

LOVE LAS VEGAS
REALTY

Selling New Homes vs. Resales

– Which is best for my client?

State CE Requirements; You must be *in the classroom* and engaged during the session. The Instructor does have the authority to deny CE for any student that is not participating or who is being a distraction/disturbance to the class. You must *sign in* and *time in*, as well as *out* for the session. Please be sure your name is legible and spelled correctly or the roster for the R.E. Division will not be correct.

Course Objectives: As a result of this session, attendees will be able to clearly distinguish between Agency relationships e.g. a *normal* resale transaction vs. a Referral relationship e.g. how a Builder perceives the introduction of the client to their community. Agents will understand the HERS – Home Energy Rating System – which may make the difference in “*cost of ownership*” vs. “*monthly payment*”. Finally, a review of important contract clauses will allow the Agent to ‘Protect and Promote’ the interests of their Customer/Client or Referral Prospect.

The four questions---

- 1) Where are we Now New Home Market?
- 2) Where do we want To Go /Mission?
- 3) How will we Get There /Strategies - Tactics
- 4) How will we know? What will we measure? How often will we measure it? Who will be doing the measuring?
The Scoreboard principle?



What is a “Motivational Interview”?

Pop Quiz!

How many builders (excluding high end like Blue Heron and SunWest) are active in the Valley?

- a) 21 b) 28 c) 32 d) 38

What % of the SFR/Condo market is NEW?

- a) about 30% b) about 20% c) about 35%

Are you willing to “Collaborate”?

So, in line with that question – who here has sold more than THREE *new homes* in the past 6 months?

Did your Buyer/Client look at **both** NEW & Resale?

Did they *take you*, or did you *take them* to the New Home?

How many communities/models did they see before choosing one?

Were they buying **lifestyle** or something else?

A few thoughts from Michael Sweeney (Train ‘n Tour)

The Elephant under the rug?

Procuring Cause!!!

Pretty much EVERY Builder now **requires** you to accompany your client ON THEIR FIRST VISIT! If your client has REGISTERED on the Builder’s website, most builders will say ‘*their marketing*’ is what caused the sale. Builder’s are NOT automatically in LVR/MLS so **Procuring Cause** is worked out in Court!



Student Outline

#1 – IF/When you're going to show New Homes – meet the on-site agent BEFORE you go! Even if its just on the phone! Build some rapport. Show some respect and courtesy!

Call them on a weekday, preferably not Monday – ask them if they have a few moments to chat about the community.

If you're planning on showing that community – always, always, did Michael say **always make an appointment**. When you show up – if they're expecting you – it's way more professional! You BOTH look good!

Do NOT ask about incentives in front of your clients! Find out on the pre-call.

If/When you have a **Buyer's Broker Contract** – that is between **the Client and Your Brokerage** – Builders have no obligation to honor it (and typically won't)!

Which Builders have a Concierge Service? **See Builder Hotline pamphlet handout.****

A well trained on-site agent will have a series of questions. Builders are excellent in training their Sales staff in this area.

****Be sure and send them a "Thank You" note after showing – because no one else will! And, when they have a 'fall through'...**

Do NOT open the conversation with the Sales Representative with "What are your incentives?" –

****Two Schools of Thought here...**

- 1) Show Up & Shut Up – let the Builder Rep do their magic
- 2) Earn your commission – What is the PLATINUM rule?

OK, I get it – you want me to *earn* my commission – AND if you are writing an offer and *can not* help with the questions – would it be O.K. with my recording your presentation and then I'll listen to it in the car a couple of times before I bring the Clients...



Student Outline

Allow the Builders On-Site representative to *show* your prospect the property. Listen carefully to how they '*build value*'. They may discuss the Builder's track record, financial strength or longevity in the market. They may discuss Energy Efficiency and talk about **home ownership** costs.

First – find out if the product *fits* the client's needs and if it's something they can see themselves living in.

Key Factors!!

Do they have **standing inventory/quick delivery?**

Do they LIST that inventory in MLS? Open House?

Do they have an e-mail list of "Special Agents"?

If they HAVE a "*Concierge* service" – How does it work? Can you '*call it in*'? Ph. # _____

How long is a Registration good for and can it be renewed via phone?
IF ANOTHER AGENT has them registered, when would you find out?

Would the Client get a **BETTER DEAL** if they were NOT represented by a Co-op agent?

