breaks down the seller-client hiring process into two steps:

- Listing Preparation
- Listing Presentation

The listing preparation begins, quite naturally, with a call or an email from the potential client to set up a meeting with you to discuss their property. With Pitch 1.0 most brokers would drop everything, rush over for the meeting and work hard for the client's signature. (How did that work for you?)

Real Estate Marketing 3.0 teaches us that with Pitch 2.0 the presentation needs to start with your own information package to be dropped off at the client's property or place of work a few hours before your meeting as discussed in chapter 13. By pre-empting the time required to "toot your own horn," you can better focus on what

the seller-client is interested in, namely themselves.

The seller-client has one goal with two aspects:

- **The highest possible price**
- **The fastest possible sale**

As discussed in chapter 13, your information package is presented to confirm to the seller-client that you are the right professional to accomplish their goal. As the process is very important, here are a few more tips.

When you drop off your information package you should take a “curb appeal” look at the property and familiarize yourself with the area. Once you are back in the office you can begin the process for your listing presentation.

The next step is to pre-qualify the seller-client. This is accomplished by calling them after you have delivered your information package and allowed them a few hours to review it. You will want to ask them a series of questions to ensure that they are prepared to list the property soon (whether with you or not), and to get some background information about the property such as recent renovations, their estimated value of the property, etc.

You should also ask them to prepare some information for you when you meet, such as if they have a floorplan of the property, property survey, property tax bills, if there are any other owners of the property and whether they will be present at the meeting. Most importantly, you should ask that if everything you present to them makes sense to them, so that they will be ready to sign a listing agreement with you.

Now that the appointment is set, and you've prequalified the seller-client, you need to prepare your tools, and yourself, for the listing presentation.

You need to set a professional tone in your meeting, and that starts with your first impression, so dress and carry yourself professionally. Your seller-client will expect the best, and this is what you need to provide.

The tools you will need to bring with you include a calculator, measuring tape (or laser), a seller's net sheet, a comparative market analysis (CMA), a small gift to leave behind (pen, calendar, etc.) and a pre-filled listing agreement.

As we have previously discussed the CMA, here I will only remind you to use the most recent information available (preferably within six months of area sales) while taking into account recent market changes and future market indicators.

During the listing presentation your goal, besides the seller-client hiring you, is to understand their needs and to keep their interests as the prime focus of the presentation. Often you will not agree on the property listing price, but your CMA and professional presentation should be able to overcome any objections. As well, you may differ on initial marketing methods, but again your experience should hold sway. Discuss as much as you can the marketing methods you will use to draw people to the property, the seller-client needs to know how proactive you will be in marketing their property.

Be certain to walk through the house, measuring each room (if allowed) and make notes of finishes, flooring, rooms, renovations as well as any recommended clean-up for curb appeal, or minor repairs inside, that is needed.

As your seller-client's advocate you need to be proactive about informing the seller-client how to ensure that a fast sale at the right price is possible.

All of these steps are necessary to educate the seller-client that you are the right professional for the service that is needed.

At all times you should hold yourself to the highest possible standard of customer service, keeping your seller-client informed every step of the way throughout the process of selling their property.

Your goal is not the sale of the property but the happiness of your seller-client and nurturing a relationship that will create a client for life.

CHAPTER 15

Building Your Referral System

Never Compromise on Service

It has been proven time and time again that the majority of business for real estate sales comes from referrals by happy clients. A visionary brokerage should establish a referral system as a core part of its business strategy. Establishing a referral system requires an initial technology investment and an ongoing investment of time and energy for constantly capturing and maintaining referral prospects.

The success of a referral system almost solely depends on the quality of service provided to the client. A client has to be impressed enough that they will confidently refer you to people they know, instead of you reaching out and asking them to give you a referral, which rarely produces results. It is crucial that when you use the referral process as part of your strategy, you provide the best service available in the industry.

WHY A CLIENT MAKES A REFERRAL

Contrary to the popular myth that successful referrals depend on you asking for the referral, when the level and quality of service you have provided is high, clients and their contacts will come to you for your services. Obviously, you have to constantly innovate and utilize the latest advancements in technology to serve your client better than others can. But the more important part of serving your client, which does not change with advancements in technology, is to serve your clients with a personal touch. This means that your client feels at ease and at peace when working with your firm because you are not only working *for* them but *with* them to help them achieve their goals.

There are three aspects of the client's experience that lead to them giving you a referral. The first and foremost is at the initial point of contact with your firm. Clients assess their experience with your sales representative because the first person they meet is the face of your business, no matter what else you have in place. If your

prospect does not feel that your firm is adapting to their personal requirements and lifestyle, they may not only never refer you, but may drop you altogether.

The second opportunity that your firm has to get referrals is during the sales process. Whether they are buying or selling a property, a client's experience should be rewarding enough that they speak of their engagement with your brokerage in a positive manner. When they receive premium service during their transaction they will feel obligated to do something for you and they are smart enough to understand that the best thing they can do for you is to refer you a new client. You don't have to ask for this reward. You have to remember that the most important service you can provide during a sales transaction is to constantly update them of the transaction process. Clients want to know what is going on, to be kept in the loop. Do not reduce your services for existing clients for the sake of getting new ones.

The third and perhaps most important aspect of getting referrals from your clients is after the transaction has closed. If your client feels that your service continues long after the closing, then they will feel that your firm genuinely cares for its clients and their continued well-being as property owners. There can be a number of opportunities for you to extend your services after closing such as referring professionals from your vendor network to a client when they need repairs, by providing property maintenance advice, and when helping them to invest in other properties.

You have to remember that people do not refer your business just because they like you. Your clients will refer others to you because they are proud of your services and know that you will take good care of those they send your way. They want to be able to claim to their friends that they know the best in the industry and that they have the best connections. If there is even a slight feeling that you will not provide proper service to the person that is seeking help by way of a referral, they would not refer you even if you ask them directly to send people your way.

People don't want to be placed in an embarrassing situation by referring someone's services to a friend or family member, only to find themselves trying to justify the referral if the service is poor. If you have not provided exceptional service, do not even think of asking for a referral. The only sure way to gain someone's trust and earn their referral business is to provide professional and high-quality services that they are proud to be able to tell others about

YOUR CUSTOMER BASE BUILDS YOUR BUSINESS, SO HOW DO YOU BUILD YOUR CUSTOMER BASE?

You're probably running several different marketing campaigns right now and deciding on the next one or two to try.

You're spending a few minutes here and there on social media so that you can appear to be active.

You update your website regularly or have some automated features so that it looks refreshed every so often.

You've set aside blocks of time to make cold calls, go out door knocking and to spend at networking and community events.

The 80/20 rule comes into play when 20% of your efforts are bringing in 80% of your results. But which 20% should you be concentrating on to grow your business? Which parts of the 80% are repeatable and will grow your business each and every year?

Each home sale puts a new "past client" on your list. Are you using that client to help you build your business by providing them with reminders of your service and the opportunity to refer new business to you?

The "repeatable" part of your business is what earns you a steady income. You sell a house, the house equals a commission and a satisfied client, and the client likes you and appreciates your excellent service and recommends you to their family and friends, generating referrals for you.

Repeat this often enough and you become a successful real estate person very fast.

Don't repeat it and you're looking for another job.

There are many ways to help your past clients introduce you to new clients that will grow your business.

Here is the most effective way to generate referrals from past clients that you should be doing regularly:

Provide your past clients with valuable information about the services and events in their neighborhood. You can recommend them to trusted local services, community events, new business openings and related local information that shows you are an expert in your/their area and are ready to help them through the various stages of home ownership, going beyond the home purchase phase of your relationship.

You can send out email newsletters and personalized mailings to keep in touch with your past clients.

Tip: Add a request that they help you reduce waste and costs and join your email newsletter on every personalized mailing you send.

By building the referral opportunity with your past clients, you will create a referral list that will grow your business.

Your growing client list is the one aspect of your business that you have total control over, no matter which advertising and marketing routes you take. You will reduce your "cost of acquisition" by treating past clients like the valuable resource they are.

This is also the equity of your business which is something that you can build a real estate brokerage upon, should you decide to take that entrepreneurial step.

CONNECTING LOCAL BUSINESSES WITH CLIENTS TO INCREASE REFERRALS

The Key Is Reciprocity

Understand how to leverage the professional services you recommend to your clients and share relevant information through your marketing channels to increase your referral network.

How many times have you heard that “your real estate business lives or dies on the referrals you receive”?

This mantra is true and we all know it.

Use Technology to Keep in Contact

Technologies designed for real estate professionals (lead generators, CRMs, blogs, etc.) all have one thing in common—to help you find the clients to put in your contact stream so they can remember you through the coming months and years and refer business your way.

Of course, you have to have happy clients to begin with, which starts with your professionalism and expertise that can be relied on to make your clients comfortable hiring you and happy to periodically receive messages from you regardless if they completed a sale or not.

One of the messages you should be sending out to past clients (and remember to invite future clients to join), whether in an email or on your blog or through social media, is about the various aspects of home ownership and home maintenance.

This is an obvious avenue of interest for homeowners and you, as a real estate professional, make connections every day with people in the home ownership, renovation and repair industries. You should be building a contact list of reliable people and companies that you can recommend to your clients long after the home purchase transaction closes.

Use the Calendar to Prepare Your Content Schedule

The year has four seasons (harsh ones where I live), and four times a year, at a minimum, the home needs things to be done to maintain it.

Use Your Contacts to Create Valuable Sharing Content

As an example, let's say you have a landscaping company that you like and, when asked, you refer your clients to them. That's good for the landscaping company because this generates new business for them and it's good for you because by sending your clients to a hand-picked company you can be assured they will be happy with the results.

You should take this referral activity a step further. Just as you want to maintain contact with your clients after the close, you should be following up with the landscaper and inviting them to share tips, photos and ideas of the work they do with you to send along to your clients.

Start with asking this landscaper for seasonal photos of their work (before and after photos look great). Remember to have them get the homeowner's permission. Share the photos with your clients through social media, blog posts and email newsletters.

The benefit here is twofold: You receive original content to share with your clients and the landscaping company will be very pleased to have you promote them and, most likely, they will reciprocate with referrals as well.

Now think of all the professionals that you work with and how each one can assist with the creation of content for you as they receive additional publicity about their services.

- Home inspectors can provide photos of what to look for inside a home, things that may be a concern versus normal wear and tear.
- Plumbers' before-and-after photos of repairs and tips on maintenance.
- Electricians—when it's time to call in a professional, whether for repairs or renovations.
- Interior designers—how to create a better living space, become clutter-free, prepare for that big family gathering.

Obviously this list could go on and on, but I think you get the point.

Multiplying Your Referral Network

Your referral network can be a great source of future business and it extends beyond your clients to the other professionals you interact with on a regular basis.

Use your professional service contacts to connect clients with the help they need, and your own neighborhood expertise will increase accordingly. Asking these companies to provide you with

content based on their specialties will not only give you a great reason to reach out to your clients but will build your referral network with other professionals that meet homeowners every day.

The cross-promotion of helpful advice regularly shared with your clients should easily multiply your referrals from clients and local businesses.

BUILD YOUR BUSINESS—PHASE V: The Recruiter Team Member

CHAPTER 16

Attract and Keep the Best Talent

Culture Drives Referrals

As I have emphasized on different occasions, the real estate business is a relationship business, and referrals are the foundation of this business. In the same manner that receiving referrals is important for your real estate business, equally important are referrals for attracting talented salespeople to your brokerage. We know by now that referrals are generated from the satisfied clients of a real estate transaction. We also know that finding the best talent is often due to referrals obtained through the satisfied sales force in your organization. Happy salespeople can attract and bring the best salespeople to your brokerage. Therefore, the culture of your office is very important. A caring culture in your brokerage takes care of recruiting the best salespeople through its own reputation.

HOW TO KEEP YOUR TEAM MEMBERS FULLY ENGAGED

When you treat your team members with care and demonstrate that their success is your success, they will return the courtesy. All it takes is to proactively lead them to success by being a bridge between where they are now and where they want to land. If you have fully satisfied team members, they will become your advocates and go out of their way to help you attract new team members to your brokerage simply by sharing their positive experiences. In fact, when they treat the brokerage as their own home base, and not a place to avoid, they are much more likely to do whatever they can to improve the business.

As our new brokerage model is based on establishing a long-term relationship with team members, we have to remind ourselves that “referral hires” stay with the organization longer when

compared to other recruitment methods such as “prospected hires” or “walk-in hires.” Referrals hires are more loyal as the relationship starts from a mutually understood position of respect and trust.

As the owner and leader of your brokerage, a large part of your responsibility is to be a sounding board for your team members. Sometimes they have personal life issues and need someone to share them with, while other times they are experiencing a problem with a transaction and need you to provide a helpful solution. Most of the time they know the answer but will look for confirmation from you. The best way to keep your team members happy is for you to be available to listen to their issues and boost their confidence with the answers you provide. There are five ways that I utilize, and that you can too, as a leader, to provide value to your team members:

1. **Have a Response System:** Have a system in place to respond to your team members’ concerns as quickly as possible. Their queries are generally of two types: “time sensitive” and “can wait.” For time sensitive issues, the most practical way to provide an answer to an urgent concern is by communicating through text messaging. Of course, there is a risk of your salespeople texting you on non-urgent matters which you can then respond with your “can wait” response. The most effective way of handling non-urgent queries is to establish an online calendar and share it with your team members and give them access to book appointments in blocks of 15 minutes. Should they need more time, they can book multiple 15-minute blocks.
2. **Be a Solution Provider:** In today’s overload of emerging technology, once your team members trust you and have confidence in you, they will look to you for the right solutions, not a “to-do-task-list” of how to find it themselves. The best role that you can play is to do your homework and come up with solutions to their problems as you anticipate them. They have to look up to you as a solution provider. They want your

guidance on what works and what doesn't work based on your own experience. This position of trust is huge, so make sure you give thought and reflection to your advice.

3. **Use a Personal Touch:** The more personal the response, the better the results you will get. As much as possible, instead of providing general or one-size-fits-all solutions, you should personalize and customize the solution for each team member based on their resources and skills. It is much better to have one-to-one solutions as opposed to one-to-many solutions. When you personalize your responses, your team members are not only much more productive, but a culture of caring and an environment of professional and personal bonding is nurtured.
4. **Be Approachable:** You want your team members to feel comfortable voicing their concerns to your face. Utilizing your online scheduling system will allow them to book appointments and meet with you based on your mutual schedules. In fact, you want to promote the culture of sharing their concerns and giving, as well as receiving, their feedback. One of the best ways to achieve this is to take them out for a lunch or dinner once in a while, on an individual basis, and open up the conversation to any and every concern they have.
5. **Be Transparent:** The more you operate your business in the open, the more your team members will feel an important part of your organization. When your team members have a sense of ownership about your brokerage, they will not only become long-term employees but also be proud to talk about the organization openly and invest more of themselves into the success of the brokerage. The best way to give them this sense of ownership is to be transparent in your business conduct. When you are transparent, they will feel pride in belonging to the firm since there will not be any shadows lurking in the corners and no doubts about the business hanging over their heads.

