

# GIVE YOURSELF A RAISE



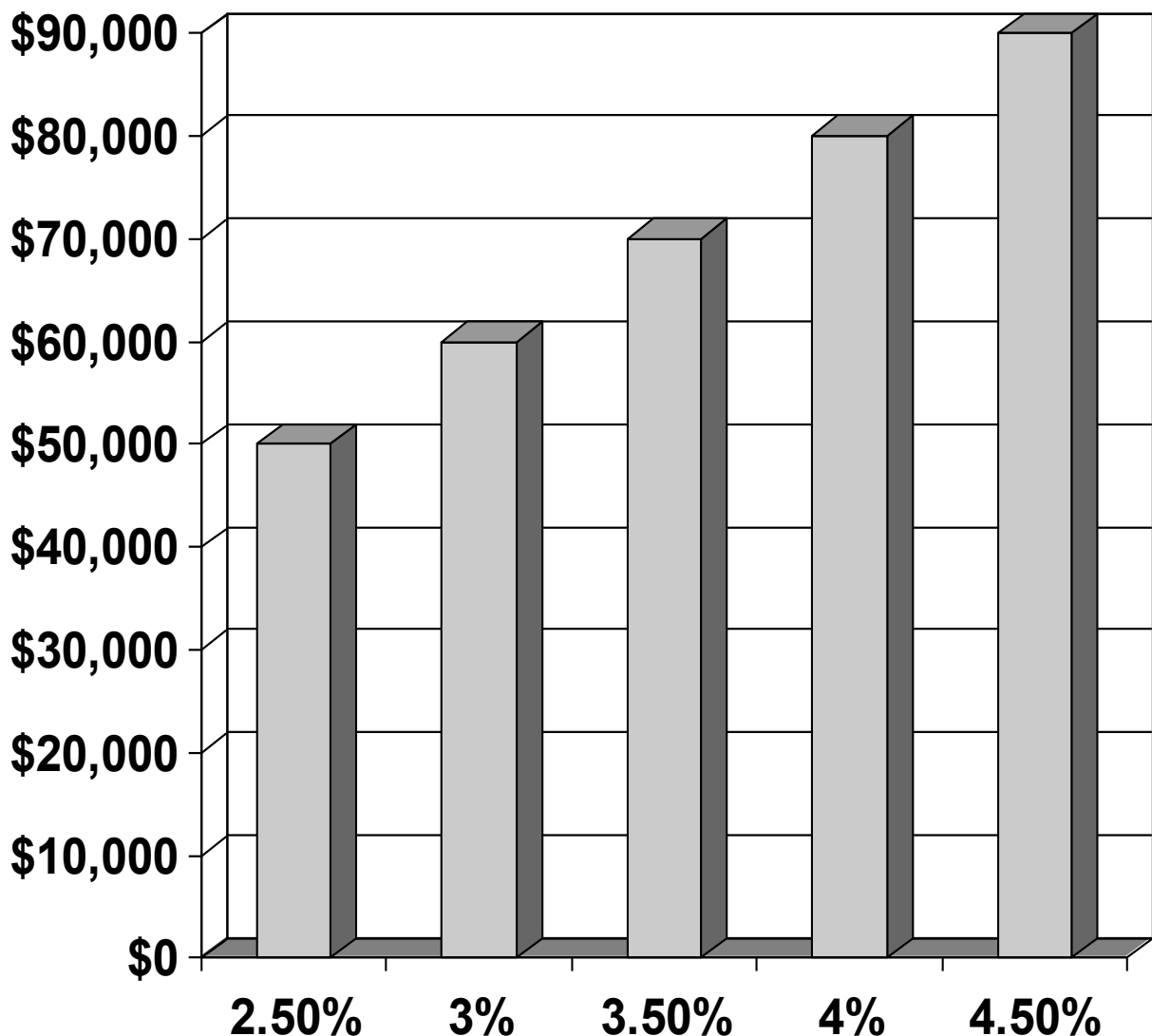
How to Get  
**More Listings**  
at *Higher*  
*Commissions*