Can the client use their own lender? What incentives do they give up?

What to watch for on a **Builder Sales Contract – Check with your Broker on this one! Does your Broker WANT you to go through the Contract with the Buyer – page by page? Because you **KNOW**, the Buyer won't do it!**

Is it Earnest Money, or is it a Deposit? What's the difference?



Student Outline

How long before my Offer is actually **accepted**, and we move into the ‘Under Contract’ stage? Does the Builder only look at offers a certain day/time of the week?

Is there a “Transaction Fee” or other similar cost in the contract?

What is the *average* amount spent on upgrades? 12% - 16%?

Does the Salesperson do a ‘Net Sheet’?

What happens IF/WHEN the house is ready EARLY?

What happens IF (*when*) the house is NOT ready on time?

If the Buyer gets transferred, or sick, prior to closing – what would happen?

Can I have a Home Inspector do my walk through? (Special Insurance requirements!)

How many “New Home” websites are you familiar with:

****If your client registers at a Builder’s site – they won’t cooperate with you!**

New Home Source (BDX) & Builders Update *on MLS

SNHBA?

Review Journal – New Home Guide

These resources ARE NOT CURRENT! G.I.G.O.?

Introducing Clients to the New Home arena

Do you have a LIST of the Builders and their Current communitys? -- R.J. Resource;

<https://www.reviewjournal.com/homes/new-homes/>

This first one is a Search Portal Scroll down!

<http://flipbooks.reviewjournal.com/NewHomesGuide/index.php#page/1>



Student Outline

This one is the digital copy of the Magazine – Check to see if it’s the latest issue! It MIGHT NOT be CURRENT!

A few thoughts about **AGENCY**

Does the Sales Counselor Agent consider you the Buyer’s agent, or, a referral agent?

How strong is your “Product Knowledge”?

Do you know the average price/sq. ft. on a New Home?

What about **Lot Sizes & Lot Premiums?** Apples and Oranges?

The average price/sq. ft. on a resale?

NRS 645.252 Duties of licensee acting as agent in real estate transaction. A licensee who acts as an agent in a real estate transaction:

1. Shall disclose to each party to the real estate transaction as soon as is practicable:

What’s the difference between a “Customer” and a “Client”?

What’s the difference between “Adverse” and “Competing” interests?

So, WHAT *is* a ‘transaction’?

Did you – as soon as is practicable – complete a “Duties Owed” form?

Now you have a ‘transaction’! You must keep records and turn them in to your Broker.

Does the ‘Duties Owed’ form *create* an Agency relationship?

Remember that ‘Agency’ must be *mutually consensual*.

Did you discuss *‘sensitive’* issues e.g. their **finances**?

Did you, at any time, give them *‘advice, guidance or counsel’*?

If you **act** like their agent – *are you* their agent?

What is an “Accusation Audit”

Who’s in control of the conversation?



How Good are your questions?

The SEVEN Questions!

EPS – Equal Professional Service = Systematic Procedures

Keep you in compliance with Fair Housing Issues

Stock Questions

- 1) If it *saved you some time*, would it be O.K. if I asked you some questions? (**Poverty of time?)
- 2) How many homes have you actually seen so far? Tell me about those properties, what you liked and didn't like. How did you find them? What web sites have you been on? Are you using any APPS?
a. Paradox of CHOICE!
- 3) Would you have time to *look at some properties* today?
- 4) So I show you the right properties – I need to ask, will you be paying cash, or financing?
- 5) *(If financing!)* Have you spoken with a lender or gone on-line about financing? If I had a lender that had ZERO closing costs – would you want them to call you?
- 6) How much did you want to put down? How much were you wanting to pay MONTHLY?

Based on what you've told me, at today's interest rates, those amounts put us at about _____ -

- 7) Have you seen any *new homes* in that price range?



If they have seen other property...it opens a whole new line of discussion.

The ORDER of Showing – Why do it like this?

- 1) New Homes ***How much is “THE GAP” - & Who says?**
 - a. It’s a HUGE TIME SAVER – and they learn **VALUE!**
- 2) HUD/VA/HomePath/HomeSteps/Auction.com
 - a. If you don’t – someone else will!
- 3) Your OWN listings – if the broker allows L.A.F.B.
 - a. It’s a CONTROL issue!
- 4) Someone from your S.O.I. that has been *thinking* about selling – OR SOMEONE that has lived in their house a while!
- 5) FSBO’s *if they fit*
 - a. Do NOT discount your fee – they need you more than you need them!
- 6) Expireds (only if you really have a Buyer)
- 7) Your OFFICE listings – the *swing* is TWO?
- 8) O.B. – Other Broker/MLS properties *180% theory?
- 9) Target Farming/Event Farming – I really do have a buyer...?