TREAT YOUR TEAM MEMBERS AS FAMILY MEMBERS

As the leader of your organization, you have to shift your mindset from treating your team members as subordinates to one of treating members as partners. Of course, this doesn't mean there isn't a protocol or procedure in place for you to take charge, but rather it means that you are leading with them. By being transparent, caring and genuinely concerned about their activities, you gain their respect from within not just superficially. Honest respect is earned and not demanded. You gain true respect from your team members when you are sincerely concerned about each of your team member's success.

You need to be seen to give your full attention and dedication to help them take their business to the next level. People have a sixth sense about honesty and integrity, and will notice your sincerity and faithfulness, but they will also notice if your actions are not sincere but simply a ploy to motivate them to your own benefit. The same way that a genuinely concerned family member gains respect in our hearts, your team members will also respect and commit to you as a devoted leader. Obviously this will lead to loyalty and faithfulness that create the culture of caring I spoke of earlier. And a loyal team member, similar to a faithful family member, will not shift from brokerage to brokerage seeking honest leadership and fidelity. Further, a loyal team member will always look out for the best interests of the organization as they will see the firm not purely as a place of employment but rather as a lifestyle environment where they enjoy being. Keep in mind that an enjoyable work environment leads to happy team members and happy team members talk happily about you to their network. This is how you not only retain the best, but also attract the best, in the industry.

CREATE A VALUE-BASED COMMUNITY

To take your brokerage to the next level, you have to create a community and engage actively with your team members. This community is built by providing true value to your team members. It should

have practical implications for their career and should be results-oriented based on current and future needs. Your team members have to be convinced that by participating in this community their business will move forward in a short span of time simply by applying the value and knowledge they can derive from it. Although you are facilitating, coordinating and providing guidance to the community, each member of your team participates based on the strengths of their own abilities. They can share their experiences and expertise or raise questions to find creative solutions to new issues. This community will not only raise your production level but will also create a bond between all participating team members. Creating an active community will also make new prospects and members curious enough to peek in. Community and collaboration form the most inspiring way to move ahead.

You can use social media tools to nurture this community, establish your brand and further attract qualified team members. The best way to help your happy salespeople attract the right candidates to your organization is to provide them with the right material. This should be in the form of valuable content shared with your audience in order to build your reputation and standing. Additionally, people prefer to work in fun environments, so pictures of team events should be shared throughout the networks of all of your team members and beyond.

RECRUITING IS A TWO-WAY STREET

As you are building the brokerage to not only be transparent but also a professional and caring place to work, you have to be selective in your choice of recruits. You want to onboard salespeople that believe in and reflect positively on your values, and understand your business culture. More importantly, inasmuch as these individuals fit into your overall vision and team strategy, they must fill a specific role within the team structure. You don't want to go back to the traditional real estate brokerage model and hire anyone off the street or anyone walking into your office. Rather, you should be selective

based on your values and culture, and the position the recruit is to fill. Although your main recruitment mechanism should be through referrals, you need to nurture outside relationships and instill your culture through one-to-one meetings and social engagement in the real world and online.

You will obviously use online research tools such as Google, social media, etc., to research your prospective team members before hiring them.

To adequately align your new team member within your existing structure, you have to have a focused understanding of this individual. Only once you understand their desires, preferences, personality and goals can you prescribe an appropriate plan of action. Therefore, at your first opportunity you have to have an engaged discussion with the prospective team member. A questionnaire such as the following can be utilized.

Questions to be answered:

1. What is your objective? What do you want to achieve?

2. What are your short- and long-term goals?

3. What are your strengths and weaknesses?

4. What are your resources and skills?

5. Do you consider yourself a people-person. Why, or why not?

6. Do you prefer to work in the field with clients or behind the scene?

7. Aside from real estate sales, what other commitments do you have?

8. What motivates you to perform better?

9. Who is your target market and why?

10. On a scale of 1 to 10, how would you rate your:

___ interpersonal skills

___ online research skills

___ social media skills

___ web development skills

___ graphic design skills

___ web design skills

___ people skills

___ leadership skills

___ management skills

11. What aspect of real estate do you feel needs improvement?

marketing

sales

service

time management

team development

paperwork

12. What area of real estate do you want to focus on:

residential buying

residential selling

residential renting

commercial buying

commercial selling

commercial leasing

pre-construction

development

flipping

syndicating investment group

other: _____

CHAPTER 17

Proactively Accelerate Your Success: The “4 Ps” of Prospecting

Be Proactive about Building Your Business

After establishing their marketing initiatives and plans, many agents sit back and wait for the prospect to contact them. If you have planned and executed your online marketing activities, as discussed in earlier chapters, you will get results; however, in order to expedite your success rate, you have to be proactive rather than passive. Most of the activities proposed so far are considered passive, wherein you have marketed your information and are waiting for the prospect to eventually contact you, but they do not go far enough to build your business quickly. In this chapter we will cover several effective methods to connect proactively with prospects.

THE “4 Ps” OF PROSPECTING

Although most of the prospecting activities still in use today date back to the golden days of real estate sales, we can blend our modern marketing initiatives with traditional prospecting. I have categorized prospecting into four elements:

1. Place Prospecting
2. Property Prospecting
3. People Prospecting
4. Product Prospecting

1. Place Prospecting

One of the oldest ways of establishing your real estate sales has been to pick a particular territory and in that territory focus all of your energy and resources to build your image, reputation and clientele-base, a practice known as farming. We have discussed aspects of due diligence in selecting a territory to focus on. Some of the important factors to keep in mind while selecting a farming area include:

- **Affinity**—you feel at home while working in that territory or neighborhood

- **Activity**—there is enough activity so that there is something left on the table for you
- **Assortment**—there is a wide range of prices and types of properties in the neighborhood, so that you can be flexible enough to be active in different market conditions

Once you have selected a neighborhood to focus on, and once you have established your marketing material and are ready to go, here are some of the initiatives that you should take:

- a. Become a “neighborhood reporter” by reporting events of community interest. You can create your reports in multiple formats such as video, blogs and photographs. Of course, you will need to establish a website for the community and utilize online tools, such as social media, to generate an online presence for your neighborhood. Social media groups can be one of the most effective tools to utilize.
- b. Traditionally one of the best prospecting methods has been door-knocking. We can make door-knocking more effective by integrating it with our online efforts. We can also take door-knocking one step further and come up with creative ways to make it a lot more fun. As we all know, people are willing to help as long as it is not an additional task on their long to-do list. One of the ways you can make the process of giving back smoother is to facilitate and promote the generosity of neighborhood residents. A specific example could be to leave fabric bags at the grocery stores as a means to collect food for the local food bank. This creates multiple reasons for you to contact neighborhood residents: to set a date to collect their bag(s) of food; to later thank those who donated; and to let those who didn’t participate know when their next chance is. Further, you can take photos of the bags of food at the food bank and upload them to your website, social media channels, etc. While you are building the relationship with your local residents, you are also giving back to the community. This is a

win-win situation. You can take this idea and apply it beyond food donations to other charitable causes. You can collect wearable items for the underprivileged within the community or beyond it. Collecting electronic items for proper disposal can be another opportunity as well as a children's toy collection drive for the less fortunate within your community or across the globe. The opportunities to play a positive role are endless as long as you put effort into the initiative.

- c. It goes without saying that if you are focusing on a particular community you should try to participate in as many of the local activities and events as possible. Your participation should be very prominent such as by being a volunteer, sponsor, and/or having a display booth.

2. Property Prospecting

As soon as you have a listing under your wing, you have ample opportunity to promote the property and generate additional leads that will benefit your business in the short- and long-term. Here are some activities you should consider:

- a. **Online marketing of your property:** have a stand-alone web page or web site for the property. You can write about the external and internal amenities of the property, which allows you to focus on the pleasing aspects and amenities in the neighborhood. Additionally, you can address your primary market by writing to the demographic that is best suited to buy the property and why. You should use online channels to promote and generate inbound activity. More importantly, your online presence needs to be integrated with your offline activities. People that you talk to might be interested in the property and will go online to find out more about it. If you have not posted additional information for them to explore, your chance of converting the prospect to a client, is reduced significantly.
- b. One of the most effective ways of promoting the listing and getting more leads offline is to invite residents of the

neighborhood to an open house. Ideally, you will print 100 personalized postcards of the property and hand-deliver them to each neighbor. Try to distribute as many as you can on the same street. You may want to be creative and have a “glamorous” open house with food, soft drinks, etc., an effort that will raise the stature of your marketing efforts in the eyes of your listing client and potential clients.

- c. One of the best examples of proactive prospecting is asking neighbors of the listed property if they know someone who would be interested in purchasing the property. This initiative accomplishes multiple goals. First of all, a neighbor might be interested in making a move to the listed property or may know someone who might be interested in viewing the property. More importantly, this is a clear demonstration of your hard work on behalf of your client. If the people you contact are thinking of selling their house today or in the future, they might consider you as their agent because of your proactive approach in serving your clients. Please remember that a “Do-Not-Call-List” might apply in your jurisdiction, so make sure that you do not call prospects that are on that list.

3. People Prospecting

You may prefer to target a specific group of people for many different reasons, ranging from sharing a similar language to sharing a culture or ethnicity. Sometimes it could be because of opportunities that exist within a group, such as a group of very high-net-worth individuals or very business savvy investors, etc. Targeting a specific group of people, and sometimes a group within a group, will give an edge that can accelerate your success rate. Once you establish the group of people that you want to focus on for acquiring clients, here are some activities that you should consider pursuing:

- a. First and foremost you have to create an online platform where your targeted group can engage in meaningful conversation. Your online activity could be in the form of a social media

group, an online forum, etc. More importantly, you have to act as a “community reporter” by reporting on all the activities that happen within your targeted group. Further, you have to bring all the related information to the attention of your targeted audience; this could range from the events that interest them to articles that add value to their life, business or specific circumstances.

- b. One effective way to people-prospect is to meet people face-to-face. Become involved in the activities in which your target group is participating. This could range from local Chamber of Commerce events to community gatherings. You can volunteer in these activities and/or you can be a sponsor and have a display booth or provide give-away promotional materials such as shopping bags or calendars. The more you are engaged with your targeted group, the better will be your results. You have to play this game very strategically so that you do not waste your time and resources. Always be very focused on your group engagement and involvement. This is your best opportunity to build your image within the group as someone who can be trusted.
- c. The best prospecting is intimate, or one-to-one, prospecting. Basically, you try to either meet one-to-one or in a cozy group of people for intimate conversation and relationship building. This can be done in a multitude of environments. Some of the group members may meet you for lunch, coffee or breakfast. This will give you the opportunity to build a relationship. Other members might be more comfortable meeting at a social gatherings, such as a BBQ. You should also consider looking for valuable networking opportunities, such as seminars, where you can introduce your service to help people in their real estate or other goals.

4. Product Prospecting

Once you land on an opportunity to market and sell a product or project, you can leverage the opportunity. For example, take a pre-construction project. Once you have the project under your belt, you need to execute multiple streams of prospecting, to not only generate leads for the projects but to create a long-term business specialization for yourself. Here are some of the prospecting ideas that you can use:

- a. Similar to previous initiatives, the first thing to do is to establish your project's online presence whether it is in the form of blogs posted on your website or video reporting of the project's neighborhood. One thing we have to establish is that no matter what type of prospecting we do, an online presence is a must. In today's online world, an online presence complements your offline activities. You will significantly reduce your success rate if your online presence does not support your offline activities. That is why the first thing I bring to your attention in each category of prospecting are online initiatives, even though they are discussed in detail in earlier chapters. I don't want you to think that offline prospecting is sufficient enough to accomplish your goals. On the same note, limiting yourself to online activities is also not enough to reach your goals. Online initiatives and offline prospecting go hand-in-hand to result in goals being met. These are the two wings of one bird: If you are missing a wing, you will forever be flying in a circle and not getting any closer to your goals.
- b. Another prospecting opportunity you should explore is to approach local businesses with your marketing materials about the project. Local business people may be interested in investing in the project as they know the value of the area more than anyone else. They are much more knowledgeable about the benefits of the project as they do business in the area. On a similar note, you can contact offices in the area and there

may be interest for some of the workers to move closer to their place of work. This is a usually untapped opportunity for you to explore, where you can leverage your resources efficiently.

- c. Pre-construction projects can also give you another opportunity to contact “renters” and convert them into buyers for your residential projects. In the case of a commercial project, you can do the same for business owners and office occupiers.

Mix and Match

You may choose any of the above prospecting methods based on your business style, resources, skill set and comfort level. Keep in mind that you can do all or a selected mix of the above prospecting recommendations. For example, you may target a specific group of people that has the interest and resources to invest in real estate. You can bring your projects (products) to your targeted group’s attention.

You can do all kinds of mixing of your prospecting approaches, but I recommend that you remain highly focused. You have to assess your resources and apply yourself accordingly. Successful real estate professionals are highly specialized in what they do. Further, they place all their efforts and resources on one particular end result. You may be enticed to apply your efforts equally across the board, but your success lies on doing one thing properly and diligently, not on many things with your time and resources eventually stretching thin.

IN CONCLUSION, HERE'S SOME GOOD ADVICE

You have to have a long-term vision for realizing success and at the same time be so laser-focused on your day-to-day activities that nothing should distract you. On one hand, your platform and activities should be so flexible that you may adjust these according to your growth, while on the other hand you should be so attentive to detail that nothing is missed. You cannot afford to miss opportunities that present themselves today, and at the same time you cannot sustain your growth if you move forward with no advanced planning and additional goals in mind.

There are two things to keep in mind that will take you to your goal. Number one is to measure your achievement every step of the way. You have to measure what works and what doesn't; otherwise, you will be prolonging your journey to success by repeating things that do not pay off. The number two factor that plays a crucial role in your rate of success is having a proper follow-up system in place. Without a follow-up system most of your efforts and initiatives will go to waste. Potential client relationships you initially worked hard to establish will be left on the floor, never reaching the deal table. You will have wasted your time and resources, and after years of tireless effort will be no better off than when you first started this journey.

Take the journey to your final goal one step at a time. Celebrate your successes by refining your methods with what works for you and at the same time broadening your vision to an ever-expanding list of possibilities. Once you select any of the above prospecting options, you should go to the deepest level of detail possible, applying yourself to the best of your abilities. You cannot expect to reap the results right away, but you should see incremental growth of your reach. Maintain what you are doing until you get the results you expect, and nurture your efforts with patience, perseverance and dedication. Once you are established through your prospecting the rest becomes easy. Shoulder the burden of the responsibility of your own prospecting for the first couple of years because it will give you greater insight into taking your career to the next level. When the foundation is solid, success can easily be built on top.

CHAPTER 18

The Fundamentals of Listing a Commercial Property

Why Commercial Real Estate?

Commercial real estate sales professionals can benefit too from this new team-based model. There are several reasons why commercial salespeople would want to establish their own team-based brokerage.

Tax Advantage: First of all, they can take advantage of “income deferral” strategies. Usually, commercial salespeople complete a large transaction and receive a big fat commission cheque, and then work hard on the next deal, which could take time. So it is possible that in one year they have a very high income, while in the next year it can drop significantly. Commercial salespeople can incorporate their practice and “defer” their income to be paid out in lower-earning years.