**Workbook and Audio CD**



**Darryl Davis Seminars • 4 Ring Neck Court • Wading River, NY 11792**  
**(800) 395-3905 • Fax (631) 929-1865 • [www.DarrylDavisSeminars.com](http://www.DarrylDavisSeminars.com)**

# Assume 10 Sales at \$200,000 SP\$ each



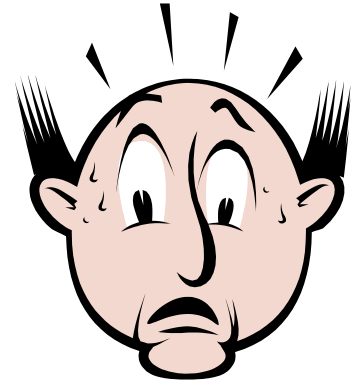
**A \$10,000 Raise per .5% Increase!**



# Improving Your Listing Conversation

- The *commission conversation* begins before you enter the office; It's all about attitude!
  - You have to believe sellers should not sell on their own.
- First you have to validate the industry, then validate yourself.

# Why Sellers Can't Save Selling On Their Own



- FSBO Buyers Want a Bargain
- USA Today Study
- Third-Party Negotiating
- Agents Have More Resources
- The Cost of Marketing

# Buyers Or Bargain Hunters?

## The Times

**POWER Realty**  
 Hunna hunuh  
 hununahu-  
 nahn hunana  
 hunanananan



**IOU Realty**  
 Hunna hunuh  
 hununahunahn  
 hunana hunan



**FSBO**  
 Yabadaba ya  
 daba yaba da  
 bayabadaba  
 y abadaba  
 yaba dabaya-

**POWER Realty**  
 Hunnaunahun  
 a hunana hunu  
 huna hun huna  
 hunna anu-  
 huna  
 hunananauay-  
 nanaauah had



**POWER Realty**  
 Hunna hunuh  
 hununahunahn  
 nahn hunana  
 hunanananan



**LOCAL Realty**  
 Hunna hunuh  
 hununahunahn  
 Huna hun  
 ahun



**POWER Realty**  
 Hunanananana  
 nananananan  
 ananana hunna  
 huna na nanan  
 anan anana  
 Hunanananana  
 nanan ananana  
 nana nana Hun  
 ana Ananana  
 nanananananan  
 anananaaddaad

**FSBO**  
 Yabadaba ya aba  
 yaba da bayabad-  
 aba y abadaba  
 aba dabayabadab  
 Hada badaba bna

**NATION Realty**  
 Hunna hunuh  
 hununahunahn  
 hunana hunan  
 Huna hunahun



**POWER Realty**  
 Hunna hunuh  
 hununahunahn  
 hunana huna



**FSBO**  
 Yabadaba ya daba  
 yaba da bayabad-  
 aba y abadaba  
 yaba dabayabada  
 Dabadabadobab

**POWER Realty**  
 Hunananananan  
 ananananananan  
 naHunananananan  
 ananananananan  
 nanaHunanananan  
 ananananananan  
 na



**TOWN Realty**  
 Hunna hunnu  
 hununahunahn  
 hunana hunan  
 Huna hu-



**FSBO**  
 Yabadaba ya  
 daba yaba da  
 bayabadaba  
 y abadaba  
 yaba dabaya-

**STATE Realty**  
 Hunn auhuna  
 unnaunhnu  
 hunna hunna  
 hunanahana-  
 nuahmndnahu



**POWER Realty**  
 Hunananaua-  
 nauanauanu  
 anuanauana



**POWER Realty**  
 Hunna hunna  
 nnuhhununah  
 unahn hunana



**BAY Realty**  
 Hunananana  
 nananananan



**LOCAL Realty**  
 Hunananana  
 nananananan  
 anananana  
 nahanahnaha



**FSBO**  
 Yabadaba ya  
 aba yaba da  
 bayabadaba y  
 Please buy my  
 home because I  
 really want to  
 save the commis-  
 sion and  
 it's going right  
 in my pockets  
 he he he Hada  
 badaba bna

**POWER Realty**  
 Hunna hunna  
 nnuhhununah  
 unahn hunana



**POWER Realty**  
 Hunananana  
 nananananan  
 anananana  
 nahanahnaha  
 ananananana  
 nananananana



**POWER Realty**  
 Hunanananana  
 nananananan  
 anananaHunan  
 anananananana  
 n



At home

# 'For sale by owner' can be a hard sell

## Agents often worth their weight in commission

By Joyce Cohen  
Special to USA TODAY

How tantalizing it is: Sell your home yourself and pocket the hefty commission, typically 6%, that you would otherwise pay to the real estate agent.