Buyers live in the PAYMENT, not the price! And *part* of the payment is Utility costs and R&M...

How much do you need to know about New Construction and Building Techniques

Leaking – how ‘tight’ is the home? ****Air Exchange?**

GREEN – LEED ratings. (LEED is actually for Commercial)



Student Outline

The LEED (Leadership in Energy and Environmental Design) is a ratings system that certifies buildings as meeting established standards of energy sustainability and environmental friendliness, both in their interior environments and in their effect on the surrounding ecology.

There are 110 possible points in the LEED rating system, and the awarding of those items by the GBCI is determined by a checklist of qualifications against which a building project is evaluated. In addition, there are a few prerequisite items that a building must meet to qualify for **LEED certification**, regardless of how many checklist items it merits.

The first 100 checklist points are divided into five different areas:

1. Sustainable Sites
2. Water Efficiency
3. Energy and Atmosphere
4. Materials and Resources
5. Indoor Environmental Quality

An additional ten bonus points are given for Innovation and Design (creative solutions to environmental problems) and Regional Priority (special qualifications uniquely important in the region where the building project is located), raising the total potential score to 110 points.

Energy efficiency – *possibly* the great equalizer

Interestingly, we haven't built a new Power Plant in the U.S. for many years. Why not?

HERS – Home Energy Rating System

The U.S. Department of Energy has determined that a typical resale home scores 130 on the HERS Index while a standard new home is awarded a rating of 100.

- A home with a HERS Index Score of 70 is 30% more energy efficient than a standard new home
- A home with a HERS Index Score of 130 is 30% less energy efficient than a standard new home

Some of the variables included in an energy rating are:

- All exterior walls (both above and below grade)
- Floors over unconditioned spaces (like garages or cellars)
- Ceilings and roofs
- Attics, foundations and crawlspaces
- Windows and doors, vents and ductwork
- HVAC systems, water heating system, and your thermostat.

Appliances have been rated for years – the next generation...

Let's talk about "Solar" – Battery/Storage issues!

****What EXACTLY is a *Smart Home*?**

Builder warranties and Gaming Map overlays



Student Outline

Builders have special warranties and disclosures they need to present. The Gaming Map overlay waiting period can be waived? ****Can you get an Extended Private Label Warranty?**

Some thoughts from Builders – Video clips

1/3rd STANDING (or SPEC) INVENTORY – 1/3rd In Production – 1/3rd Build it the way you want it!

Standing **may** be in MLS. Do you want to show the models when there is Standing? The Standing may even be finished w/Washer & Dryer!

Why did Lennar go EI?

The Shootout – Class discussion on the Pros and Cons of each Market – tailored to individual Buyer/Clients

Let's switch gears! Selling!

Do you already know the #1 thing a Buyer wants from their agent?

**Reference the NAR (Annual) Home Buyer/Seller Profile

#1 – Help finding _____ house.

#2 & #3 – Help _____ - _____ & _____

What was the last book you read or audio program you listened to on this topic?

BATNA – stands for B _____ A _____ To N _____

A _____ - What happens if we **don't** get this house?



Student Outline

Switch Cost?

Satisficing? The Nobel Prize in Economics

The “Ben Franklin” close...

The “Reduce to the Ridiculous” close... Would you give up a Starbucks?

N.L.P. – Are you paying attention?

Visual “I SEE what you mean. Show me... Let’s look...”

Auditory “I HEAR you. Sounds good... Tell me about...”

Kinesthetic “I FEEL the best about this one...”

Digital “Can we talk NUMBERS?”

What Generation are they? Why does it matter?

What about *birth order*? Are they an ONLY child? Middle child?

What kind of car do they drive and what does that tell you?