Branding Advantage: Commercial real estate professionals work very closely with their circle of contacts, and by having their own brokerage they can take their relationships to the next level. Commercial clients are typically acquired through the salesperson’s personal networks, and by having full control of their image gives them an edge in a competitive market.

Team Advantage: Each aspect of a commercial transaction requires specialization. Creating your own team with individual members who can focus on one area of a transaction can enrich your reputation and market domination. Of course, the disbursement of funds for your team members is much smoother within your own brokerage.

Commission Advantage: Generally speaking, there is a big commission split between the brokerage and the commercial salesperson. By establishing your own brokerage, you can keep most of the commission as it flows to your own corporation. You can use the extra funds to build your own image and brand, as income or however you see fit.

LISTING A COMMERCIAL PROPERTY

You have to appreciate that listing a commercial property is a much more complex process when compared to listing a residential property, and it requires extensive due diligence. Each aspect of a commercial listing requires specialization, which comes mainly from learning from the experts and expanding your own experience. It is beyond the scope of this book to discuss in sufficient detail the

listing process for a commercial property. Consider this chapter a general overview of the process.

Evaluating the Property

Obviously, the first step in listing a property is evaluating the property. There is a significant difference between evaluating a residential house and assessing a commercial building. When listing a residential property emotional factors are taken into consideration, whereas when assessing a commercial property more weight is given to hard numbers. Generally speaking, two factors play a crucial role in evaluating a commercial property: income and capital gain.

Two Types of Economic Value

From a very broad perspective, commercial properties can be evaluated by taking into consideration two factors: net income and capital gain. These factors are discussed in some detail in the next chapter, but here is a brief outline.

Capital Gain: In addition to hard numbers (net income), the existing and future income potential of the property is considered. In the near term, income potential can be predicted through change of use approvals by the local municipality. But it is quite challenging to predict the future potential of the property as it could depend on multiple factors such as economic growth and job creation, future development plans, etc. Again, assessing capital gain is a lot more complicated than it sounds, but suffice it to say that any potential the property may have in the future is to be considered at the time of evaluating the property. More on this in the next chapter.

Net Income: Net income refers to the overall income the property generates, considering both current net income and potential net income. Although there are discussions around the meaning of “net income”, “net net income” and “net net net income”, what it boils down to is that net income is the income a property generates after paying all its expenses such as property taxes, utilities, maintenance, etc. The net income is generally accounted for before paying debt (mortgage) and taxes (income tax).

Know the Cap Rate

There is another term you have to be familiar with in order to calculate the value of the property: Cap Rate. It is used in relation to net income to evaluate the property. Cap rates are determined by the current conditions of the market for the area in which the property is located, and the type of property it is. Although cap rates on a particular type of property may differ from area to area, usually cap rates are lower on apartment buildings and higher on office buildings. Remember that the higher the cap rate, the lower the price and vice versa. Cap rates can be as low as 3% and as high as 14%. This simply means that if you were to pay all cash for the property, you will get 3% or 14% on your money. For example, if you purchased a property for \$1 million and paid all cash, you would expect a return of \$30,000 to \$140,000 depending on multiple factors. These factors include property type, risks associated with the property, and the location of the property. Here is the formula for calculating the value of a commercial property:

$$\text{VALUE (LISTING PRICE)} = \text{NOI} \\ \text{(NET OPERATING INCOME)} / \text{CAP RATE}$$

Here is an example:

Apartment Building Net Operating Income: \$100,000

Apartment Building Cap Rate in the Area: 5%

Value (Listing Price): $\$100,000 / 0.05 = \$2,000,000$

The same income with a 10% cap rate for an office building will give you a \$1,000,000 listing price ($\$100,000 / 0.10$). As you can see, cap rates are a very important factor in your evaluations.

You can search current commercial listings and recently closed transactions to gauge the cap rates in your market. Further, you can find valuable information in research-based reports published by commercial real estate firms in the area.

Cap Rates and the Location of the Property

Cap rates are specific to the location of the property and the property type. Risk is also a factor; for example, apartment buildings are

considered to be lower-risk investments and office buildings are a higher risk. The location of property can be assessed as follows:

- **Primary Market:** properties in major urban centers and surrounding areas are considered primary markets and considered to be lower risk.
- **Secondary Market:** These are generally neighboring communities of major urban centers
- **Third Tier:** As the name suggests, these properties are outside the primary market and are considered to be a higher risk.

As you might have anticipated, the higher the risk the higher the cap rate, and the higher the cap rate the lower the value (listing price) of the property as illustrated above.

Property Type

Different types of commercial properties and the risks associated with each type will influence your property evaluation. You have to understand different types of properties and their current demand in the market. Following are some of the most common types of commercial properties:

- **Mixed Use:** Usually this is a retail environment on the main level and offices or apartments on the upper level(s). These type of properties are harder to rent as there are much better options available for the tenants. There are exceptions to this general rule, especially new mixed developments.
- **Multi-Family:** These are rental apartments ranging from a couple of storeys to high rises. In most markets this is a lower-risk investment compared to other types of commercial properties.
- **Strip Plaza:** These are mostly one-level retail outlets with available parking. This type of property is highly dependent on population stability or growth in the surrounding area. New housing development is a good predictor of population growth.
- **Retail:** This type of property is generally owner-occupied and located in a prime location. Higher-net-worth areas and/or increases in family incomes are considered to influence the value of this type of property as higher incomes increase the purchasing power of residents in the area. Tenants thus pay higher rents.

- **Office Building:** Mostly occupied by professionals and corporations. In most markets, this type of property is considered to be one of the riskiest, because a sudden economic downturn could lead to vacancies.
- **Industrial:** There are multiple categories of uses ranging from a factory to a warehouse. The current use that may potentially contaminate the property will negatively impact the value of the property. For example, an auto repair property use might be harder to finance and riskier for environmental assessment.
- **Power Centers:** In major urban centers this type of property rarely comes to market. You must work with a group of specialists to properly disclose all related matters.

PROPERTY DETAILS TO CONSIDER FOR FINALIZING THE LISTING PRICE

In addition to the important factors of location and type of property, the features of the property must be considered before setting a final listing price. Here is a breakdown of each type of property and feature that impact the value.

FOR A RESIDENTIAL INVESTMENT PROPERTY CONSIDER:

- Proximity to amenities
- School district and ranking
- Rental demand
- Financing options available
- Residential Tenancies Act

FOR A RETAIL/STRIP PLAZA CONSIDER:

- Traffic count and flow
- Visibility
- Adequacy of parking

OFFICE BUILDING PRICE WILL BE AFFECTED BY:

- Fiber-optic wiring
- Accessibility (public transportation and highways)
- Current rental vacancy
- Common areas and facilities

FOR INDUSTRIAL PROPERTIES CONSIDER:

- Structural condition of the property
- Ceiling heights
- Loading docks
- Drive-ins
- Accessibility
- Environmental assessment
- Proximity to transportation routes

BUSINESS VALUATION

You might have an interest in specializing in selling businesses, such as restaurants, professional services, etc. Listing and selling a business can also be a complex process, and here are a few details by way of a guideline. In general terms businesses are evaluated based primarily on net annual income. The net annual income is calculated after all expenses such as salary, rent, and other expenses are deducted from the gross business income. In most markets, the net annual income is multiplied by three to five times (multiplier) to arrive at the value (listing price) of the business.

Additionally, the type of business and risks associated with it determine the “multiplier.” A higher-risk business has a lower multiplier and therefore a lower price and vice versa. For example, an established franchise restaurant might have a higher multiplier compared to a similar but non-franchised restaurant.

$$\begin{aligned}\text{Value of Business} &= \text{Net Annual Income} \times \text{Multiplier} \\ &= \$30,000 \times 3 = \$90,000\end{aligned}$$

Sale of Business Requirements

In addition, remember that the Bulk Sales Act (Ontario Provincial Act) applies to the sale of a business where inventory is involved to protect creditors of the seller while imposing certain responsibilities to the buyer. When selling a business, a buyer must receive the following:

- profit and loss statement for the past 12 months;
- asset and liabilities (balance sheet); and
- list of items (fixtures, chattels, etc.)

WHEN LISTING “FOR LEASE”

Of course, listing a commercial property for lease is a totally different ball game. The two most important factors in leasing are the size of the space offered for lease and TMI (Taxes, Maintenance and Insurance). The TMI will be provided by the landlord mostly based on annual audited adjustments and existing tenant TMI.

The size of the space is calculated based on the most recent BOMA (The Building Owners and Managers Association) measurement guidelines. Some of the items you have to be familiar when listing a property for lease are as follows:

- **Usable Area:** the space that can be used to operate the business
- **Common Area:** the total space that is in common for all tenants in the building
- **Rentable Area:** the Usable Area plus a proportional share of the Common Area. This is the number used to calculate your monthly rent.

Example:

- Usable Area: 1,000 sq. ft
- Total Building Size: 100,000 sq.ft.
- Common Area: 10,000 sq. ft.
- Proportional Share for your Area: $1,000 / 100,000 = 1\%$ of building
- So Rentable Area: 1,000 sq. ft + (1% of common area which is $10,000 \times 0.01$ in this case) = 1,100 sq. ft.

Of course, the reality is a lot more complex than what is illustrated above. There are specific guidelines for measurement calculations. The above example is for illustrative purposes only.

HOW MUCH COMMISSION SHOULD YOU CHARGE?

There is no standard minimum on a commission. It is a matter that is negotiated between the seller (or landlord) and the sales professional. We can discuss some norms that exist in our market, but even those norms vary depending on the amount of work required and the volume of funds transacted. Here is a guideline:

- **Commercial Sale Commission: 5% with half for the cooperating brokerage**
- **Sale of Business: 10% with half for the cooperating brokerage**
- **Leasing: 10% first year and 5% remaining years and again divided with the cooperating brokerage**
- **Office Leasing: \$1 per square feet for the cooperating brokerage and \$0.75 per square feet for the listing brokerage.**

CHAPTER 19

Making Money for Your Commercial Property Buyer

Commercial Real Estate Requires a Different Skill Set

For many different reasons, you might prefer to serve commercial clients. Whatever your reasons might be, you ought to understand that you have to be very competent to work in the world of commercial real estate. You can become knowledgeable by taking professional development courses in commercial real estate and shadowing an experienced commercial real estate professional.

As a commercial real estate sales professional, you have to be sufficiently knowledgeable about different types of commercial properties to offer the client the most viable option depending on their circumstances and needs. When advising clients on property acquisition, the old real estate mantra of “location, location, location” might come to mind. Of course, location is important in any piece of real estate. However, in the world of commercial real estate, another mantra is used: “Jobs, Jobs, Jobs.” The current and future state of employment in the area where the commercial property is located has a significant impact on its current value and will have on its future value.

Please refer to the previous chapter for different types of properties that your buyer-client might consider. You have to be well-versed on the type of property you are going to suggest that the buyer acquire. Further, you have to consider the assets and resources of your client when making a specific suggestion. More details on this aspect are covered later in this chapter.

DUE DILIGENCE

Although it is a norm in the world of commercial real estate that the listing sales professional provides all the information and details related to the property, ranging from income potential to structural details, you as the buyer’s representative must perform necessary due diligence on behalf of your buyer. Information and details have to be verified, from net income “claimed” to uses “allowed.” Therefore, proper due diligence is required. Here are the most important aspects of due diligence that need to be carried out:

Due Diligence Aspect #1: Income

You have to understand that, generally speaking, your buyers are mainly interested in commercial properties to generate income. While the buyer is likely to have a mix of investment vehicles, such as a stock portfolio, Registered Retirement Savings Plan (RRSP), Guaranteed Investment Certificates (GICs), mutual funds, etc., the buyer is considering an investment in a commercial property. The buyer may wish to park their money in a tangible asset or commercial properties as these investments might offer superior tax-saving strategies.

Many investors believe that a positive cash flow will keep them above water when markets experience volatility and reduce overall exposure. So your first and foremost concern should be about the income generation of the property. You have to do your full due diligence on the income aspect of the property. The numbers disclosed might not necessarily take into account all of the deficiencies and costs related to the property.

Generally, the following are the numbers to watch as they have potential for error and miscalculation:

All expenses are not disclosed. Watch out for a lack of information regarding management, vacancy and maintenance costs.

When calculating expenses, the listing buyer will naturally present a best-case scenario. Cost lines such as utility use, routine cleaning, etc. might be minimized to reflect the best-case scenario.

In some cases, miscellaneous expenses which are mostly related to administration, management and supervision of the property might not be accounted for. In addition, managerial expertise and experience are cost items that may be ignored.

By far one of the most overlooked items when calculating income is "tenant credibility." The net income numbers might suggest purchasing the property is justified, but you have to remember that some tenants may have established and profitable businesses, but others may be in financial difficulty. Corporate searches and due diligence on tenants, especially the ones that occupy bigger spaces

in the building, are a must. Further, you may ask for financial statements from the existing tenants. In fact, your financial lender might require those statements from the tenants of the building anyway.

Due Diligence Aspect #2: Capital Expenditures

A property's income might seem very attractive, but you may not be aware of the capital expenditures required to operate the building. These expenditures could be big-ticket items such as replacing windows, roof repairs, HVAC upgrades, mechanical systems, etc. There could even be structural issues with the property which could sometimes cost more than the purchase price. You should solicit inspection reports from HVAC and engineering specialists.

Due Diligence Aspect #3: Specific Requirements

When acquiring commercial properties your client may have specific plans for the property. These plans could be implemented right after the property acquisition or in the future. Below are a few examples of issues and pitfalls that you may want to investigate further.

When the Property Is Owner-Occupied

In addition to the above due diligence items, if your client intends to operate a business in the property, you have to find out if the legal use of the property will allow your client to do so. If not, then ascertaining what permits and additional items are required is for you to find out.

In addition to zoning, some uses might require a business license. For example, a day care center might require a playground to get its license, and a restaurant might need additional parking spots to get approval. Do not assume you do not have to carry out due diligence if a similar business is in the property. For example, a restaurant that operates as a fast-food takeout restaurant compared to a sit-in restaurant might have different zoning and parking requirements. So due diligence is required to be assured of the correct future use regardless of the existing use of the property.

When Buying a Business

When you are representing a business buyer, a couple of points must be remembered. First of all, make sure that the business owner can transfer (assign) his rights (lease) to your client. Further, if it is a franchise business, get assurances that your client will be approved by the franchisor. Some franchises require specific expertise and experience to hand over their franchise to your buyer-client.