That prospect, succored in Ella Skuladottir and her husband, Bradley Boyer, in August, they put their New York City home on the market "for sale by owner," an approach often known by its acronym, FSBO, or, even stranger, "fizzbo."

By Thanksgiving in despair, they had hired a real estate agent.

"We didn't know what we were doing. We thought it would be easier," says Skuladottir, whose family, which includes a 9-year-old daughter, needed more space. "I would go through a broker again. It was a question. After she took over, it was such a relief."

FSBO homes are losing ground. FSBO sales made up 13% of home sales last year, down from 18% in 1997 and a high of 20% in 1987, according to a biennial survey by the National Association of Realtors. FSBO sales tend to peak during seller's markets.

Why the decline? Sellers are facing the do-it-yourself approach and increasingly time-consuming and complex, what with showing the house, awaiting financial documents and deciphering a mountain of paperwork that in some states includes disclosure forms for termites, mold and aircraft noise. Many are also reluctant to have random unscrutinized strangers traipsing through their home, says Walter Molony, a spokesman for the Realtors' group.

And in the rare cases in which a seller gets sued for failing to disclose required information — such as the existence of lead-based paint in an older property, which can cause lead poisoning in children — a solo seller won't have an agent to accompany him through the legal process.

In hindsight, Skuladottir realizes



By Jessica S. Antkowiak for USA TODAY

**Sign of the times:** When Beth Connelly and husband Tim decided their house was too huge for just them and little Caroline, they went the "for sale by owner" route. After two months, they listed their Connecticut home with a real estate agent — and dropped the asking price by \$14,000.

Since most of the lookers were curious neighbors, Connelly and her husband were. They inadvertently overpriced their home, a one-bedroom, co-op apartment, at \$495,000. That was the going rate for newly renovated one-bedroom rooms in their housing complex, Luncon Towers, but they figured their 25th-floor view would compensate for the lack of updating.

Though few interested buyers came knocking, a gift of real estate agents did. The agents gushed over the view — glorious sunsets over the Hudson River. They said, "You can get more if you let me sell it," and we said, "No, no, no, but that teaser was intriguing, so we started cranking up the price," says Skuladottir. They hit a high of \$525,000.

Meanwhile, with her husband often gone on business, Skuladottir felt burdened. She arranged her schedule around potential buyers. She vacillated and dithered. She was uncomfortable asking financial questions but rarely had to.

Beth Connelly of Cromwell, Conn., found that buyers looking for FSBO homes were also looking for a deal. "Everybody said, 'You are saving all this money and don't have to pay the commission, so we are going to foibal you,'" says Tim Connelly. "But you are taking time to show the house and going through the labor and the cost for the advertising."

The Connellys, who have a 21-month-old daughter, decided that their four-bedroom house was too big for a family of three. In November they bought a nearby house they found on for sale by owner. One of several FSBO homes, it had been listed for just two days. All concerned had such a wonderful experience, says Connelly, that "at the end of the closing, there was a group hug."

So they had no reason to think it wouldn't be simple to sell their own home FSBO. They advertised their house, asking \$394,500, on

**On your own or with help?**  
Sellers clear less cash in a "for sale by owner" transaction:  
FSBO Agent-assisted  
Median selling price \$137,400  
Median income of seller \$74,100  
\$78,000



By Frank Pappalardo, USA TODAY

sellers than buyers, says Molony, but some buyers fear their details are more likely to slip through the cracks with a FSBO home.

Dobi Starnon of San Diego says that important information wasn't fully disclosed when she and her then-boyfriend bought a FSBO house five years ago.

Part of a tennis court, fenced off and unused, encroached on their yard. Only when the boyfriend wanted space to store some landscaping equipment did they learn the land belonged to the neighbor. "It was too much of a headache and too expensive to do anything about it," says Starnon. "I wouldn't buy a FSBO house again. I am not familiar with what they can get away with not telling you."