Meta Programs...& Psychographics

Decision Making Protocol

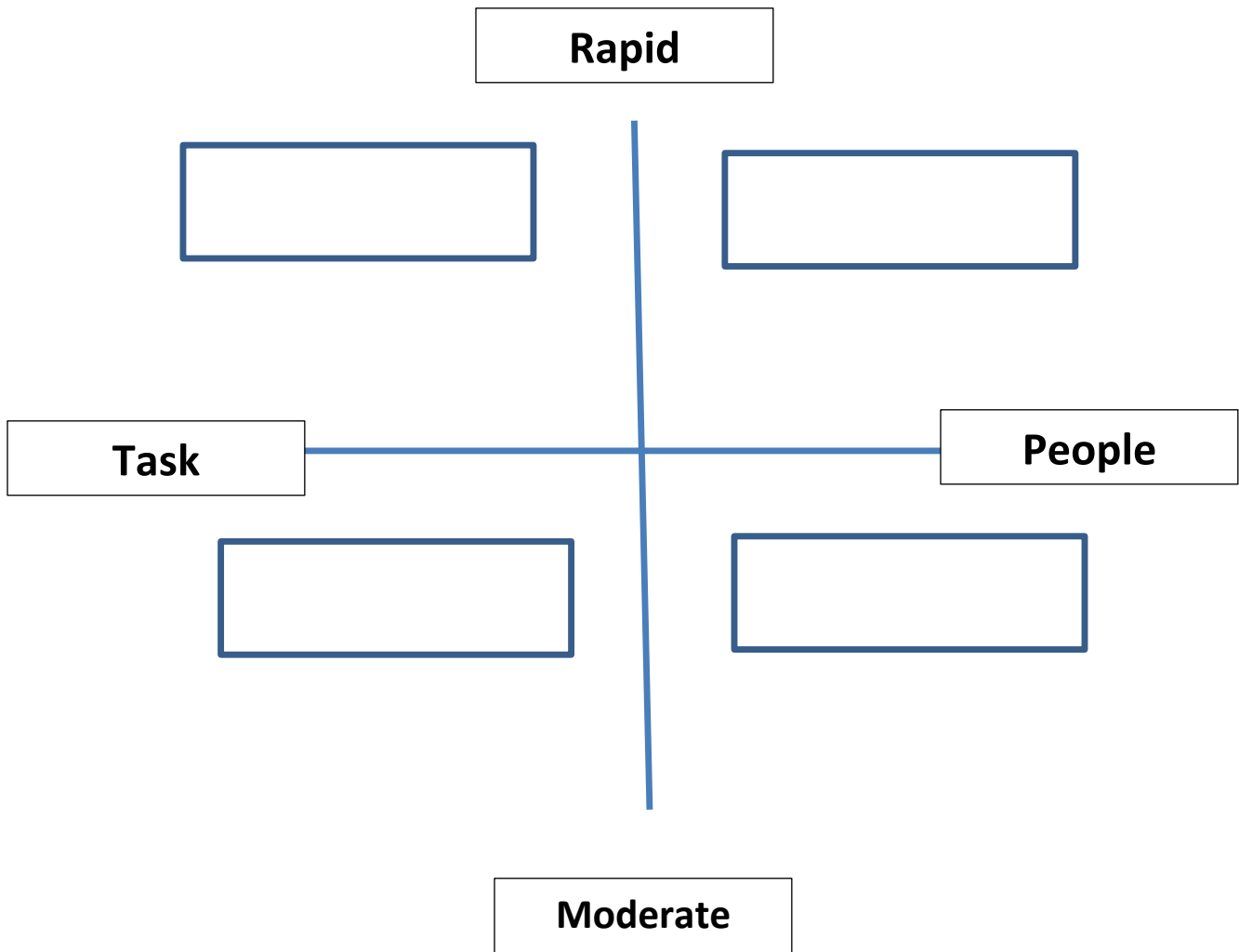
Nickel - Dime - Quarter – Write down the RELATIONSHIPS you see with the three coins.

The *Five* Love Languages by Gary Chapman

Monroe’s Motivated Sequence



Attention, Need, Satisfaction, Visualization, Action



What is the best question to ask to determine where the client falls on the DISC profile?

_____?



Student Outline

The Buyer Counseling Session – Questions and Answers

“Lead with curiosity. Be *interested!* Tell me more!”

Buyers Questions – Is there a better way to ask the following?

“If it saved you some time, would it be alright with you if I asked a few questions?”