When Leasing for a Client

The most important factor to keep in mind when representing a client who is leasing a commercial property is to determine the exact size of the space offered for lease and additional rent (TMI) to be paid. Not only is current TMI important, but future TMI that will presumably see potential increases must be taken into account. Most established property management firms are audited annually to determine TMI, while other ones are shooting in the dark. At the end of the day, the tenant is responsible to pay TMI in addition to the base rent unless it is a Gross Rental (which is one fixed monthly amount regardless of additional expenses).

$$\text{Total Annual Rent Paid} = \\ \text{rentable size} \times (\text{basic rent} + \text{additional rent})$$

Example:

$$1,000 \text{ sq. ft} \times (\$10 + \$5) = \$15,000 \text{ annually}; \\ \text{divide this amount by 12 for monthly rental payments}$$

Additional issues to negotiate on behalf of your client can be a rent-free period for setup and renovation. And you need to find out who is paying for tenant improvements (i.e., the landlord or tenant)? And if the landlord is paying for tenant improvements, when is payment for improvements due? For example, it may be reflected in adjusted monthly rents.

ADDING VALUE TO A PROPERTY

Some of your buyers might look beyond just the income that the property generates. As emphasized earlier, the future economic development of the area where the subject property is located plays a

significant role in price appreciation. In addition to general market appreciation, the client might want to buy a property, do something with it and then sell it for profit. There are many ways to add value to a property. Below is a list you can start with:

- **Add Income:** The most common and simple way to add value is to increase income by filling vacancies or creating additional space to be rented. Increasing the gross income, obviously, increases your net income, which indeed increases the value of the property. This could also be achieved by renovating the building and charging higher rents upon lease renewal. Conversely, the best way to increase the bottom line might be to find ways to decrease expenses by operating the property more efficiently. The best example could be employing energy efficiency measures.
- **Change of Use:** Another popular way to increase the value is to change the use to the best and highest use possible; for example, changing a building from residential to commercial use.
- **Land Assembly:** In some prime areas, multiple adjacent properties are acquired to build a multiple-unit property. For example, buying three adjacent detached homes to build ten townhouses. Thorough due diligence measures are required to make sure that the zoning allows for this type of development on the specified lots.
- **Divide and Conquer:** Buying a big lot and dividing it into smaller lots is an established way of increasing the value of a property. Basically, buying in bulk and selling at retail price.
- **Condo Conversion:** This is the process of converting a property from one title to multiple titles to be sold separately. The process is similar to subdividing a big lot, but the process is a lot more complex. Examples could include converting an apartment building to condo residential, or office building to office condos and so on.

Sometimes, you may not do any of the above and the value of the property increases significantly anyway, for example through infrastructure changes. If you are buying a property in an area where a new subway line or new highway is being constructed, you may pay a premium but the payoff could be big. Alternatively, the property

might be located in an area where the neighborhood will go through a transition; for example, gentrification. Should an employer in the area add another shift, it means a higher level of employment and the desirability of the area increases. In any case, if your client is buying a property with a long-term vision in mind, the opportunities can be explored even further.

THE BEST OF BOTH WORLDS: PLAY SAFE AND PROFIT

You might have clients who are excited about future potential, while other clients want to play it safe and consider only low-risk properties. Ideally, a low-risk commercial property can carry itself (pays for all its expenses and debts) both in bad times and good. An ideal property is a property that generates enough income to cover all its costs (including mortgage payments) and has the potential to add value. Of course, your client will want the best of both worlds: play it safe and have potential. The best example of this could be a rental property that comes with a raw land tract. It generates income and has options to explore other opportunities such as developing the raw land or severing and selling the land separately. This will reduce the risk to the investor significantly if unseen issues with the property are uncovered.

ASSESS YOUR BUYER'S RESOURCES

When it comes to the type of property, there could be other factors that influence your client's decision such as ease of financing, ease of management, etc. As an example, it is easier to get financing for a residential rental apartment building compared to vacant land. On the other hand, managing a residential building might overwhelm the investor, whereas vacant land might give your investor peace of mind. It is a trade-off which your client will decide based on his specific circumstances and resources.

IT IS ALL ABOUT PEOPLE

Ultimately, you want to advise your client to buy a property in an area where job creation is forecast. Also, a new transportation route (e.g., subway line) planned for the area might significantly reduce commuting time for workers. Whether jobs are coming to your area or transportation is cutting commuting time for workers, in both cases more people are going to move into your area. The more people in your area, the more real estate space is required to accommodate them, sell them stuff and provide services for them.

LOOK FOR UNDERPRICED PROPERTIES

Your client can make money on day one if you acquire the right type of property, at the right time, in the right area and at the right price. A property that is below market price is already profitable at the time the deal closes. Most commercial investors look for properties that are below current market value. The best way to find this type of property is to go out and talk to owners that might be wanting to sell for different reasons such as:

- they might want to retire;
- they might want to explore other business opportunities; or
- they cannot manage the property.

Sometimes the best buys are the ones that require a cosmetic renovation that the existing owner may not have the resources to carry out. Rundown properties can sometime offer the best of opportunities for both the seller, as he is motivated, and the buyer, as he has the resources to do the renovations. It can be a win-win situation.

Part III

Registering, Operating and
Managing Your Real Estate
Brokerage Efficiently and
Productively

Yours
Independently

Transform Your Real Estate Business
with a New Team-based Model of
Brokerage Ownership

CHAPTER 20

Prepare to Register Your Real Estate Brokerage

Introduction

Please note that although Part III of the book is written based on rules and regulations for a real estate brokerage in Ontario, the general process is applicable in every jurisdiction. The technical requirements might be different but, overall, procedures are similar across the board. Selecting a specific area of study, such as Ontario, allows us to dig deeper into details and underscore the process with real examples. Further, Ontario has one of the most established, recognized and robust regulatory frameworks in North America. The examples, calculations and illustrations discussed in this section are specific to Ontario and encompass both tax-related matters and real estate regulatory requirements. There are two paths one can take in order to open their own real estate brokerage, and both options will be discussed in detail:

- **Option one: purchase a franchise**
- **Option two: become an independent brokerage**

OPTION 1: PURCHASE A FRANCHISE

The first option in opening your own real estate brokerage is to purchase a franchise from an established real estate brokerage franchisor. The advantages of purchasing an existing franchise include leveraging an existing brand and established systems. The disadvantages may include territorial restrictions, franchise fees and lack of independence. Below are the documents and steps involved. The professional assistance of your lawyer and accountant should be sought.

The Franchise Documents

Disclosure Document: You must be provided with a disclosure document from the franchisor. The purpose of the disclosure document is, as the name suggests, for the franchisor to disclose all of the information about the franchise to you. This document provides background information regarding the franchisor's company such as:

- its financial standing;
- list of its current franchisees;

- officers and owners of the franchisees;
- years in operation; and
- affiliations

Disclosure Agreement: This is an agreement that is signed by you and the franchisor when the disclosure document is released to you. This agreement puts you under no obligation. Rather, it serves as proof that the franchisor has released the information about the company to you.

Franchise Application Form: This is a document you must fill in with details about yourself to formally apply for a franchise. This information is used to process your application and to run a background check, such as a credit or reference check. Likewise, the application form will also help the franchisor to assess whether you are a fit with its franchise model and the company overall.

Franchise Agreement: This document is signed both by the owner/broker (you) and by the franchisor. Included in the service agreement is:

- franchise fees;
- service agreements;
- franchise contract period (i.e., 5-25 years); and
- marketing/training information

The Mandatory 14-Day Cooling Off Period

By Ontario law, there is a 14-day cooling off period from the date a disclosure agreement is signed by the parties. The purpose of the cooling off period is for a prospective franchisee to review the documents and agreement thoroughly before making any commitments. This is similar to the cooling off period a purchaser has when buying a home from a builder. Please note: documents cannot be signed during the cooling off period.

Here are the steps to take once the cooling off period has expired:

- **Sign the franchise agreement:** Ensure that the documents are reviewed by your lawyer, even though most agreements are standard.
- **Sign the application form:** Submit your application form if you have not already done so.
- **Pay the franchise fee:** All franchisors have a franchise fee. The franchise fee can include training. (This will differ based on the franchisor and contract period—i.e., five years up to 20 or 25 years.)

Once these steps have been completed, you can now proceed with registering your brokerage with the Real Estate Council of Ontario (RECO).

OPTION 2: SET UP AN INDEPENDENT BROKERAGE

The second route one can take is to set up an independent brokerage. This route gives you the flexibility to manage your brokerage as you wish. With this option, you do not need to take any action prior to registering your brokerage with RECO.

Step 1: Register Your Corporation

When you register your business, you have a choice of operating as a sole proprietorship or a corporation. In a sole proprietorship, you are the sole owner of the business and will therefore be responsible for the rewards and risks of the business. The finances of the sole proprietor-managed business are backed by the personal finances of the owner and include a higher risk of personal liability.

When you incorporate your business, it is considered a legal entity that is separate from yourself; you are considered a shareholder. As a shareholder of a corporation, you will not be personally liable for the debts, obligations or acts of the corporation. The corporation manages its own finances, separate from the owners. Incorporating your business for the purpose of real estate sales has many advantages over sole proprietorship with the biggest advantage being the thousands of dollars in tax savings, especially in Ontario.

Advantages of Incorporation

Tax Savings

In Ontario, the marginal tax rate is very high for a self-employed real estate independent contractor. It can amount to a massive 49.5% (2015)—almost half your earnings. Corporations pay a fixed tax rate of just 15.5% on the first \$500,000 of net profit. So, once you incorporate, your business will retain \$0.85 from every dollar of taxable income on the first \$500,000 of earnings. That is a 34% tax rate difference. This means tens, if not hundreds, of thousands of dollars that remain in your business. Of course, should you choose to pay yourself from your corporation, you have to pay taxes based on the income you draw from your corporation. However, now you do not have to claim all of your income (by utilizing income deferral) and you can split your income to reduce your taxes (income splitting). Additionally, you can invest profits back into your business.

Tax Strategies

By incorporating your real estate business you are empowered with many tax strategies that would otherwise not be available to you such as:

- **Income Deferral:** As a real estate professional, your income is that of a self-employed individual. You might experience a high volume of sales in one year, and hence a high income, but if the market flattens the next year you are likely to earn a much lower income. If you earn over \$136,270 (2015) in any one year, you're forced to pay almost half of every extra dollar you earn in tax, whether or not you need the income at that time. Incorporation opens up the option to delay receiving that personal income. You can retain funds that you do not need in your company and you will not pay any additional tax until you draw out those funds as a salary or dividend.
- **Income Splitting:** Instead of receiving all of your income as an individual and paying a high rate of tax, you can split that income by hiring other family members, paying them a salary and claiming the salary as business expense. Alternatively, you can pay dividends to other members of your family (who must be over the age of 18). As long as they pay a lower rate of tax than you

do, you will pay less tax overall on the income as a family unit. Each year you can simply collect your earnings through your corporation and then distribute it to other family members in the most tax-efficient way.

Limited Liability

As a corporation, you will not be personally liable for the debts, obligations or acts of the corporation. A creditor will not be able to make a claim against your personal assets to pay off any debt incurred by the corporation. Please note that we are looking at this issue from a very broad perspective. There can be exceptions to this rule. Please talk to your lawyer for further clarification.

Ownership Is Transferable

An incorporated business must issue at least one class of shares. As a shareholder, you can transfer or sell your shares to someone else, handing over the control, the risks and the rewards of the corporation.

Continuous Existence

Successful businesses often run for years, being passed on from generation to generation. Should you wish to retire, all of your hard work will not go to waste as you can transfer the business to your spouse or children so they can continue your legacy. Alternately, since you have incorporated your business, you have transformed it into a valuable asset which is a marketable entity that you can sell whenever you are ready to move on.

Easier to Raise Capital

An incorporated business can issue stock in return for capital from investors who are attracted by the promise of a share in profits or prospective dividends. The corporation also saves interest costs should it need to borrow money, as lower rates of interest apply.

Trade Style Name vs. Corporation Name

Trade style is the name of your real estate business registered with the Real Estate Council of Ontario. RECO policies for naming your real estate brokerage must be followed. You have to be consistent

with the naming policy of your franchisor if you have taken that route. For example: ABC Realty. Please ensure that your trade style name is approved by your franchisor prior to registering it.

The corporation name is the name you register for your business. For example, "Your Name Inc." This name does not have to be the same as your trade style name. However, in your corporate documents you must note what your trade style name will be in order for it be acceptable to RECO. **Please note that before registering the corporation name, you must get a RECO approval for the business name. You can submit a business name approval request through email at registration@reco.on.ca.**

Corporate Documents Required for RECO Registration

- Articles of Incorporation
- Form 1 Initial Return/Notice of Change filed with the Ministry of Business Services
- [\[INSERT LINK# 2A, WWW link\]](#)
- Copy of the Resolutions & Minutes:

This document basically outlines who are the owners of the corporation; how many shares are designated to whom; and who has what position and responsibility in the corporation.

The resolutions and minutes will designate the officers and directors, and distribution of shares.

- Each person involved in the corporation must be disclosed to RECO, if they have 10% or higher interest.

How to Register a Corporation in Ontario

It is highly recommended that you file for incorporation through a lawyer, an accountant or a service provider under contract with the province of Ontario. They will be able offer a full range of services up to and including:

- preparing a draft for your filing information;
- validating your draft with a thorough review to ensure a successful filing;
- submitting your articles of incorporation for you;

- performing a name search in the case that you don't wish to be assigned a numbered name instead;
- issuing to you a Corporate Minute Book and Resolution; and
- issuing a Form 1 Initial Return/Notice of Change.

You can also file for incorporation by yourself online through the ServiceOntario website (<https://www.appmybizaccount.gov.on.ca/>). Together with the required supporting documents and payment, and a lot of patience, your business should be incorporated without difficulty. Note that you will still have to refer to a lawyer for your corporate resolutions and minutes. Should you decide to register your corporation by yourself, here is some additional help in going about it:

Ontario Ministry of Consumer and Corporation Registration Requirements

NUANS Report: You must provide a current NUANS (New Upgraded Automated Name Search) report with your application for incorporation. If you have chosen a name for your corporation, rather than a number, you are required to pay an additional search report fee of \$30.

Articles of Incorporation: This document includes essential information about your business including names and addresses of principals, share structures, and any restrictions on the nature of business.

Covering Letter: Enclose a covering letter setting out the name of a contact person, a return address and a telephone number. This will facilitate the processing of the articles should a question arise as to the content of the articles.

Registration Fee: A one-time fee is required by the Ministry of Consumer Services for administrative work. If you are filing your documentation in person or by mail, the registration fee is \$360. If you are filing electronically, you will pay the statutory fee of \$300 (at the time of writing this book).

Step 2: Obtain a Background Report

You can obtain an electronic criminal record check through www.commissionaires.ca or Service Ontario. This service typically takes 24 to 48 hours. This is also a RECO registration requirement. You must submit the original background report with your RECO registration application. Should you decide to fax or email your application, you need to attach a copy of your report and the original must be mailed to RECO right away. Please note that besides the broker of record, all officers/directors and partners must supply a current (dated within six months) original Canadian criminal record check. Basically each person that has any interest (10 percent or higher) in the corporation must obtain a background report.

CHAPTER 21

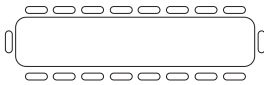
Prepare to Open Your Doors

Office Space Considerations

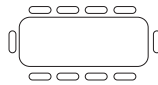
The next step is to find an office space for your brokerage. It is a RECO requirement for you to have a physical business address and a business phone.