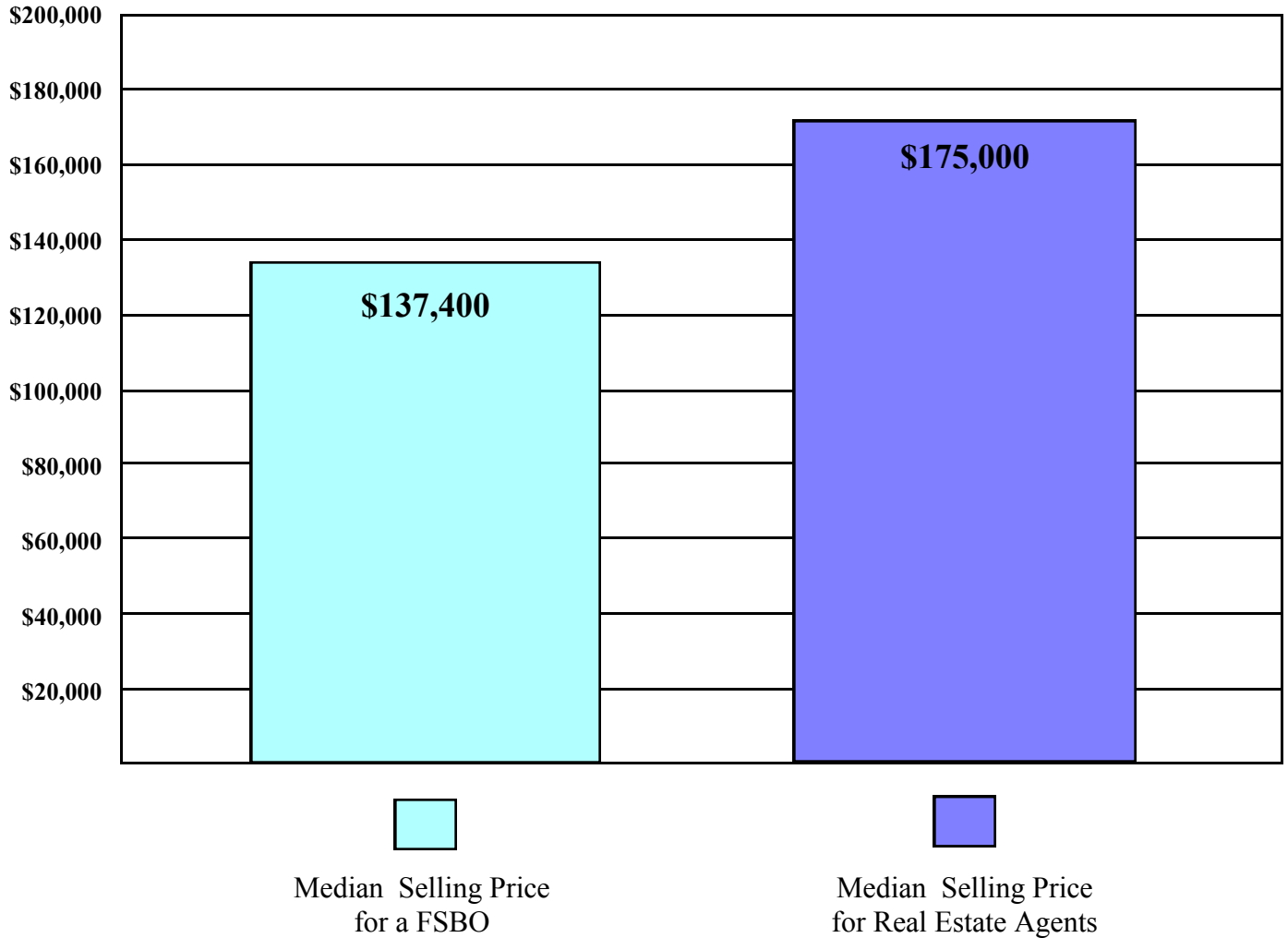
In the real estate world, FSBO remains divisive. While the real-estate-agent camp offers plenty of reasons to lure a pro, the FSBO camp has as many reasons not to. Always, the key factor is money.