1. So that I SHOW you the right properties – will you be paying cash, or financing?
 - a. If FINANCING – have you spoken with a lender yet?
 - b. How much of your savings did you want to put down?
 - c. What monthly payment were you hoping for?
 - d. Based on THAT down payment and monthly – that puts us at a Price Point of approximately \$_____, have you seen ANY homes in that price range?

2. If we found the PERFECT home for you today – what would you need to get in place to be able to insure that no one else gets it? Anyone you’d need to talk with?

3. If there was a home you liked – but you didn’t like the neighborhood – would you consider it?

4. If there was an *ideal time* for you to be in your new home – what would that be?

5. Would you *be willing* to “THINK LIKE AN INVESTOR”?

6. Tell me about your most recent home buying or home selling experience. ****This one is BIG! Spend LOTS of time here! Ask lots of clarifying questions...**

7. Do you have a home to sell before you purchase your next? Yes () No ()
 Is it currently on the market? Yes () No ()

What is the name of the company representing the sale of your home?

_____ Agent Name _____ Phone _____

8. Are you currently in a lease or renting? Yes () No ()
9. Do you already have an area you are most interested in?



Student Outline

- 10. Have you visited any new homes or models? Yes() No ()
Home builders that you like: _____
- 11. Tell me about the home are you living in currently? _____
- 12. What size home would you like to live in next? _____
- 13. Do you have any special requirements that need to be met? _____

- 14. How many family members will be living in your home? _____
- 15. Is lot size important? Yes () No()
Please explain: _____
- 16. Are trees important to you? _____
- 17. Are views important to you? Yes () No ()
- 18. Is proximity to your work important to you? Yes () No ()
- 19. Many homes in our area have "special features." Please check those that may be important to you and your family.
Game Room () Media Room () Jacuzzi Tub () Special Master Bath () Fireplace () Pool ()
Fenced Yard () Sidewalks () Gated Community () Walk-in Closets ()

Please describe briefly the features of your present home that you particularly like or dislike.

****I've asked you LOTS of questions so far. Are there any questions YOU'D like answered?**

State Elicitation as a STRATEGY!!

“You know how it feels when...”

Think about the LAST house you bought (or rented) – when was that?

What was it about that house that made you pick that one?

Was it something you *saw, heard, or just felt*?



Student Outline

Did you pick the MOST expensive, the LEAST expensive, or one in the middle?

How many did you look at and how long did the search take?

How did you know it was time to make a decision?

****References:**

The Full Fee Agent – Chris Voss & Steve Shull**Highly recommended!

Influence – the Psychology of Persuasion – Robert Cialdini

Hot Button Marketing – Barry Feig

Getting to YES – Fisher & Ury

Never Split the Difference – Chris Voss

Waiting for Your Cat to Bark – Brian & Jeffrey Eisenberg

The 4-2 Formula – Jeff Shore = Current Dissatisfaction x Future Promise must be > Cost (My nest egg is gone now! I have to pack my whole house, and then UNPACK it – how + Fear (FOMO/FOBO – What if I don't qualify?)

Also by Jeff Shore *Tough Market New Home Sales* – 2008 a bit dated but still good

Peter Diamandis Blog - & “Moonshots” – Podcast – EXCELLENT

Tim Ferris – 5-Bullet Friday Newsletter

Of Course!!!

Brian Buffini – YouTube Channel & Facebook Group

Tom Ferry – same

Ruthie Rocks – FB Group LOCAL Data



FINALLY – REAL WORLD THOUGHTS...

- 1) Do you permit Nv. Licensed home inspectors? Can they do a “Pre-Drywall” inspection? How do they get permission?
- 2) If the Buyer uses YOUR lender – will they match the Buyer’s lenders offer?
- 3) Will you provide a blank Purchase Agreement for Buyer Review prior to commitment?
- 4) Is this Buyer now registered at ALL your communities and for how long?
- 5) Is there a LIMIT as to increase in Sales Price after Contract is signed?
- 6) Do you have a LIST of Agents for ‘Fall Through’ sales?
- 7) Just so I’m not caught by surprise – are there any other Subdivisions this Buyer might find that I should know about?
- 8) What’s *special* about this Community vs. the competition?
- 9) Can you tell us the *average* % spent on upgrades?



Student Outline

- 10) Lot Premiums – are they included in the financing process?
- 11) If the house is done EARLY/LATE what happens?
- 12) If the Buyer needed an extension, what does that cost?
- 13) What else should I be asking?