Before you start looking for an office space, you have to give consideration to your business plan. How much space do you need? How many staff and sales representatives are you bringing to your office? Are you planning to run your own personal real estate business or will you be recruiting salespeople and building a team? These questions should help you answer how many private offices, board rooms, closing rooms, etc., you will require. In general, a simple real estate office is comprised of a reception area, private office and a meeting/closing room. Business Point has a space calculator tool to aid with this planning. It calculates approximately how much space you will need. Simply fill out how many of these rooms your business requires and click submit. The result will show you approximately how many square feet you should be looking for: <http://www.businesspoint.ca/office-space/space-calculator/>.

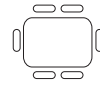
MEETING ROOMS



CORPORATE BOARD ROOM

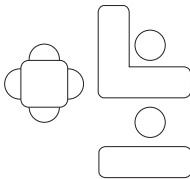


LARGE CONFERENCE ROOM

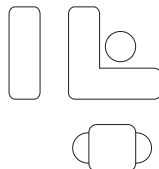


SMALL MEETING ROOM

OFFICES



EXTRA LARGE OFFICE



LARGE OFFICE

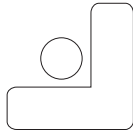


REGULAR OFFICE

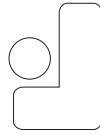


SMALL OFFICE

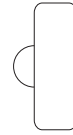
CUBICLES



LARGE CUBICLE

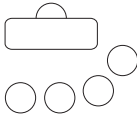


REGULAR CUBICLE

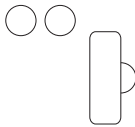


SMALL CUBICLE

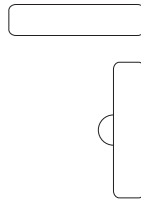
OTHER AREAS



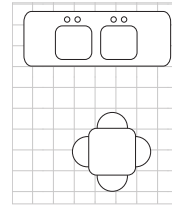
STANDARD RECEPTION



SMALL RECEPTION



COPY ROOM



KITCHEN

ESTABLISHING YOUR OFFICE

A Home Office as a Real Estate Office

Many real estate brokers, when they register their brokerage, try to minimize as much of the start-up costs as they can—and they should! However, the first place they look to cut their costs is with respect to their office space, and so they opt to have a home office. I would highly advise against doing this. A professional image from day one is important, and it can be particularly challenging for home-based entrepreneurs to convey this image to their clients. It's imperative to give yourself every advantage when starting a business, so it's to your benefit to look as professional as possible. A legitimate business address is a great way to boost your professional image.

A primary professional business office will help you to avoid any major problems such as unexpected visits from clients or lenders at your home. Of course, using your home address may result in lots of junk mail, among other inconveniences. You can easily and affordably protect the privacy of your home by using a professional service address instead.

Business Center Offices

The new trend in the office options are business center offices. Many businesses do not need the use of a boardroom, kitchen, reception area or other common areas all the time. However, when you lease a space, whether you use the space or not, you have rental obligations nonetheless. In a business center office, multiple businesses share resources and reduce costs accordingly. For a much lower monthly cost, you can easily find a private office in a business center with a shared reception, boardrooms, kitchen and other common areas. This is a cost-effective way to give your business a professional and prestigious look while minimizing your start-up costs as much as possible.

Main Office vs. Branch Office

With RECO, you need to register a head office. This is your primary office for your brokerage. You can also register branch offices in other locations. There is a fee of \$300/year for each branch office. Your branch offices can also be virtual offices; however, you are required to have a private mailing address for each. You can utilize the form which can be found at the link below to register your additional branch offices:

[INSERT LINK# 2B, WWW link]

Territorial Restrictions

Should you go the franchise route, it is very important that you check your agreement with the franchisor for any boundary or territorial restrictions. Usually, most franchisors will only let you operate an office within a certain geographical area. You may conduct business outside the boundary; however, your office has to be located within the specified boundary. Therefore, it is important that you check with your franchisor regarding territorial restrictions before signing a lease.

Signing a Lease

Once you have found the perfect office space for your real estate brokerage, there are a few items you should keep in mind when signing a new office lease:

- i. You have to account for your first/last month's rent (deposit).
- ii. Keep in mind any renovations that you or the landlord may need to perform as per your lease.
- iii. Consider any grace periods to perform those renovations or to start your business.

Set Up Your Office Space

Now that you have your office space, you need to consider setting up your office space in terms of:

- furniture
- computers
- printer/fax/scanner/copier and printer supplies
- stationary (business cards, letterhead, stapler, pens, envelopes, etc.)
- hiring an administrator/receptionist (with real estate experience), and
- establishing office policies and procedures

Get a Phone Line

The next item in your office set up process is to get a business phone line. You can go with the traditional phone companies for your phone lines if you wish. You have to keep in mind that, depending on the level of activity in your business, you may need more than one phone line to handle multiple calls at the same time. As you are aware, in the real estate industry it is very important to have a person answer phone calls rather than using a voicemail system. Multiple lines will aid with this.

With today's phone technology advancements, you should go with a VoIP/SIP phone service provider such as Ring Central. A full-featured phone line service will cost you less than traditional phone lines, and the big advantage is that the one line can act like five lines simultaneously. You do not need to purchase additional phone lines; you can simply set up extension lines.

With a proper phone system that uses newer and emerging technological innovations, you can be guaranteed as much open access as your contact streams allow you. For instance, you can set up a call queue process and also set up extensions to direct calls to appropriate team members. Calls can be routed to salespeople during after-hours. Voice mail can also be transcribed and forwarded to your email so you have easy access to your messages. This system can also be adjusted to capture calls even at night, freeing you up for more time with your family.

Get a Fax Line

Similar to a phone line, you can utilize traditional phone companies to provide you with analog fax lines. However, digital e-fax systems are much more efficient while being much cheaper. A digital e-fax line costs just \$7.99/month with Ring Central Fax, while a traditional analog fax line will cost you more than \$40/month. E-fax can give you the ability to set up to receive your faxes directly in your email rather than your fax machine, saving unnecessary printing costs. Likewise, you can also set up to be able to send faxes from your fax machine and directly from your email platform. This makes your business much more efficient and cost effective.

CHAPTER 22

Go Ahead and Register Your Life Away ...

Be Prepared with Proper Incorporation Documents

RECO requires you to open three distinct bank accounts for your real estate brokerage and transaction purposes: a Statutory Real Estate Trust Account, a Commission Trust Account and a General Account.

Before you walk in to your preferred bank, it is important that you have your articles of incorporation ready with your approved trade style name recorded. You will need to register your bank accounts under your trade style name (and any other names on your documentation, if you register your incorporation as a numbered company, for instance). Therefore, it is important to have your proper incorporation documents.

STEP 1: SET UP BANK ACCOUNTS AND BANKING REQUIREMENTS

Statutory Real Estate Trust Account

The Statutory Real Estate Trust account is mainly used for holding buyer-client deposits that belong to the vendor of a property. This is the main account that is regulated by RECO. It is very important that this account is clean and that no other cheques are drawn against the account, or that cheques for any other purpose are going in or out of the account. Once the deal closes on a property, the funds are transferred from this account to your real estate commission trust account. If there are excess funds in this account (accumulated interest), more than what you need to pay out to the different parties, then the excess amount is passed on to the client upon receiving a written direction from the client's lawyer, unless otherwise specified.

Real Estate Commission Trust Account

This is another trust account for money that does not belong to the company. This account is exclusively for holding and disbursing sales commissions. Once the transaction closes, the parties are paid from the commission trust account. Please note: you must receive a

written confirmation from the lawyer that the transaction has closed before paying out any commissions. Any balance from the vendor or the lawyer is also deposited into this account. Everyone, including the brokerage and the salespeople, is paid out from this commission trust account.

General Account

This is the general business account where all charges are credited and debited. Brokerages should operate their general accounts in accordance with established accounting principles and practices. All service charges and interest must be taken from and put into this account. All of your service costs, rent and other expenses should also be paid through your general account. RECO doesn't regulate this account, but it can be audited by Canada Revenue Agency.

Cheques

You need to order cheques for each bank account as you will be utilizing these to transfer funds from one account to the other and to pay salespeople and staff, and other expenses. However, you do not need to order the cheques from your bank, as this will be very expensive. You can order cheques from companies such as NEBS. <http://www.nebs.ca/>. You need 8.5" × 11" cheques for record keeping.

Deposit Books

For each cheque that you deposit in each bank account, you must keep a clean, accurate and systematic record. This will aid you when you are reconciling your accounts, as well as when you are being audited by RECO. In your deposit books, you must include the following for each cheque:

- property address
- trade number
- salesperson's name

Bank Signature Card or Letter

As per RECO requirements, only the Broker of Record is allowed to have signing authority on the Statutory Real Estate Trust Account. You must ask the bank to designate the Broker of Record as the sole

signing authority. Please note that there are not too many types of businesses that have trust accounts; lawyers and real estate brokerages are the privileged ones. Therefore, opening accounts like these, as well as designating signing authorities, is not common. Please request a bank signature card or a letter signed by the bank branch manager confirming the following information. You will need to submit this with your RECO application.

- account type—i.e., “Real Estate Trust Account” (not “in trust” or “trust account”)
- the real estate trust account number
- corporate name (legal business name) and trade style name (if applicable)
- Broker of Record name, title and signature
- signatory instruction: signing authority stating that only the Broker of Record is the sole signing authority on this account

A sample letter may be obtained at [\[INSERT # 2A WWW Link\]](#)

STEP 2: COMPLETE AND SUBMIT RECO APPLICATION

The RECO application form to register a new brokerage and/or branch offices for your brokerages can be found at [\[INSERT LINK# 2B WWW Link\]](#)

RECO Application Form Guide

SECTION A

- Type of Application—New Registration
- Business Category—Corporation
- Business Name—As registered within your articles of incorporation
- Ontario Corporation Number—Again as registered within your articles of incorporation
- Business Address—The location of your brokerage office
- Contact Information

SECTION B

- Broker of Record Designation, Page 8, Corporate Resolution of the Board of Directors must be completed.

SECTION C

- You only fill this section in if you are registering a branch office.

SECTION D

- This section is only for sole proprietors. You can put a line through it to avoid confusion.

SECTION E

- This section is only for reinstatements and hence does not apply for our purposes.

SECTION G

- Name(s) of the shareholder(s) owning or controlling 10% or more of equity shares of your brokerage. You must disclose all the shareholder information here and what the shareholders' responsibilities are within your corporation.

SECTION H

- For partnerships. You can put a line through it to avoid confusion.

SECTION I

- Name of financial institution where you opened your bank accounts
- Address of financial institution
- Real estate trust account number

SECTION J

- Each officer and director of the corporation is required to complete this section. There is only a section for one officer here, so you will need to make additional copies of this page and fill it out for each person.
- Supporting documentation, corresponding to any disclosures made is required to be submitted.
- Besides the Broker of Record, each person that has any interest in the corporation must obtain a current (must be dated within six months of application) Canadian Criminal Record Check and

the originals are to be included with your registration paperwork. Should you submit your application through fax or email, you must mail in the original background reports immediately.

SECTION K

- To be completed in full by the Broker of Record or other signing authority for the corporation.

SECTIONS L & M

- These sections must be filled only if applicable. "Interested persons" and "associated persons" refer to individuals that are not registered within the corporation; however, they have an interest in your company and brokerage (for example, investors).

SECTION N

- To be signed by the Broker of Record, officer or director of the corporation.

CORPORATE RESOLUTION

- The applicant has to fill in this section designating the Broker of Record for the brokerage. The corporate resolutions are also required when you are registering with your real estate board.

CREDIT CARD PAYMENT FORM

- Name of applicants—the legal corporation name, not the trade style name.
- The registration fee is \$350.

Supporting Documents that You Must Submit with the RECO Application

- Credit Card Application Form
- Franchise Agreement (if a franchise, the disclosure document is not required)
- Any disclosure mentioned in the application i.e., other companies you work for/own (applies for all shareholders)

- RECO Transfer Application Form–The Broker of Record must submit a RECO Transfer application to their new brokerage. This must go along with your RECO brokerage application.
- \$100 to transfer
- Resignation Letter–This is for the purpose of the RECO Transfer of the Broker of Record. The RECO new brokerage registration process may take up to six weeks to complete. You may want to negotiate with your current brokerage to word the resignation letter as such so that you can continue trading until your new brokerage is established. For example, the Broker of Record can set the resignation date at the former brokerage as “Upon registration of my new brokerage.”
- Bank Letter or Signature Card
- Original Criminal Background Report
- Copy of the Articles of Incorporation
- Master Business License–Required if you are registering a trade style name in addition to the legal name of the corporation.

Submitting Your Application

After completing your application, you can submit your application through email at registration@reco.on.ca or by fax at 416-207-4820. Faxes require 24 hours to be received by RECO. I recommend that you submit your application through email as it is trackable and you diminish the possibility of your fax not going through or being misplaced. Do not forget to mail your original background reports to RECO.

Again, the new brokerage registration process may take up to six weeks. Usually, as long as you have all your documents and your application form is completed correctly, you can expect your registration to be approved a lot earlier. Feel free to follow up with RECO in regard to the status of your application.

After RECO Approval

Congratulations! Your new brokerage has now been registered with RECO. RECO will e-mail the Broker of Record with the following information once the application has been approved:

- brokerage registration number
- date of registration and expiry (two years)

Within a week, RECO will also send you in the mail, your RECO Brokerage Registration and your RECO Broker Registration.

STEP 3: REGISTER WITH YOUR LOCAL REAL ESTATE BOARD

The next step in opening your real estate brokerage is to register it with a Real Estate Board. Please understand that whichever real estate board your brokerage is registered with, your sales representatives will also have to be part of and registered with that same real estate board.

To give you an example, we will go through the process of registering your brokerage with the Toronto Real Estate Board (TREB). To register with TREB, you need to fill the TREB Brokerage Application & Agreement form. This form can be found at: [\[INSERT LINK# 2C WWW Link\]](#)

TREB Brokerage Application Form Guide

FIRST PAGE

- Leave blank. Do not fill anything on this page.

BROKERAGE INFORMATION SECTION

- The brokerage name is the LEGAL name of the brokerage.
- The trade name has to be approved first.
- The brokerage RECO Registration Number can be found in the email sent to you by RECO.
- Date of Issue is the date that RECO sent the email stating that you are registered.
- Brokerage email address/website.

- You must disclose if your Broker of Record has been a Broker of Record at a previous brokerage.

BROKER OF RECORD SECTION

- Complete the information in regard to the Broker of Record and disclose if he or she was a Broker of Record in the past.

TRANSFER OF BROKER OF RECORD SECTION

- Fill in with detailed information about the Broker of Record.

Supporting Documents that You Must Submit with the TREB Application

- RECO brokerage registration
- RECO broker registration
- Articles of Incorporation
- RECO corporate resolution page
- Administrator application form—if you have an administrator; otherwise, this can be completed at a later date

CHAPTER 23

Administrative Setup

Administrative Policies and Procedures

Now that you have registered your brokerage, you have to set up your office and administrative procedures and policies. These range from communication systems to accounting systems, which are especially important for regulatory and compliance protocols.