"The average homeowner underestimates that paying 6% is too much," says Cathy Scrimprout, of for-sale-by-owner.com. "It's better spent on a child's education or their own retirement." On the site's exit questionnaire, two-thirds of sellers say they sold their home during the time it was listed.

It's also the case that one-third of FSBO sellers have the easiest path of all: They sell to a neighbor, friend or relative, and never even go on the market.

Contributing: Nadya Stefanova

# AGENTS NET MORE



According to **USA TODAY** “Agent Assisted Sold Houses” sell

**21.49%** Higher than FSBO sold homes.

*There Are 2 Types Of Agents...*

**Selling Agent**

**&**

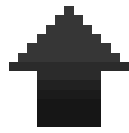
**Marketing Agent**

*Which Would You Hire  
To Market Your Home?*

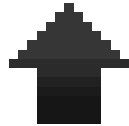


# Getting The Best Possible Price

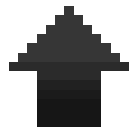
**Price**



**Buyers**



**Exposure**



**Marketing Tools**

**According to a N.A.R. Study, it takes  
approximately 100 hours to sell  
a house from start to finish**

100 Hours X \_\_\_\_\_ = \_\_\_\_\_

Advertising (paper, magazine, internet) = \_\_\_\_\_

Commission Negotiated With Buyer (3.5%) = \_\_\_\_\_

Miscellaneous Expense = \_\_\_\_\_

**Total Cost Selling On Your Own** = \_\_\_\_\_

## 25 REASONS WHY OWNERS SHOULDN'T SELL THEIR OWN HOMES

1. Save commission – not true – buyers think commission is included in the price.
2. Danger of under pricing and selling the house for less.
3. Danger of over pricing and taking too long.
4. Get mostly lookers versus serious pre-qualified buyers.
5. Difficulty in negotiating.
6. Not finding out buyers hidden objections.
7. Inexperience in handling objections once you find out what they are.
8. Create an urgency situation for yourself (*i.e. if a listing agent is hired at the last minute, the house may not sell in time forcing you to own two homes or giving the house away*).
9. Problems in financing – types of mortgages, where to go, creative financing, etc.
10. Lack of several different marketing tools – people don't buy from specific ad.
11. Little or no advertising exposure.
12. No follow up system to showings (*i.e. broker calls back*).
13. Buyer must sell his own house before he buys – we can work this out.
14. Owner ad expenses.
15. Lack of home selling experience.
16. Buyers' reluctance on inspection details.
17. Don't know how to justify the asking and selling price to the buyer and to the bank.
18. Not being at home and missing "A Buyers".
19. Allowing complete strangers have access to home.
20. People drive by and not keeping their appointment.
21. Buyers may become interested later and not remembering to follow-up.
22. Buyers take owners' point-of-view with "grain of salt".
23. Processing, settlement, closing problems – broker takes care of.
24. How long on market.
25. Handling binders.

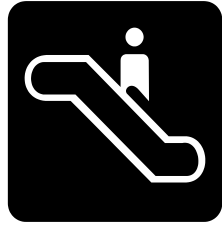
# ***There Are 2 Selling Prices For Every Home***

## **For Sale By Owner Selling Price**

- **Newspaper Ad**
- **Yard Sign**
- **Limited Internet Exposure**

## **Realtor Selling Price**

- **Newspaper Ads that rotate with other houses**
- **Professional For Sale Sign, Rider Signs, and Directional Signs**
- **International Internet Exposure to Buyers**
- **Exposure to Over 700,000 Realtors**
- **National Relocation**
- **Exposure 24/7**
- **Other Sellers Listed With Agents**
- **Target Marketing such as Mailings**
- **Showing Feedback**
- **Trained to Negotiate**
- **Licensed by the State Professional**
- **Other Advertising Vehicles**



# Improving Your Listing Conversation

- Know your competitive advantage
  - *I.E. You versus discount brokers*
- Know your competitions' strength & weaknesses
  - ➔ *DOM*      ➔ *Years in real estate*
  - ➔ *LP\$/SP\$*   ➔ *Current listings*
  - ➔ *Team*