SYSTEMS AND SOLUTIONS

Paging System

A necessary component of a real estate brokerage is its paging system. Its purpose is to efficiently and conveniently communicate important information between the brokerage and its real estate salespeople. A good paging system has two main components: a powerful messaging system and a high-performance showing management system.

Message System

The message system allows you to communicate with your sales representatives the way they want through SMS messaging, e-mail or mobile app. The messaging system should allow you to create groups or assistants for all your messaging needs. However, the biggest component of a powerful messaging system is the ability to communicate with other members of the real estate board.

Showing Management System

The showing management system should easily manage your listings showing requests. A showing management system will help your salespeople provide a quick response with a minimum of effort. It will provide your brokerage and salespeople with the ability to automatically communicate with sellers and confirm showing availability.

PAGING SYSTEMS IN THE MARKET (ONTARIO):

- Touchbase Communications
- LoneWolf
- Quick Office
- NotePage
- Immocontact

Accounting and Reporting System

As the owner of a business, you should follow good accounting practices and use a bookkeeper. Reconciliations should not be completed by the disburser of funds to ensure data integrity. RECO will contact you in the first year to review your books. It is therefore very important that you are organized with your books from the first day.

A basic accounting system is made up of the minimum number of records required to adequately control trust funds and other financial aspects of a business. It is based on established accounting principles and practices as applied to the real estate industry. Records in the basic accounting system will be the foundation for an expanded or more formal accounting system as the volume of business increases. Brokerages should also give consideration to reference materials pertaining to accounting principles and practices. In addition, it is advisable that a brokerage retain the services of a qualified person to set up proper accounting books and records.

SIMPLE ACCOUNTING SYSTEM SOFTWARE

- NetSuite
- FinancialForce Accounting
- Sage One
- QuickBooks
- FreeSalesperson
- Intacct Financials

Transaction Management System

To conduct and process deals, you will need to utilize a transaction management system. You can use existing software solutions such as LoneWolf or BrokerMint. Should you decide to do your transactions manually and build a manual transaction management system, here are some guidelines to help you:

Trade Record Sheet

A main component of processing a transaction is to create a trade record sheet. According to the Real Estate and Business Brokers Act, 2002, a trade record sheet must contain the following information:

17. (1) A brokerage that represents a client who enters into an agreement that deals with the conveyance of an interest in real estate shall complete a trade record sheet that includes the following information:

1. The nature of the trade.
2. A description of the real estate sufficient to identify it.
3. The true consideration for the trade.
4. The names of all parties to the trade.
5. The names and contact information of the lawyers, if any, who are representing parties to the trade.
6. The names and contact information of all registrants who are representing or providing other services to parties to the trade.
7. The following information if a deposit is received:
 - i. the amount of the deposit, if the deposit is money;
 - ii. a description of the deposit sufficient to identify it, if the deposit is not money; and
 - iii. a record of the disbursement or withdrawal of the deposit, as the case may be.
8. The amount of the brokerage's commission or other remuneration and the name of the party paying it.
9. The amount of any commission or other remuneration payable to another brokerage and the name of that brokerage.

10. The scheduled completion date for the conveyance of the interest in real estate and the amended completion date, if any."

You can download a sample trade record sheet for your transactions from: [\[INSERT LINK# 2K WWW. Link\]](#)

After-Hours Answering Service

An after-hours answering service takes your calls when you or your receptionist staff are unable to. The answering service acts as a virtual receptionist. The service can answer the calls you are unable to attend to 24/7, book your appointments and send you a text, email or place a call when a new appointment has been booked or when an appointment has been rescheduled or cancelled.

This is a very important service as often clientele are only available after regular office hours. After-hours are the most frequent times for showings, and meeting with clients for offer presentations, signing agreements, etc. During these times you would be attending to such tasks, which require your full and immediate attention, preventing you from taking calls from prospect clients. An answering service is able to capture the caller's name, number, and reason for their call, so that you can be able to fully attend to their questions and concerns. In other words, with an answering service there will be an answer to the calls you might otherwise miss.

As discussed earlier, alternatively you can acquire the services of a robust phone system technology which includes tools that can automate after-hour phone services. For an example, you can set after hour phones to be directed to your salespeople's phones or voicemail.

SCHEDULE B

Every brokerage must have a customized Schedule B where it discloses your interests earned from deposits in your trust account. Every time your brokerage gets a listing, the Schedule B must be uploaded along with it so that the salespeople can refer to it when they are preparing the offers. You will also need to put your brokerage

policies within this schedule. For example, you may not want to accept personal cheques. You may prefer only bank drafts or money orders. You can make this mandatory by putting it in your Schedule B.

RECONCILIATIONS

Reconciliations are required as mandated by the REBBA 2002 regulations for real estate brokerages. Monthly reconciliations are to help a brokerage recognize and reconcile any shortfalls in its designated real estate trust account. Sufficient funds are to be deposited immediately in the account to cover the shortfall.

The most frequent causes of shortfalls are due to:

- bank processing errors
- service charges and fees
- timing differences
- posting errors

What Is Reconciliation?

A bank reconciliation is a process undertaken to ensure that your records and the records of your financial institution are in agreement. The information contained in a reconciliation also enables you to determine whether there were any errors made receiving or disbursing funds or posting transactions to your accounting records.

The balance of your bank account as reflected in your accounting records (journals and sub-ledgers) can differ from the balance according to your bank statement for many reasons. For example, your bank may have failed to record a transaction correctly, or a cheque that you issued might not have cleared your bank account (other items that may cause a difference are addressed in the next section).

How Is Reconciliation Performed?

Specifically, a bank reconciliation is the action of comparing the balance of your bank account, according to your bank statement, with the balance of the account according to your accounting records; identifying the causes of any difference in the bank balance according to your records and those of the financial institution; and correcting any errors made by you or the bank in recording transactions.

Responsibility of the Broker of Record

In regard to signing authority for the real estate trust account, REBBA 2002 regulations require all trust account transactions to be authorized by the brokerage's Broker of Record. All trust cheques must be signed by the brokerage's Broker of Record. In the case of a sole proprietorship, the Broker of Record must be the sole proprietor. The Broker of Record must also authorize any transactions related to property other than money that comes into the brokerage's hands in connection with the brokerage's business. The brokerage's Broker of Record is then responsible for reviewing and signing the reconciliation statements, as he or she was the one responsible for all disbursements of funds from the trust account, and must also be held accountable for any shortfalls.

Monthly Reconciliations

REAL ESTATE TRUST AND COMMISSION ACCOUNTS

- Funds cannot be held in accounts and must be paid out to parties as soon as a deal has closed and the lawyer has provided the deal letter.

BROKER OF RECORD MUST SIGN RECONCILIATION

- The Broker of Record is responsible for any shortfalls and discrepancies. The Broker of Record has responsibility for the information provided in the monthly statement.

SHORTFALLS IN THE TRUST ACCOUNT

- Any discrepancies must be put back into trust accounts
- If cheques are lost, the Broker must still pay out parties within 10 days
- All service charges are applied to the General Account

COMPLYING WITH FINTRAC

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is Canada's financial intelligence unit. Its mandate is to facilitate the detection, prevention and deterrence of money laundering and the financing of terrorist activities, while ensuring the protection of personal information under its control. It is mandatory that

your brokerage, your salespeople, your clients and all your transactions are in compliance with FINTRAC guidelines:

- You must designate a Compliance Officer. This is a mandatory FINTRAC requirement. The compliance officer can be anyone in your brokerage, including you. The main responsibility of the compliance officer is to know the rules and actions to take in the event of an issue or suspicion.
- You must familiarize yourself with the FINTRAC requirements such as the forms and when they are required, the FINTRAC website, etc.
- You must create a Brokerage FINTRAC Manual. This must be available at your office at all times. This manual must include the compliance officer information and all FINTRAC forms. The manual must be labeled with your full brokerage name.
- You must hold a FINTRAC seminar every two years to update and refresh all brokerage salespeople.

Organize a Mandatory Risk Assessment Seminar

FINTRAC requires every brokerage to hold a mandatory seminar for all their salespeople every two years. Topics to be covered are the FINTRAC forms and FINTRAC information videos are to be watched. In addition:

FILL OUT THE RISK ASSESSMENT FORM

- Each salesperson needs to fill out the risk assessment form and identify whether they have witnessed any suspicious activity in their client's transactions.
- The compliance officer must go through all the forms filled by the salepeople, then fill out one risk assessment form on behalf of the brokerage.

COMPLETE THE SIGN-IN SHEET FOR THE MEETING

- Not all salespeople may attend this seminar. However, you will need to inform FINTRAC about the measures you have taken to advise the salespeople of the meeting (i.e., call, e-mail, page, etc.).

Refer to the FINTRAC website for additional information and guidelines: <http://www.fintrac.gc.ca/>

CHAPTER 24

Time to Do Business

Recruiting Your Salespeople

Once you have your office systems in place, it is time to begin recruiting salespeople. This chapter reviews the onboarding and registration processes. There are two types of salepeople you may recruit to your brokerage:

1. Existing real estate salespeople.
2. New real estate salespeople out of OREA (Ontario Real Estate Association) college.

THE INDEPENDENT CONTRACTOR AGREEMENT

To begin with, onboarding a salesperson requires that they sign an independent contractor agreement. This is a very important document that i) states all your brokerage policies and expectations; ii) sets out commission splits and fees in clear language; and iii) lays out what your expectations are from the salesperson—in other words, their role and accountabilities. If you are part of a franchise, the franchisor will provide you with an Independent Contractor Agreement that you can customize for your brokerage. Alternatively, OREA has a standard agreement.

THE BROKER/EXISTING SALESPERSON TRANSFER PROCESS

RECO Transfer

RECO introduced an option a few years ago where the Broker of Record can transfer an existing salesperson quickly and methodically to their brokerage. The existing salesperson will need to complete the “Notice of Employee Transfer” form found at www.reco.on.ca.

PLEASE NOTE THAT THE SALESPERSON:

- must provide the previous employer’s information
- must disclose membership to any associations

- must obtain a letter of resignation from their current employer/brokerage

FURTHER NOTE THAT:

- a Business Registration number is not mandatory
- the start date with the new brokerage can be a future date (for example, the date of resignation from the current brokerage or the end of the contract)
- the transfer fee is \$100 (2015)

RECO Instant Online Transfer

Log onto www.reco.on.ca and click on MyWeb Login. Then click on “My Employee Tab” and then click on “Online Transfer Application” and follow the instructions.

TREB TRANSFER

To register the salesperson with the Toronto Real Estate Board, the Broker of Record or the office manager of your brokerage must complete the application form “Notice of Transfer/ Reinstatement” together with the salesperson. Please note the following while filling out the form:

- date of RECO transfer to your brokerage: this date should be the same date that your brokerage completed the online transfer of the salesperson. If your brokerage faxed the RECO transfer instead of completing it online, you cannot submit the TREB transfer until the RECO transfer is complete, which takes a couple of days.
- enter the broker code format ####-00
- the fee is \$25
- ensure credit card information is accurate
- attach the salesperson’s resignation letter to the TREB application as well. the application can be emailed to membership@trebnet.com or sent by fax to 416-443-0028
- once the salesperson is registered, as the Broker of Record you must give the salesperson access to his or her own listings on Toronto MLS. To accomplish this you must:

- log in to Toronto MLS (www.torontomls.net)
- click on “search properties”
- at the bottom left menu (you may have to scroll), click on “Permission Manager”
- click on the name of the salesperson and set the appropriate access levels

NEW SALESPERSON REGISTRATION PROCESS

For new sales representatives who have just completed their Ontario Real Estate Association (OREA) schooling and would like to join your brokerage, follow the steps below.

RECO New Registration

Unfortunately, registering a new salesperson with RECO cannot be done online. The application form must be sent by fax or email, and it may take up to three weeks for it to be processed. For new registration or reinstatement, the Broker of Record or the office manager and the new salesperson must complete the form “Application for New/ Reinstatement Broker/ Salesperson”.

PLEASE NOTE THAT FOR THE PURPOSE OF THE APPLICATION FORM:

- part-time salepeople must disclose other firms they are working with. If further clarification is required, you can do so on a separate piece of paper and attach it to the application.
- it is important to disclose all information to RECO, because any undisclosed information could result in a fine or immediate termination of your membership
- in Section G, applicant’s registration number remains blank
- in Section G, the employer’s registration number refers to the brokerage’s registration number and not the Broker of Record’s registration number
- the fee for registering a new salesperson in \$350 (2015)
- ensure credit card section is filled out correctly
- it will take three weeks for the form to be processed
- you must submit the Phase Three Transcript from OREA along with your application
- you must submit the Original Background Report

- you may email the application to registration@reco.on.ca or send it by fax to 416-207-4820

TREB New Registration

To register the salesperson with TREB, use the form “Membership Application and Agreement.”

Please note while filling out the application form that it:

- must be completed once a RECO registration number has been provided
- takes two days to process
- may be emailed to membership@trebnet.com or sent by fax to 416-443-0028

Entering Recruits into Your Systems

Once you have successfully recruited salepeople to your brokerage, you have to ensure you add them to all your office systems. This process includes the following (which is a highlight list only):

- register the salesperson in your office paging system
- register the salesperson in your e-mail database
- register the salesperson in your phone system
- register the salesperson in your transaction management software
- get FINTRAC ID form, SIN#, HST# (for T4A). Note that:
 - it is very important to acquire all the above information
 - some salespeople don't feel comfortable giving out their SIN number, but it is required for the T4A. You must give every salesperson a T4A at the end of every year and a report summarizing their deals for tax purposes
 - every salesperson needs to provide an HST number. Anyone earning over \$30,000 must be registered with Canada Revenue Agency to collect taxes.

CHAPTER 25

Transaction Management: Part I

Selling and Buying Processes

Now that you are fully set up with your office, processes and policies, you are now ready to start operating your real estate brokerage. Below you find a step by step guide for the selling and buying processes.

UPLOADING LISTINGS ON THE MLS™ (MULTIPLE LISTING SERVICE)

When a property owner, also known as a **vendor**, wants to sell or lease their property through one of your real estate salepeople, the property needs to be listed on the MLS™ unless it is an exclusive listing. This is also known as a **listing**. A listing can be uploaded on the MLS™ by either the salesperson or office staff. You may want to set a policy within your brokerage stating who is responsible for the listing uploads.

The Listing Task Trigger

This task is triggered by your salespeople. Usually, the salespeople will send an email to the office, letting you know of their new listings. They may also call the office to let you know of any new listings. However, you can only start processing this task once the salesperson emails you the required documents.

A listing should be uploaded as soon as possible, within 24 hours of its submission and/or the start of the commencement date. The commencement date is the day the listing is supposed to go live in the market. You cannot upload the listing to the MLS™ before this date. At times, the salesperson may submit the listing to the office days or weeks before the commencement date. To ensure you do not overlook uploading the listing on commencement date, a task reminder should be created for the future date.