# COMPETITION ANALYSIS FORM

Agent: \_\_\_\_\_ Company: \_\_\_\_\_  
 Address: \_\_\_\_\_ Office Phone: \_\_\_\_\_  
 City: \_\_\_\_\_ Age: \_\_\_\_\_  
 Years Of Experience: \_\_\_\_\_ Yearly Volume: \_\_\_\_\_ Credentials: \_\_\_\_\_  
 Farm Area: \_\_\_\_\_ Years In farm: \_\_\_\_\_ # Of Houses: \_\_\_\_\_  
 Current # Of Listings: \_\_\_\_\_ % Of Yard Signs: \_\_\_\_\_  
 Reputation In Community: \_\_\_\_\_  
 Reputation With Other Agents: \_\_\_\_\_  
 Personality Type: \_\_\_\_\_  
 Specialty: \_\_\_\_\_ Assistants: \_\_\_\_\_

## Marketing Presence in the Following Areas:

Institutional Advertising	Poor	Fair	Good	Excellent	_____
Classified Advertising	Poor	Fair	Good	Excellent	_____
Direct Mail	Poor	Fair	Good	Excellent	_____
Cable Television	Poor	Fair	Good	Excellent	_____
Listing Expired Listings	Poor	Fair	Good	Excellent	_____
Listing FSBOs	Poor	Fair	Good	Excellent	_____
Agent Referrals	Poor	Fair	Good	Excellent	_____

Uses Personal Brochure	Yes	No	_____
Uses Personal Brochure	Yes	No	_____
Video Brochure	Yes	No	_____
Uses Flyers	Yes	No	_____
Just Listed/Sold Postcards	Yes	No	_____
Promotional Post Cards	Yes	No	_____
Promotional Give-A- Ways	Yes	No	_____
Uses a Slogan	Yes	No	_____
Has a Slogan	Yes	No	_____
Has a Logo	Yes	No	_____
Bus bench Advertising	Yes	No	_____
Prices Listings Accurately	Yes	No	_____
Listings Expire Frequently	Yes	No	_____
Advertising is Creative	Yes	No	_____