Documents and Items Required to Upload a Listing on the MLS™

The following documents and items are required to upload a listing to the MLS™ website:

MLS™ Data Form—This is a form completed by the real estate salesperson with all the relevant data about the property. Your staff needs to ensure that all the required information is filled in by the salesperson. If anything is missing, make sure your staff requests this information from the salesperson directly. Do not make assumptions which will result in false information.

Listing Agreement—The listing agreement is a contract between the seller and the listing broker. It sets out the conditions of the listing such as the amounts of commissions, the length of the listing period and the desired sales price. The listing agreement also states whether the listing is exclusive or not. An **exclusive listing** means that the property will not be listed on the MLS™. *It is very important to double-check the listing agreement to ensure that it is not an exclusive listing. For exclusive listings, you only need to enter it into your transaction management system.*

Schedule B—The Schedule B must **always** be attached to the listing. The Schedule B is provided to the salesperson by the brokerage and it contains the terms. If a salesperson has uploaded a listing to MLS™, the office staff must check to ensure that the Schedule B is attached to the listing.

Photographs—Photographs of the property need to be sent to you separately so they can be uploaded on the MLS™. This is not mandatory but highly encouraged for marketing a property. Bear in mind your competition does this.

UPLOADING LISTINGS ON THE MLS™: THE STEPS INVOLVED

Uploading a listing to the Toronto MLS™ is a similar process to that of other real estate boards. The uploading listings directions have been put into a tick sheet format for easy reference. As a staff member receives the documents, he or she can put a check/tick beside each item as it is completed. This ensures that your listings are uploaded accurately every time. You can find the tick sheet in the appendix and a PDF version at www.

Adding Listings to Your Transaction Management System

As soon as the listing is live on MLS™, you have to enter the listing into your transaction management system. Certain software will automatically pull the basic information about the listing from MLS™ (if you have authorized the software properly) and create a listing and transaction ID in your transaction management system. You will then need to update the details of the listings in the system. Do not forget about exclusive listings, as they are not uploaded on MLS™, but they will need to be entered manually in your system. Other software, or if you have not authorized the software with MLS™, will require you to upload the listing in your management system manually.

Appointment and Showing Instructions

Now that the listing is in the market, buyers will want to arrange to tour the property. For this you need to add showing and appointment instructions to your paging system that the vendor has provided. Each property will have different showing instructions. Some properties may be vacant, in which case the potential buyer can go directly to the property, while other appointments need to be confirmed with the vendor or the seller's broker.

Amendments to Listings

At times, listings are amended by the seller and/or the salesperson. This task is triggered when a salesperson notifies you of any amendments. Amendments must be uploaded by the brokerage to the MLS™. To upload amendments to MLS™, follow the steps on the tick sheet found in the appendix and in PDF form at www.wwww.

Listing Status Change

As a property goes through the selling process, the status of the listing changes. For example, “sold conditional”, “sold firm”, etc. To perform such status changes, follow the steps on the tick sheet found in the appendix. A pdf version of the tick sheet can be found at: [www](#)

Cancel/Terminate Listings

This term refers to the listing being taken off the MLS™. Note: salespeople do not have the authority to cancel or terminate a listing. Cancelling or terminating a listing has to go through the brokerage. This task is, however, triggered by the salesperson. The salesperson must send to the brokerage the cancellation of the listing document, which has been signed by the vendor. This document must then be signed by the Broker of Record and a copy sent to the salesperson as well as uploaded to your transaction management system. The status is then changed on the MLS™. Follow the steps in the tick sheet found in the appendix. A pdf version of the tick sheet can be found at: [www](#)

ANSWERING PHONES AND BOOKING SHOWINGS/ APPOINTMENTS

Now that you have your brokerage systems set up, you have to be ready to answer phone calls and book appointments/showings.

SHOWING REQUEST

1. Salesperson wants to see a house that you have for sale
2. Salesperson calls you for a showing request
 - a. You must collect the following information from the caller:
 - i Address of the property in question
 - ii The name of the salesperson who wants to see the property
 - iii Confirm their brokerage
 - iv Confirm their brokerage phone number
 - v Request the time they want to see the property in question

- b. Above steps should be put in as a showing request within your paging system
 - c. Page the listing salesperson with the showing request information
3. Now you have to confirm or deny the showing request:
- a. Go to the property's file and/or showing request
 - b. Check the showing instructions to ascertain if the property can be visited during the requested showing time
 - i. You can confirm the showing request based on the following information in the showing instructions:
 - 1. House showing timings
 - 2. Vacant property: confirm all appointments unless restricted by the house showing timings
 - 3. Call the listing salesperson to ascertain if the property is available for the requested time
 - 4. Call the property owners to ascertain if the property is available for the requested time
 - c. Once the availability of the property is ascertained, and a showing can be confirmed or denied, follow these steps:
 - i. Confirm
 - 1. Call the salesperson's brokerage and give them the following information:
 - a. Confirmation of the requesting salesperson's name
 - b. The address of the property
 - c. The timing of the showing
 - d. Any instructions for the salesperson and potential buyer while seeing property (lockbox number, leave card, etc.)
 - e. Request the receptionist's name and enter/save that in the action history
 - ii. Non-Confirm
 - 1. Call the salesperson's brokerage and give them the following information:

- a. Non-confirmation for the requesting salesperson's name
 - b. The property address
 - c. The timing of the showing
 - d. Any specific reasons for a non-confirmation
 - e. Any alternative times they can book
 - f. Request the receptionist's name and enter/save that in the action history
- iii Send a page to the listing salesperson whether the showing request has been confirmed or non-confirmed

Confirmation / Non-confirmation for Your Salespeople

You will receive confirmation/non-confirmation calls when one of your salespeople has requested a showing for a property listed by another brokerage. The listing brokerage will call you to either confirm or non-confirm the showing request. Ask the following:

1. Request who the confirmation/non-confirmation is for and page the salesperson. In the message to the salesperson include:
 - a. Conf: (for confirmation) or non-conf: (for non-confirmation) followed by:
 - b. The property's address
 - c. Timing of the showing
 - d. Property instructions (lockbox, knock first, leave card, etc. OR reasons for non-confirmation/alternative times

The Types of Other Calls to Expect

In addition to calls regarding listings and showings, you can expect to receive calls for other reasons, such as:

- real estate salepeople calling to join your brokerage
- calls to register an offer on one of your brokerage's listed properties (collect name of agent, phone and page the listing agent. Record the registered offer and timing in your showing management system.

- calls for salespeople (collect name, phone and regarding and page salesperson)
- calls regarding accounts payable/invoices

Information Request for Properties

There will be incoming calls asking for information regarding particular properties. Here are some guidelines when to disclose or not disclose information:

- The general rule of thumb is to take information from callers and pass it on to the respective salesperson so that the salesperson can assess the needs of the caller and disclose any information accordingly.
- Never disclose information to a non-salesperson caller. Always get their information and pass it on to the listing salesperson.
- Never give out information about the listing to potential buyers. Always get their information and pass it along to the listing salesperson.
- If the caller is a salesperson, then you can give them certain public information regarding the property; for example, the status of the listing, the current price (not the sold price), etc.
- If a property is sold conditionally, you may still have calls regarding that property and questions about any conditions, when will conditions expire, etc. This information can be provided to the requesting salesperson.
- If a property is sold firm, don't grant or deny the caller's information request. Rather, leave that up to the listing salesperson. Always tell them you will page the listing salesperson who in turn will return their call, and page the salesperson accordingly.
- Salespeople from other brokerages may call to solicit information from a salesperson in regard to a property listed by that brokerage that your salesperson has shown to clients. They may relay information such as potential registered offers, when the offer presentations will take place, etc. They may request your salesperson's offers. This is their method of getting the maximum number of registered offers for the property. You can send this information as a regular page to your salespeople.

- You will get phone calls from lawyers requesting information about properties or deals. Your deal secretary can provide them with this information.
- You will also get phone calls from cooperating brokerages asking about lawyer information, commission statements (the invoice that has to be sent to the listing brokerage for it to send your salesperson's commission cheque), etc. Your deal secretary can provide this information.

CHAPTER 26

Transaction Management: Part II

Closing a Sale

There are a number of steps to be taken when a property is sold on the seller's side and on the buyer's side. No detail may be overlooked; there are no shortcuts. Your record-keeping must be meticulous and follow established protocols.

THE SOLD PROPERTY PROCESS

When a property is sold, it usually becomes "Sold Conditional." Sold conditional means that certain terms have to be met in a certain amount of time before the property can be "sold firm." For example: status of certificate, inspection and financing conditions that must be met. These conditions will be itemized in schedule A (or additional schedules) of the accepted offer. At this point, you should check with the salesperson who made the sale to see if they want to continue to book showings while the conditions are being met. Note that at any subsequent showings, prospective buyers must be informed that the property is "sold conditional."

Task Trigger

This process is triggered when your listing salesperson sends you an email that the listed property is sold conditional. Alternatively, you may receive the deposit cheque for the property first; in this case, you then need to confirm with the salesperson that the property has been sold conditional and retrieve the agreement of purchase and sale (also known as the accepted offer). If you have not received the deposit cheque within 24 hours after receiving the accepted offer, then you must notify your salesperson immediately.

The Deposit Receipt

Once you receive the deposit cheque, the first thing you need to do is make sure that the deposit cheque is not a personal cheque. It must be a certified cheque, money order or bank draft. You need

to create a deposit receipt and send a copy to the salesperson. A simple deposit receipt slip is sufficient for this purpose. (You can buy a deposit receipt book from any local stationary/office store.) Ensure that you include the address of the property, the salesperson's name, the amount of the deposit and whom it is for. Make a copy of the cheque, receipt and the salesperson's business card. Upload this in your transaction management system. Send a copy to the listing salesperson for his or her own records. At this step, if the salesperson has not sent you the agreement of purchase and sale, ask for this document immediately.

STEPS TO PROCESS THE DEAL

1. Ensure that the listing is uploaded on your transaction management system.
2. Take in the following documents and upload them to your system as they are sent to you:

AGREEMENT OF PURCHASE AND SALE

- **MLS™ Form**—this would have been sent to you by the salesperson when uploading the listing to the MLS™. If you do not have a copy of this, you can search the MLS™ and attach a copy to your system
 - **Confirmation of Co-operation**—this document defines the commissions of the cooperating brokerage. It must be signed by both listing and cooperating salesperson.
 - Copy of deposit cheque
 - Copy of deposit receipt
3. Deposit the received cheque into the Statutory Trust Account. The Statutory Real Estate Trust Account is used for holding deposits that belong to the vendor of a property. The cheque could be deposited within five days; however, it is good office policy to deposit the cheques as soon as possible and ideally within 24 hours.
 4. Change the status on the MLS™ to Sold Conditional. On the MLS™ you need to enter the sold conditions as well the due

date of conditions. You can derive this information from Schedule A of the agreement.

5. Additional documents that may be required for the deal:
 - **Working with Realtor Form**—This form is signed by the seller and the listing salesperson for confirmation that they are working together.
 - **Buyer Representation Agreement**—This is required in the event that the buyer is represented by the listing salesperson, who of course is also acting for the seller.
 - **Mutual Release Form**—If the deal falls through, you need this form to change the status back to “active” on the MLS™. You would also need to update your transaction management software with the information. Return the deposit cheque payable to buyer from Statutory Trust Account.

The deal becomes firm when:

6. You receive the waivers that remove the conditions OR
7. You receive amendments that remove the conditions.

A firm deal:

8. Once the deal is firm (conditions are met or waived), you need to change the status on the MLS™ to “sold firm.” You need to input details regarding the sale, which can be found in the agreement of purchase and sale. You will need to release information about the closing date, price sold, cooperating brokerage and salesperson.
9. Change the status of your listing to “sold firm” in your transaction management system.
10. Add both parties lawyer’s information (both buyer and seller’s lawyer) to your transaction management system.
11. Collect two pieces of ID from your seller (optional).
12. Obtain an invoice from the cooperating brokerage’s deal secretary. The invoice specifies the commission split and how much your brokerage owes the cooperating brokerage as per

the confirmation of cooperation agreement. This invoice is needed when you are preparing the cheque to pay the cooperating brokerage's commissions after the closing date.

13. You must now send the vender's lawyer a copy of the agreement of purchase and sale, condition waivers or amendments, along with the commission statement.
14. Next you have to send a letter to the lawyer with any outstanding amounts owed/owing. If the deposit received is not sufficient to pay the total commission, then you will ask the lawyer to send you a cheque under the brokerage name for the amount of money owed to the brokerage.
15. In case there are excess funds in the Trust Account, meaning the deposit submitted was more than the amount of commission needed to be paid out, then the excess funds need to be paid from the Statutory Trust Account to the buyer, upon the direction of their lawyer.
16. Generate a Trade Record Sheet for the deal. This needs to be sent to the listing salesperson to be signed and must also be signed by the Broker of Record.
17. Upload a signed copy of the Trade Record Sheet to your transaction management system.
18. Obtain a cheque from the lawyer (in the event there were insufficient funds and money was owed to your firm). Ensure that the cheque amount matches your invoice amount.

When the sale closes:

19. Once the deal is closed, upon the arrival of the closing date you can deposit the cheque received in the event that funds are owed to your Commission Trust Account.
20. Transfer the deposit received for the property from the Statutory Trust Account to the Commission Trust Account. Ensure that the details pertaining to the cheque and the account number are written on the back of every cheque.

21. Pay the following parties. Ensure the balance is zero upon paying all the parties:
 - listing salesperson
 - your brokerage
 - cooperating brokerage
 - cash advances/3rd party payments/referrals (if applicable)
22. Sending a thank you letter to the cooperating salesperson is a good idea.

Deal Secretary Checklist for Selling

A detailed tick sheet can be found in the appendix and in pdf form at: www

THE BOUGHT PROPERTY PROCESS

The second aspect of a real estate transaction is the buying process. In this process, one of your salespeople is representing a buyer and submits an offer on a property. The buying process although very similar to the selling process has some minor differences. The buying process is triggered by your own salesperson, who will send you an agreement of purchase and sale.

Steps to Process a Buying Transaction

1. Create a file in your transaction management system for the purchased property.
2. Obtain the following documents from your salesperson and upload them to your system as they are sent to you:
 - Agreement of Purchase and Sale
 - MLS™ Form
 - Confirmation of Cooperation–this document outlines the commissions of the cooperating brokerage. It must be signed by both listing and cooperating salesperson.
 - Copy of Deposit Cheque/Money Order
 - Copy of Deposit Receipt–this must be obtained by your salesperson from the listing salesperson/brokerage.
 - Receipt of Funds Record

- Working with Realtor Form
 - Buyer Representation Agreement
 - Mutual Release (if the deal falls through)
3. Make the deal firm by receiving:
 - Waiver (removing conditions)
 - Amendments (removing conditions)
 4. Collect the Individual Identification Information Record

When the deal is firm:

5. Once the deal is firm, you now need to send an invoice to the listing brokerage's deal secretary requesting your brokerage's portion of the commission.
6. Obtain the lawyer's information for both parties
7. Send the lawyer a letter along with the full agreement
8. Prepare a Trade Record Sheet for your salesperson to be signed and returned to you
 - Have the Trade Record Sheet then signed by your Broker of Record.