# Save A Nickel, Lose A Dime



## My Company

Average List Price = \$247,052

Percentage = 96.53%

Average Sales Price = \$238,479.30

## My Company—Your House

\$225,000

96.53%

\$217,192.50

## Other Company

Average List Price = \$235,025

Percentage = 94.33%

Average Sales Price = \$221,699.08

## Other Company—Your House

\$225,000

94.33%

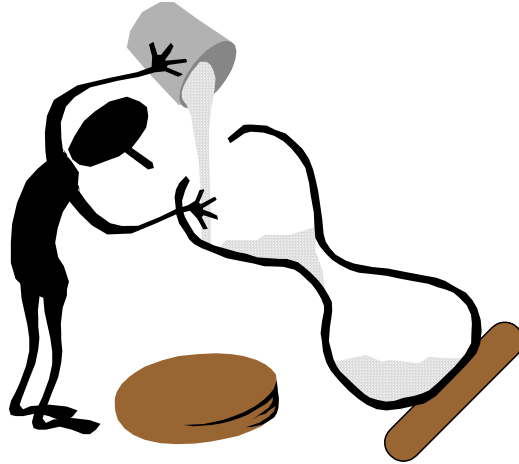
\$212,242.50

My Company, at 7%, Will Net You = \$201,989.03

The Other Company, at 6%, Will Net You = \$199,507.95

***My Company Will Net You  
\$2,481.08 More At Our 7% Commission!***

# Time Is Money



## My Company

Average Days on Market = \_\_\_\_\_

## Other Company

Average Days on Market = \_\_\_\_\_



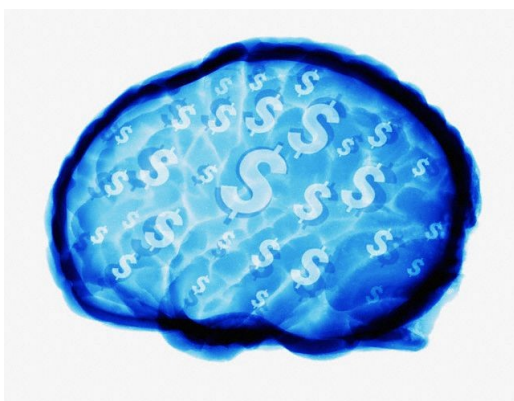
# One-line Commission Phrases

- Discount Brokers – *“You’re paying to have professional licensed trained agents work against you.”*
- Will you cut – *No*
- Beware – *“If an agent is so quick to give away their money to get your listing, how quick will they be to give your money away just to make a sale?”*
- *“If I could do it for the same percentage as the other agent, would you hire me?”*
- Type 7 – 8 – 9- 10 on the listing form.



# One-line Commission Phrases

- *“The commission is actual a marketing tool. The more you pay, the more showings you get, which means a higher sales price to you.”*
- *“If selling a house was a s simple as placing an ad in the paper, you wouldn’t have to be licensed by the state to help other people” (then go over some of the legal forms).*



# Commission Concepts

1. You have to believe whatever a seller can sell for is less than what we can sell it for.
2. You have to believe your worth what you charge.
3. Attract sellers not based on cost, but based on benefits.
4. When the issue is 1%, you only need to prove your 1% better.



# Commission Concepts

5. There is always going to be someone who will charge less than you.
6. Never address commission on the telephone.
7. When you lower your commission, you are not distancing yourself, but lowering your standards.
8. There is no law that says you have to negotiate your commission in 1% increments.



# Commission Concepts

9. If you let a seller dictate your salary, you might as well put a collar around your neck.
10. It doesn't matter what we charge, only what a seller nets.

# An Up-Front Apology



## 7% Commission

The Amount That Covers Expenses  
and Generates a Profit

## 6% Commission

14% Cut in Pay

## 5% Commission

29% Cut in Pay

## 4% Commission

43% Cut in Pay

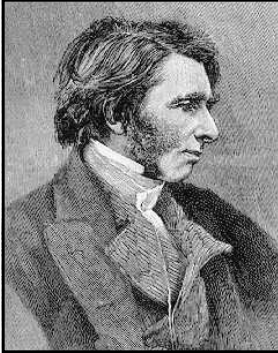
# You Get What You Pay For



# **Blue Light Special!**



**Company's Only Discount  
Items They Believe Won't  
Sell Any Other Way**



## *John Ruskin* *(1819-1900)*

John Ruskin, the greatest Victorian bar Victoria, was an artist, scientist, poet, environmentalist, philosopher, and, importantly here, the pre-eminent art critic of his time.

- ◆ When you pay too much, you lose a little money, that is all. When you pay too little you sometimes lose everything, because the thing you bought was incapable of doing the thing it was bought to do.
  
- ◆ The common law of business balances prohibits paying a little and getting a lot. It can't be done.
  
- ◆ There is hardly anything in the world that someone can't make a little worse and sell a little cheaper and people who consider price alone are this man's lawful prey.

# A Marketing Tool

8%



7%



Agent's are hardly showing our house. No wonder it's not sold yet.

6%

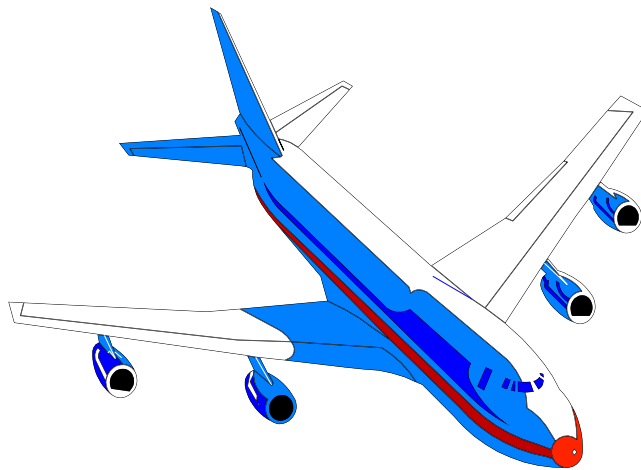
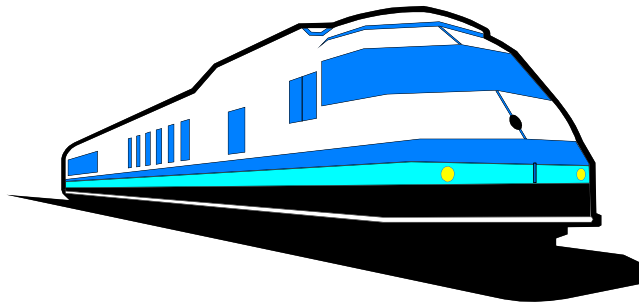
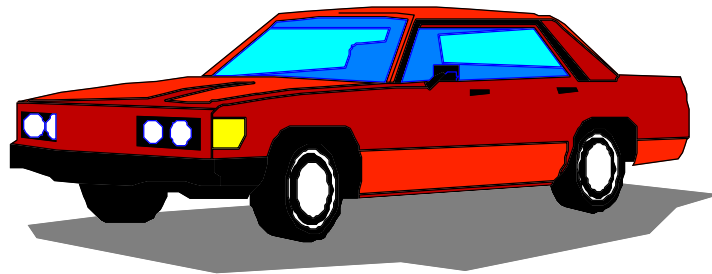


For Sale

# Brain Surgery Special



# *3 Ways To Travel*



# Would You Feel Comfortable Firing A Friend?



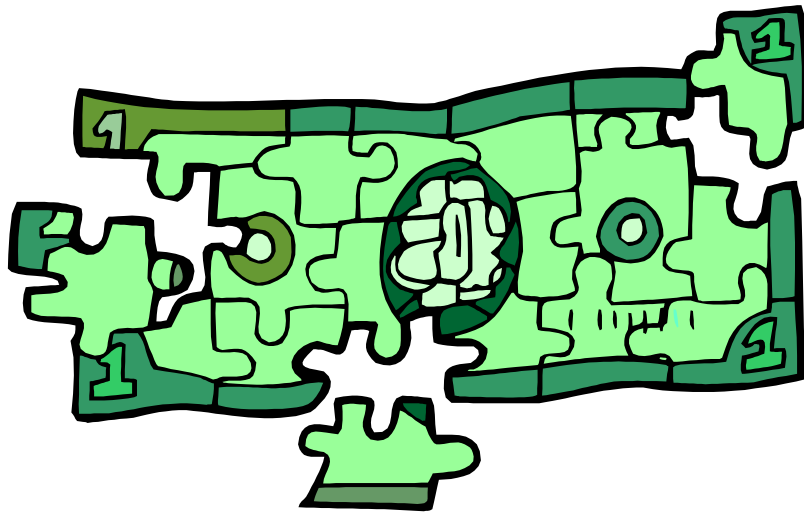
# Investment Banker



# We Have Better Ways To Bring In Business



# Which Service Would You Want Eliminated?



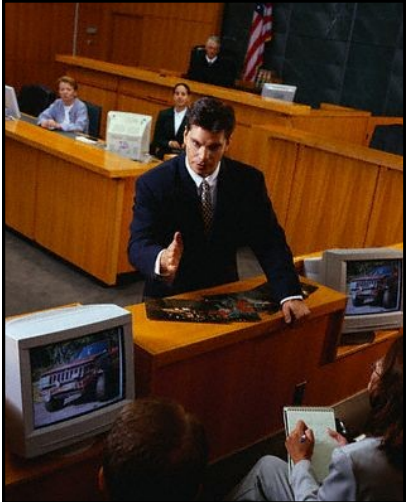
# Integrity



# Hire A Pro



**Doctor**



**Lawyer**



**Accountant**



**Real Estate Agent**

**Who Is Directing  
YOUR Transaction?**

**Sellers  
Buyers  
Appraisers  
Engineers  
Seller's Attorney  
Buyer's Attorney  
Title Company  
Home Inspector  
Bank Representative**

**Your Real Estate  
Professional**



## Serious Buyers Can't Wait?

*"I'm sorry but we're not home right now. If you're calling about the house for sale, please leave your offer at the tone and we'll get back to you sometime soon".*



# A Bowl of Pasta



## There's 2 Ways To Catch A Fish