When the sale closes:

9. Obtain cheque from the listing brokerage. TREB RULE: within 10 business days, it is a mandatory requirement (if the cheque gets lost or lawyer is late) that the broker must pay whatever is in its Trust Account proportionate to all parties
10. Deposit the cheque to your Commission Trust Account
11. Ensure the deposit books are completed accurately with the details of the cheque, as well as the account number to be written in the back of every cheque.
12. Pay the following parties. Again ensuring everything balances out.

- Salesperson
- Brokerage
- Cash Advance

13. Sending a thank you letter to the listing salesperson is a good idea.

Deal Secretary Checklist for Buying

A detailed the tick sheet can be found in the appendix and a PDF version at: [www](#)

Additional resources such as letters to lawyers or invoice samples can be found at: [www](#)

Part VI

Case Study

Yours
Independently

Transform Your Real Estate Business
with a New Team-based Model of
Brokerage Ownership

CASE STUDY

World Class Realty Point Brokerage: Zia Abbas

Introducing Zia Abbas

Finding success in real estate sales is a lot harder than many people realize. Acquiring listings and finding purchasers is much more than asking people if they want to sell their home and putting up a sign in their front yard. Dealing with the regulations of the real estate industry and effectively marketing properties require real-world and online prowess.

Zia Abbas is at the top of the real estate sales profession. Specializing in pre-construction condo and home sales, he has built an outstanding career over the past decade with the awards and recognition that only a spectacular salesman can achieve.¹ He also understands that real estate salespeople who are earning a high income are at a tax disadvantage in Ontario. By law he cannot incorporate his business unless he is a real estate brokerage owner, and his years of success at RE/MAX also meant paying tax on his income at the highest tax rate of the self-employed individual.

Being at the top of the sales charts also meant he was limited in growing his business. Zia found himself boxed in by the franchise he worked for, and ironically it is because of the success that he generated he literally had no farther to climb in the real estate industry as long as he remained a self-employed realtor working under someone else's banner.

WHY OPEN A BROKERAGE?

Brokers open their own brokerage to take advantage of tax planning that incorporation allows. Such tax-mitigation strategies are not permitted to the self-employed real estate salesperson.

Unfortunately, often the broker's income suffers as they take on the business responsibility and added stress of running a full-time business while trying to maintain their sales volume. Every minute spent on administrative tasks is one less minute spent on selling. Included in the costs of running a brokerage are staff salaries,

1. RE/MAX Top # 1 Real Estate Agent Worldwide (2012/2011); RE/MAX Top # 2 Real Estate Agent Worldwide (2013); RE/MAX Top # 4 Real Estate Agent Worldwide (2014); RE/MAX Top # 1 Real Estate Agent in all of Canada (2013/2012/2011); RE/MAX Top # 2 Real Estate Agent in all of Canada (2014); RE/MAX Diamond Club Award, six years in a row (2014/2013/2012/2011/2010/2009); RE/MAX Lifetime Achievement award (2013) and several other achievements.

office lease costs, increased marketing expenses and insurance costs, and more.

Zia well understood that to become a brokerage owner would mean sacrificing time from his selling activities to manage his brokerage business, and that would be counter-productive for his future success and income.

In Zia's case, taking time away from his sales activity was not an option he wanted to consider. Opening his own brokerage was put on his "someday" list of future accomplishments.

The Context: Current Brokerage Models

In Ontario there are three options for opening a brokerage:

- **Boutique (independent) brokerage**
- **Brokerage franchise**
- **Sub-brokerage franchise**

Each brokerage model has its strengths and limitations. The boutique brokerage is generally the option of choice, because of its low cost and simplicity. However, to grow the business of this type of brokerage requires a heavy cash investment as well as future commitments for office leasing, staff salaries and so on. Most often a boutique brokerage is a small office with the broker/owner handling the majority of the duties, including administrative and sales tasks, while a couple of additional salespeople may share the office duties as needed.

The brokerage franchise provides immediate market recognition. However, the expenses involved and the limited availability of territories often preclude this as an option in a crowded marketplace, such as Toronto.

The third option is fairly new to the brokerage business, and that is the sub-brokerage model (also called a "mini-brokerage"). The sub-brokerage model allows a brokerage franchisee to i) sell a "sub-franchise" to another real estate broker, which ii) allows that broker to incorporate and operate their business under the parent franchise name as well as the main brokerage name while acting

as their own Broker of Record. This is based on brokerage models called Personal Real Estate Corporations that are available in a couple of provinces. The owner must be the broker of record and the business must operate in the territory of the main brokerage and cannot be moved from one brokerage to another.

None of these options was acceptable to Zia. They limited his earning potential by either restricting his territory in which to operate or by increasing his time away from sales activities. In addition, his costs would increase without realizing any incremental income..

A New Franchise Brokerage Model Solution

Zia discovered Realty Point, a real estate franchisor that combines the boutique brokerage model, unique marketing and low-cost aspects with the franchise model, which offers office space and administrative staff support.

Zia recognized, as he compared the Realty Point model with the three other options available to him, that he did not have to sacrifice his sales activity when becoming a brokerage owner. The model allowed him to be a brokerage owner and Broker of Record, and have an administrative staff at the ready to support his brokerage.

The highlights of Realty Point's solution are that it provides:

- **Administrative staff managed by the parent franchisor that handles the day-to-day tasks of the brokerage, including answering phones, attending to transaction paperwork, etc.**
- **Sales training and mentoring**
- **Office space and equipment**
- **Multiple office locations throughout Toronto**

As his vision of a brokerage came into being, Zia partnered with an experienced former Broker of Record to be responsible for the signing authority required by law and became himself a co-owner of the brokerage that would become his starting point into the world of business ownership.

Zia's new brokerage, World Class Realty Point Brokerage, opened in Toronto on July 1, 2015.

APPENDIX



Tick Sheets

LISTING AGREEMENT

- _____ MLS Data Form
- _____ Pictures
- _____ Schedule B
- _____ Log into www.torontomls.net
- _____ Add/Edit

Brand New Listing (Property never listed in the market)

- _____ Upload New Listing
- _____ Complete all sections with red *

Property that has been already listed in the market

- _____ Search
- _____ Search for the same property using address
- _____ Copy the latest MLS#
- _____ Add/Edit
- _____ Clone Existing Listing
- _____ Paste the MLS # copied
- _____ Ensure all sections are filled out, use info from form given by salesperson if version is different
- _____ Once all sections filled out, click submit but before that remember that you are responsible to verify all data.
- _____ Upload pictures, ask salesperson for pictures Virtual Tours if any, paste the address to virtual tour section (double check the link to ensure no other information except the property info)
- _____ Attach Schedule B to listing
 - _____ Add/Edit, Schedules
 - _____ Enter MLS #, print fax cover page

AMENDMENT TO LISTINGS

- _____ Get amendment to listing agreement from salesperson
- _____ Log into **torontomls.net**
- _____ Add/Edit
- _____ Edit Listing
- _____ Enter MLS #
- _____ Make the changes
- _____ Forward to Deal Secretary to attach to the original listing agreements

Uploading Amendments on Transaction Management System

- _____ Upload Amendments and documents on the system

LISTING STATUS CHANGE

- _____ Receive Documents and/or amendments that trigger a status change
- _____ Ensure documents are complete with appropriate signatures
- _____ Upload a copy to your transaction management system.
- _____ Update status on MLS:
- _____ Log into torontomls.net
- _____ Add/Edit
- _____ Status change
- _____ Enter MLS #
- _____ Follow instructions
- _____ Forward to Deal Secretary to attach to the original listing agreements

CANCEL/TERMINATE LISTINGS

- _____ Receive Cancellation Document from Salesperson
- _____ Check for Vendor and Salespersons signature
- _____ Have the document signed by the Broker of Record
- _____ Send a copy to the salesperson
- _____ Upload a copy to your brokerage management system
- _____ Update status on MLS:
- _____ Log into torontomls.net
- _____ Add/Edit
- _____ Status change
- _____ Enter MLS #
- _____ Follow instructions
- _____ Forward to Deal Secretary to attach to the original listing agreements

DEPOSIT TICK SHEET

- _____ Receive deposit cheque
- _____ Ensure receipt is complete with the necessary information
- _____ Make a copy of the cheque, receipt and salesperson's business card
- _____ Send a copy to the listing salesperson
- _____ Received agreement of purchase and sale?
- _____ If not, request listing salesperson for the agreement of purchase and sale.

DEAL SECRETARY TICK SHEET FOR SOLD PROPERTY

- _____ Create a file on your transaction management system
- _____ Scan the following documents and input into your transaction management system:
 - _____ Agreement of Purchase and Sale
 - _____ MLS Form
 - _____ Confirmation of Cooperation
 - _____ Deposit Cheque Received and Copy Made
 - _____ Deposit Receipt
 - _____ Deposit Cheque deposited to Statutory Trust Account
 - _____ Status Changed to Sold Conditional
 - _____ Working With Realtor Form
 - _____ Buyer Representation Agreement
 - _____ Mutual Release (means deal fell through; update Transaction Management with DFT status)
 - _____ Status Changed to Active
 - _____ Deposit Cheque returned payable to buyer from Statutory Trust Account
 - _____ or
 - _____ Waiver (removing conditions)
 - _____ Amendment (removing conditions, or adding another)
 - _____ Deal is firm
 - _____ Status changed to Sold Firm (with all information on the agreement)
 - _____ 2 pieces of vendor ID (optional)
 - _____ Individual Identification Information Record
 - _____ Obtain invoice from cooperating brokerage's deal secretary
 - _____ Send letter to lawyer with any outstanding amounts owed/owing
- _____ Buyer Lawyer Name: _____
- _____ Tel: _____
- _____ Fax: _____

Seller Lawyer Name: _____

Tel: _____

Fax: _____

Trade Record Sheet _____

Trade Record Sheet signed _____

**Cheque received from lawyer
(Ensure amount matches your invoice amount)**

_____ Deal Closes: Payments Due

_____ Deposit Cheque deposited to Commission Trust Account

Transfer deposit received from Statutory Trust Account to
Commission Trust Account

_____ Pay the following (all must balance)

_____ Salesperson

_____ Brokerage

_____ Cooperating Brokerage

_____ Cash Advances/3rd party payments/referrals (if applicable)

_____ Thank you letter mailed to cooperating salesperson

DEAL SECRETARY TICK SHEET FOR BOUGHT PROPERTY

- _____ Create a file on your transaction management system
- _____ Scan the following documents and input them into your transaction management system
 - _____ Agreement of Purchase and Sale
 - _____ MLS Form
 - _____ Confirmation of Cooperation
 - _____ Copy of Deposit Receipt
 - _____ Copy of Deposit Cheque/Money Order
 - _____ Receipt of Funds Record
 - _____ Working With Realtor Form
 - _____ Buyer Representation Agreement
 - _____ Mutual Release (Means Deal Fell Through)
 - _____ or
 - _____ Waiver (removing conditions)
 - _____ Amendment (removing conditions, or adding another)
 - _____ 2 pieces of vendor ID (optional)
 - _____ Individual Identification Information Record
 - _____ Deal Is Firm
- _____ Send invoice to listing brokerage's deal secretary
- _____ Send letter to lawyer _____
- _____ Buyer Lawyer Name: _____
- _____ Tel: _____
- _____ Fax: _____
- _____ Seller Lawyer Name: _____
- _____ Tel: _____
- _____ Fax: _____
- _____ Trade Record Sheet
- _____ Trade Record Sheet Signed
- _____ Cheque Received (Ensure amount matches your invoice amount)

Deal Ready to be paid

_____ Deposit Cheque deposited to Commission Trust Account

Deposit Books

_____ To be entered right away

_____ details of the cheques entered and the account # to be
written in the back of every cheque

_____ on deposit slip: property address, trade #
and salesperson's name

_____ Pay the following (all must balance)

_____ Salesperson

_____ Brokerage

_____ Cash Advance

_____ Thank you letter mailed to listing salesperson



How to Contact Us

Just as consumer tastes and markets change with the times, so does the business of real estate sales, especially with regard to how brokerages operate and how they connect with clients—those clients they have served in the past and clients they will serve tomorrow.

This book is written from the perspective of the new brokerage model. As such, concepts, ideas and other information contained in the book may be refreshingly new to you. This content is available on the Realty Point website at www.realtypoint.ca, where in keeping with advancing knowledge about our industry, it is continually updated.

You may contact James by email at james@realtypoint.ca. He looks forward to your feedback, comments and questions. He is ready to help you move your real estate sales career (in Ontario) to the next level should you choose to consider opening your own Realty Point real estate brokerage franchise.

You can also call Realty Point at 1-800-410-8516 to speak with James directly.

If you would like a tour of Realty Point's head office facilities and see Realty Point's brokerage model in operation, please call ahead and we will gladly arrange a tour. Our address is 240 Duncan Mill Road, Suite 600, Toronto, Ontario, M3B 3S6.

INSURANCE

Auto - Home - Business - Group - Life - RESP

Don't be caught off guard.

Protect yourself and your loved ones.

We represent leading Canadian and international insurance companies.

We can provide coverage for all your insurance needs including:

- Automobile
- Home
- Commercial/Business
- Buildings
- Commercial Auto
- Contractors
- Builders' Risk
- Rented Dwelling
- Bonds
- Fleet
- Life Insurance
- Critical Illness
- Disability
- Mortgage Insurance
- Group Insurance
- RESP

And more....

For trusted and professional insurance advice, please call

Shan Wahab Duranai

Registered Insurance Broker

416-805-1010





Jackie Talib
Mortgage Agent
Phone: **416-712-4809**
Email: Jackie@LendAtEase.com
Web: www.LendAtEase.com

Delivering service, support and creating a win-win situation.
First time home buyers
Residential mortgages
Refinancing
Commercial mortgages
Second mortgages

As a mortgage professional, Jackie delivers the highest level of customer service to all her clients. Her passion and aspiration in helping her clientele contributed in achieving top producer at her brokerage.

"I love what I do and even more for the clients that I represent!"

Her industry knowledge, ability to exceed in delivering positive results within a timely manner crafted a respected and reputable professional amongst all the Canadian lenders.

Jackie has built her business referral program that combines the very best of face-to-face and online networking with professionals. The network is centered around relationships built on trust, integrity, and strong ethical standards. It has brought her fulfillment, the opportunity to meet amazing people and to establish and maintain ongoing relationships with other professionals from various industries.

AD

AD

AD

AD

AD

AD

AD

AD



REAL ESTATE / MANAGEMENT

JAMES HUSSAINI is

the founder of Toronto-based Realty Point. James believes in the power of education, innovation and philanthropy to effect positive change in his business and personal life, and in the lives of those he meets. This book reveals his vision to introduce a more effective, efficient and money-saving way to the ownership and operation of a brokerage business. This has led to the creation of a revolutionary franchise model, Realty Point, which enables top producers to do what they do well—provide superb customer service and grow a business—knowing that the administration of their business is in good hands with Realty Point.

ISBN 978-0-9939036-0-1



9 780993 903601

\$50.00 Proceeds from the sale of this book go to support Habitat for Humanity.
www.habitat.ca